

SEC/AR/ 2024

June 11, 2024

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

**Sub : Submission of Integrated Annual Report for the Financial Year 2023-24 and Notice of 79<sup>th</sup> Annual General Meeting (AGM)**

This is further to our letter ref. no. SEC/March-24/2024 dated May 8, 2024 wherein we have informed that our AGM will be held on Thursday, 4th July 2024 at 3.00 p.m. IST through Video Conferencing/Other Audio-Visual Means, in accordance with the circulars issued by the Ministry of Corporate Affairs ("MCA circulars").

In accordance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Integrated Annual Report for the Financial Year 2023-24 and the Notice convening the 79<sup>th</sup> Annual General Meeting, being sent to the members through electronic mode.

The Integrated Annual Report including Notice is also uploaded on the Company's Website [www.larsentoubro.com](http://www.larsentoubro.com).

This is for your information and records.

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

**SIVARAM NAIR A.  
COMPANY SECRETARY &  
COMPLIANCE OFFICER  
(FCS 3939)**

Encl.: as above.

**INTEGRATED  
ANNUAL REPORT  
2023-24**



**ENGINEERING  
A SUSTAINABLE FUTURE**



## VISION

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

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

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





# CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

S. N. Subrahmanyam

## Dear Shareholders

India stands tall as an oasis of opportunity amidst global turmoil and supply chain disruptions. The Government's continuous efforts towards strengthening the domestic economy through **enhanced annual outlays for capital spending, policy shifts towards improving the ease of doing business and creation of a world-class digital infrastructure and payments platform** have all contributed towards fuelling an annual GDP growth rate of minimum 7% for the last three years, and over 8% in the year under review. The motif of '**Aatmanirbharta**' (self-reliance) pursued through innovative schemes like the Production Linked Incentive (PLI) scheme to provide an impetus to manufacturing, the Start-Up India scheme to create an ecosystem for entrepreneurship in digital and technology ventures and the creation of the National Infrastructure Pipeline have set a strong foundation to propel the realisation of a **Viksit Bharat with a USD 35 trillion economy size by 2047**.

During the year under review, your Company has benefitted from all the positive policy interventions and that is evident from the Company's stellar financial performance.

## Group Businesses

Your Company's journey has been one of resilience, innovation, and unwavering commitment to excellence. The diverse business portfolio comprises of:

### 1. EPC Projects (Construction & Energy):

L&T's expertise in executing large-scale EPC projects is unparalleled. Your Company's indelible stamp of excellence graces iconic bridges, hydrocarbon facilities, large solar fields, and infrastructure across India and beyond.

Notable recent achievements include the Mumbai Trans Harbour Link (MTHL), Mumbai Coastal Road Phase 1, and Shree Ram Mandir Ayodhya. Internationally, your Company delivered

the 1.8 GWp Sudair Solar PV plant in Saudi Arabia, a gas compression facility in Algeria, contributed to blue hydrogen infrastructure in Rotterdam, Netherlands among various other projects.

### 2. Hi-Tech Manufacturing (Heavy Engineering and Precision Engineering & Systems):

Your Company's Heavy Engineering division remains a global leader, supplying bespoke industrial equipment. L&T is at the forefront of adapting to Industry 4.0 techniques, ensuring efficiency and quality.

The Precision Engineering & Systems business focusses on indigenous design and has proudly contributed to India's lunar programme through Chandrayaan-3.

### 3. Services (IT, Engineering, Digital, and Financial):

Your Company's listed arms continue to play pivotal roles, creating shareholder value:

**LTIMindtree:** India's 6th largest IT player is a beacon of IT innovation, bridging physical and digital realms.

#### L&T Technology Services (LTTS):

India's leading Engineering and Technology Services company provides cutting-edge ER&D solutions globally.

**L&T Finance (LTF):** Empowers millions of lives with diverse financial products in the retail sector.

Your Company's digital ventures, include **L&T-SuFin** (an integrated B2B marketplace), **L&T Cloudfiniti** (end-to-end data center and cloud services),



**L&T Semiconductor Technologies** (focussed on fabless chip design), and **L&T Edutech** (bridging industry-academia skills gaps), showcase your Company's adaptability and foresight.

#### 4. Other Businesses:

**L&T Realty:** Crafts integrated spaces, residential complexes, and commercial hubs. More than 50 million sq.ft. of properties are currently under development. Your Company's accolades such as 'Best Realty Brand 2024', 'Iconic Developer for the year 2023-24' affirm its commitment to quality.

#### Construction and Mining Machinery:

Your Company's in-house Product Development Centre drives cost-effective solutions, with over 40,000 active machines in the market.

**Others:** A global leader in tyre curing machinery, your Company is the #1 Off-the-Road tyre curing machinery manufacturer in the world. L&T's valves operate across 61 countries, which is a sheer testament to the product reliability.

L&T's legacy continues to shape industries worldwide. Together, your Company continues to build a stronger L&T—one that transcends boundaries and leaves a lasting mark on generations to follow.

#### Group Performance Review

This year, your Company crossed a historic milestone: annual Group

**Crossed  
₹3 lakh  
crore  
Order Inflow**

Order Inflow **surpassed ₹ 3 lakh crore**, and registered an impressive **31% growth** year-on-year.

This was achieved on the back of major

international order wins in Hydrocarbon and Infrastructure businesses. A large, growing and diversified **Order Book of ₹ 4,75,809 crore** as on March 31, 2024, with a growth of 20% over the previous year, provides clear revenue visibility in the medium term.

**Revenues** clocked in at **₹ 2,21,113 crore**, while **Profit After Tax** reached **₹ 13,059 crore**, registering a **21% and 25% growth** respectively.

A combination of improved productivity and reduced capital intensity, including return of capital to the shareholders during the year in the form of your Company's first Share Buyback programme, has resulted in improved return ratios as well.

Your Company continues to focus on **shareholder value creation by investing non-core assets, capturing cost efficiencies, and leveraging technology for productivity gains.**

A strategically diversified business portfolio, geographical diversification, a healthy balance sheet and strong order book are definite markers to long-term value creation.

In line with its stated strategy to grow the core and exit from concessions, your



Company is pleased to inform you that on April 10, 2024, it has

successfully concluded the divestment of its 51% stake in L&T Infrastructure Development Projects Limited, a joint venture having multiple toll road concessions and a power transmission line. For Hyderabad Metro, in addition to receiving financial assistance from the Government of Telangana during the year, your Company has

also concluded monetisation of a commercial property. Going forward, a combination of improved operations, capital restructuring, support from the State Government and Transit Oriented Development (TOD) monetisation will turn the Metro asset value accretive.

In FY 2023-24, your Company **outperformed the Nifty 50 growth index**, achieving a stupendous growth of 77% compared to the index's 29%.

It gives me immense pleasure to inform you that the Board of Directors of the Company has recommended a final dividend of ₹ 28/- per share for FY 2023-24, in addition to the special dividend of ₹ 6/- per share paid during the year, thus making the total **dividend ₹ 34/- per share.**

#### Tech- tonic Shifts

Your Company had embarked on a journey to leverage technology for making progress which is sustainable, well ahead of its global peers. The journey which began long back with exploring how manual activities in the various businesses could get digitalised, ultimately paid rich dividends during the COVID pandemic. As India's leading infrastructure player, L&T was one of the first to realise the importance of digitalisation and began its **digital acceleration journey as early as 2016**. The proactive move to invest in **digital technology** and in **Industrial Internet of Things (IIoT)** to automate the manufacturing processes paid off when remote working became the norm during the pandemic-induced lockdowns. Thus, when it comes to digital initiatives, your Company has consistently been a trend-setter and has constantly led the path in adapting to paradigm shifts.

The qualitative as well as quantitative benefits of digitalisation are now visible. Project execution has become faster, safer, cleaner, more accurate, less polluting, economical, and most importantly, the use of technology has



shaped a more sustainable growth path for your Company.

**Digital Governance** - Today, your Company leverages a vast array of technologies across its various verticals, including **AI, ML, VR/AR, Cloud, Big Data & Analytics, Drones, GPS, RFID & QR Codes, LiDAR, BIM, IoT, 3D printing**. Adoption of more frontier technologies like advanced sensors, embedded software and robotics is in progress. Your Company has digitally connected over 15,000 assets across its global projects and manufacturing bases to a central IoT platform. This generates a wealth of data, which is being leveraged by advanced analytics to optimise asset utilisation and resource planning, ensuring maximum efficiency.



Shree Ram Mandir, Ayodhya, Uttar Pradesh

**Projects** - Under project execution, technologies like **LiDAR and drone-based photometry** have substantially **improved the planning** accuracy (as evident in projects like the creation of a 4.6 km tunnel under Tungreshwar Wildlife Sanctuary as part of the Surya Water Supply Project in Maharashtra and for the aerial survey of a total of 1 lakh hectares of cultivable command area under the Parwati Micro Lift Irrigation Project in Madhya Pradesh). During the year under review, L&T Construction made news by completing in just 45 days, **India's first 3D concrete printed post office building** in Bengaluru, Karnataka. While the technology has been approved by the Building Materials and Technology Promotion Council (BMTPC), the structural design of the post office has been validated by IIT Madras. Your Company built the Ayodhya Ram Temple in Uttar Pradesh with utmost fidelity to the intricate design, using advanced

**RFID for material tracking.** CCTV-enabled **image and video analytics** are constantly helping to **track raw materials** at project sites and assess **worker productivity** and identify their **training needs**.

**Hi-tech Manufacturing** - Your Company's **Precision Engineering & Systems** business has been integral to the development of India's aerospace industry right from the beginning and has been a **trusted partner of ISRO for over five decades**. During the year under review, your Company played **pivotal roles in the successful soft-landing of Chandrayaan-3's Vikram Lander near the south pole of the Moon and in the successful take-off of Aditya L-1, India's first solar mission**. In both missions, your Company manufactured mission-critical launch segments, antennae, radars and tracking systems, and even had its team stationed at ISRO's Sriharikota launchpad for systems integration.

For both Projects and Manufacturing, the creation of **digital twins** has accelerated the delivery process by substantially crunching timelines for designing, modelling and testing, thereby enhancing quality and efficiency, and making the work environment safer.

**The Central Eye** - With a 24x7 monitoring system in place, real-time visibility of all the data on a one-stop dashboard allows the management to take instant reviews of the progress of work anywhere within the L&T universe and make timely and objective data-driven decisions.

Immersive experience in the form of simulated walk-throughs is also allowing L&T Realty to convert more potential customers into actual ones.

Keeping in mind the **requirements of a digital future, your Company has created platforms to promote e-commerce solutions in two areas important for Viksit Bharat**.



L&T develops and provides critical components and systems for India's Space Programme

**L&T-SuFin:** Your Company has created a **digital marketplace**, L&T-SuFin, to enable e-commerce for MSMEs involved in construction and industrial products, and also provides financial and logistical support. It has onboarded more than 42,000 sellers with a catalogue of more than 5 lakh Stock Keeping Units (SKUs) in 49 categories and has crossed a Gross Merchandise Value (GMV) of over ₹ 2,700 crore since inception.

**L&T EduTech:** To bridge the skill gap, your Company has developed L&T EduTech in collaboration with education institutes, corporations, channel partners and government agencies. Aimed at higher education students and working professionals, this platform provides high-quality hybrid education and facilitates skill upgradation in niche core engineering and IT domains. More than 4.2 lakh campus recruitments have been carried out, and over 66,000 students and faculty members have been trained, along with 16,000 working professionals on the platform, as on March 2024.

Taking note of the evolving trends in a digital world and its ramifications, your Company is also **incubating and scaling up new-age businesses like data centers and semiconductor chip design**.

To sum up, with all the thought leadership that your Company has demonstrated so far in delivering global solutions by leveraging technology, **it is essentially a technology company – shaped, driven, and powered by technology, with engineering at its core.**

### Tech-celerating Sustainable Progress

The year witnessed a dual disruption. **Generative Artificial Intelligence** (GenAI) emerged as a **game-changer**, and the severity of **climate change** became undeniable. All of your Company's AI and GenAI initiatives leverage the strength of good data. From co-pilot enabling efficient note-taking in meetings, to using GenAI in tendering, generating technical queries, identifying contractual risks, and creating centralised alerts for every project site globally, your Company has been adapting to the GenAI wave in an innovative way.

**Leveraging AI for Tomorrow** – Your Company recognises the power of AI across the entire project lifecycle, from contract management to design to execution and operation and maintenance. To fuel this innovation, Your Company has launched a collaborative platform. This initiative connects aspiring data scientists with domain experts and technology champions. Together, this team will develop cutting-edge future-proof solutions.

**Digitised Recruitment** – Technology is also playing an important role in onboarding of workers. Your Company has created a digital skill inventory tool named Worker Induction & Skill Assessment (WISA), where around **5 million workers** have been categorised as per 300 plus skill sets of the National Skill Development Council (NSDC). WISA helps managers track the location of each worker, gauge their daily productivity, and suggest training to upgrade their skills.

Its IT arm, LTIMindtree launched Canvas.ai, an enterprise-ready AI platform guaranteeing a 40-50% reduction in app modernisation and cloud migration efforts. By jumpstarting GenAI capabilities for customers, Canvas.ai is poised to disrupt the industry.

Worldover, the importance of embracing **sustainable practices** gained traction. How countries and organisations gear up to make sustainability central to their growth models in order to confront climate change is bound to have an impact on global macroeconomics.

Recognising the environmental impact of its actions, your Company's commitment to responsible corporate governance extends beyond shareholder value creation, prioritising the well-being of the world and the communities it serves.

**By championing Technology, Green practices, and Corporate Social Responsibility (CSR), your Company is well-positioned to navigate this evolving landscape and contribute to a sustainable future.**

### Going Green

Building of climate-friendly infrastructure is likely to be the next big global trend, and that can open up massive possibilities for your Company globally. Aligned to its sustainability vision 'For A Better World', your Company has developed strong capability in executing projects for its customers in **Clean Energy, Clean Mobility, Water and Sanitation, Green Infra** and other areas. Collectively termed as '**Green Business**', such projects help in lowering carbon emissions, improving water availability, recycling and reuse, scaling up energy efficiency, reducing air pollution, and enhancing resource conservation.

**Green Buildings** - Your Company is in the business of constructing green buildings which are LEED/IGBC/GRIHA-

**14.8**  
Mn sq.ft.  
of Green Buildings  
Infrastructure

certified. Through their design, construction and operations, Green

Buildings help reduce carbon emissions, energy and waste, and also conserve water. In FY 2023-24, your Company created Green Buildings infrastructure of 14.8 million sq.ft. (and cumulatively 42 million sq.ft. over last five years).

**Clean Mobility** - Your Company is an active participant in clean mobility through execution of mass transit systems offering faster, affordable and greener modes of transport. In this cause, your Company completed electrification of more than 3,400 track km in FY 2023-24.

**Clean Energy** - Your Company is in the business of building Clean Energy projects supporting the global megatrend towards low/no carbon energy generation. This includes renewable energy plants, primarily solar and hydro, as well as nuclear power plants.

The Renewables business group offers comprehensive EPC services globally for GW-scale Solar PV, Energy Storage, Microgrid, and Hybrid Renewable Projects. This expertise allows your Company to handle diverse module technologies, mounting structures, and storage types, a capability offered by very few players.

**Solar Power** - 5.8 GWp constructed globally, with an additional 12 GWp

**2.2**GWp  
of  
Solar Energy  
Capacity

under execution. In FY 2023-24, your Company commissioned 2.2 GWp of solar capacity.

**Hydel Power** - 3.5 GW constructed, with 6.2 GW under execution (including storage).



**Nuclear Power** - 6.2 GW constructed, with 6.8 GW under execution.

Your Company contributes to the mitigation of carbon footprint through the production of equipment for renewable diesel and bio-fuel and through emission control technologies such as flue gas desulphurisation, which removes sulphur dioxide (SO<sub>2</sub>) from the exhaust flue gases of fossil fuel-based power plants.

**Conscious Execution** - Your Company strives to ensure that during project execution stage too, environmentally sustainable measures are undertaken, which are in sync with local ecological conditions.

**Taking care of Ecology** - The actions span from translocation of coral patches and development of marine biodiversity plan in Mumbai Coastal Road Project to preservation and planting of mangroves at Mumbai Ahmedabad High Speed Rail Package.

**Selection of Materials** - Your Company promotes the use of low-carbon materials such as fly ash and granular blast furnace slag to blend with cement at its construction sites. This results in concrete with lesser embodied carbon, which is good for the environment and a great way for safe disposal of fly ash. Share of fly ash and granular blast furnace slag in cementitious materials stood at 14% in FY 2023-24.



90 MWp Floating Solar Project, Omkareshwar, Madhya Pradesh

Overall, the **Green Business contributed 50% to the revenue of the Company on standalone basis in FY 2023-24.**

**Green Energy Business** - During the year under review, your Company has constituted a Green Energy Council with

globally renowned energy sector experts to provide expertise and strategic guidance on technology trends in green energy, analyse the evolving global policy framework in this space, evaluate emerging business models, and advise on possible collaborations.

L&T Energy Green Tech, a wholly owned subsidiary of your Company, has a strategic vision to develop Green Hydrogen and Green Ammonia plants in India, catering to both domestic consumption and international markets. For domestic operations, your Company has entered into a Joint Venture (JV) agreement with Indian Oil Corporation Ltd. and ReNew, a move aimed at spearheading India's growing Green Hydrogen sector.

Your Company created a major benchmark for 'Make in India' during the year under review. It commissioned its first indigenously manufactured 1 MW Hydrogen Electrolyser (expandable to 2 MW) at its Green Hydrogen Plant. L&T Electrolysers plans to leverage its upcoming giga-scale facility in Hazira to meet the growing demand for green hydrogen, maximise product localisation through an enhanced local supply chain, and serve export markets as well.

Towards the goal of becoming **Carbon Neutral by 2040**, your Company has reduced energy intensity by 16% and emission intensity by 12%, during the year under review. This was achieved mainly by diesel consumption optimisation through digitalisation, switching from diesel-powered equipment to grid electricity or low carbon fuel. In addition, your Company is working to increase renewable energy sourcing. Options like on-site ground mounted Solar and Renewable Open Access are being implemented across manufacturing and office locations.

**These initiatives underscore your Company's commitment to driving sustainable development and facilitating the global transition towards clean energy solutions.**

Your Company believes in the following maxim – 'We have inherited this earth from our ancestors, we cannot afford to borrow it from our children too'. It is a collective responsibility to leave a habitable planet for future generations, and thus we must refrain from irresponsible use of natural resources. Your Company is not only translating this belief into action for itself, it is also helping others to do the same.

## Social Initiatives & Community Service

Your Company is a firm believer in fostering inclusive growth and in building long term relationships with all stakeholders based on mutual trust and respect. Thus, your Company identifies itself in spirit and deed with the members of the community wherever it operates. Your Company has undertaken CSR initiatives, which have benefitted more than 16 lakh people.

Benefitted  
**1.6+ Mn**  
people through  
CSR initiatives

During the year under review, your Company has carried forward that tradition, and focussed on initiatives pertaining to health, education, skill development and water & sanitation.



Girls in STEM



Your Company planted **4 million saplings globally**. Your Company's Integrated Community Development Programme (ICDP), initiated 10 years ago, has helped in building resilience in rural communities, especially in remote **water-scarce locations of Maharashtra, Tamil Nadu, and Rajasthan, covering an area of ~43,091 hectares** (the size of over 57,000 soccer fields). Furthermore, a total of **10,974 youth completed various courses at the nine Construction Skill Training Institutes (CSTIs) and the five sub-centres**. Over the years, communities have seen tangible and durable benefits from your Company's presence. Change cannot happen overnight, but with every step, your Company gets closer to the social goals it has set for itself.

### Governance & Ethics

Your Company believes responsible corporate governance is the foundation for long-term success. Committed to the highest ethical standards in all business dealings, fostering transparency and accountability throughout the organisation, your Company's robust governance framework ensures compliance with regulations and global best practices.

### Workplace Safety

Safety remains a paramount concern for the leadership team. This commitment is reflected in your Company's 'Mission Zero Harm' principle and the 'L.I.F.E.' (Live Injury-Free Everyday) Framework. Leading by example to ensure a safe working environment for all employees and stakeholders, allocating significant resources and assigning clear responsibilities is a top priority. Your Company takes full responsibility for this and has thoroughly investigated all incidents. Enhanced supervision, more frequent safety briefings, expert consultations for high-risk projects, and stronger engagement with subcontractors are some of the initiatives that has been further strengthened. Your Company remains

firmly committed to protecting lives of every employee both on-site and in office as every life matters.

With safety-first approach, the image and video analytics have enabled your Company to maintain a strict vigil to spot violations of safety protocols and instant alerts are generated to inform the concerned site managers. Use of **robotics** has helped in making previously hazardous operations **accident-free**. Use of VR, AR and Mixed Reality HoloLens has provided an edge in training your Company's manpower to handle specialised equipment and in also getting accustomed to working in unfamiliar terrains and challenging situations.

Your Company is also making innovative use of technology to improve safety practices. Your Company has **groomed more than 500 safety champions** who have benefitted from digital training on safety protocol and then spread the lessons learnt among their peer and linguistic groups.

### International Business

In today's VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world, the key to mitigate geopolitical risk is through geographical diversification. While **India, the Middle East, Africa and ASEAN** are the active markets for your Company's **EPC businesses, Hi-Tech Manufacturing** is a healthy mix of **local and international exposure**. **Financial Services**, on the other hand, is **largely domestic** on the retail side, whereas **IT Services** and **Technology Services** are predominantly international, with **Americas and Europe** being the primary geographies. This policy of aiming

for wider geographical dispersal aids broad-basing your Company's portfolio, continues to yield positive results, and de-risks exposure to a particular region.

**International Orders: 38% of Order Book in FY 24**

At the Group level, apart from the 62% domestic share in the total Order Book, the Middle East is the other significant source of orders, accounting for 35%, while the rest of the world accounts for the balance 3%.

In revenue terms at the Group level, apart from the share of 57% generated from India (mostly from EPC), USA and Europe jointly account for 17% of the revenues (generated mostly from technology businesses), the Middle East accounts for 22% (generated from EPC), and the balance 4% is generated from the rest of the world.

As part of its due diligence exercise, your Company carries out extensive analysis of sovereign and client financial strength at the time of bidding for projects. As per the MEED (Middle East Economic Digest) February 2024 report, **L&T was the top contractor in terms of projects awarded in Saudi Arabia in 2023**.

### People Power

Your Company is what it is today because of its people. Your Company's eight decades of success is attributable to the dedication, hard work and accomplishments of every member of Team L&T. Your Company's people policies revolve around the core principles of onboarding the right talent, providing them with a conducive work environment, nurturing talent, i.e. offering opportunities for learning and self-development, empowering them by encouraging collaboration and innovation, recognising, rewarding, and celebrating achievements, facilitating career transition and mobility, as well as promoting gender diversity. For the **second consecutive year, your Company has been recognised as a Great Place to Work (GPTW)**.



Your Company's commitment to excel extends beyond traditional training methods. Your Company offers a multitude of online digital platforms with rich content on self-improvement courses, accessible to all employees. During the year under review, a staggering 36 lakh learning hours were clocked by nearly 42,000 employees on these various platforms – both online and offline.

Your Company's transformation to a technology powerhouse and creation of a team of digital natives has been possible because of the employees' willingness to embrace change, and the emergence of numerous young digital champions deserves a special mention in this transformation.

### Diversity, Equity & Inclusion

Your Company's transformation into a tech-driven conglomerate has a direct bearing on its Diversity, Equity & Inclusion (DEI) quotient. There is empirical evidence on how women participation in both engineering and non-engineering roles has translated into improvements in efficiency across operations. With several exclusive career-assisting schemes for females and installation of women-friendly facilities in the offices, your Company is on course to achieve its Lakshya target of women employees comprising 10% of the total employee strength by 2026.

During the year under review, your Company has hired 1,766 female employees. Female employees comprised 8.1% of your Company's employee strength as on March 31, 2024.

### Customer Centricity

Your Company's relentless efforts to stay ahead of the competition by investing in frontier technologies and delivering excellent governance are ultimately aimed at enhanced customer delight through improved performance, better solutions and completing projects on time and within budget. The unwavering commitment to the customers remains your Company's guiding force as it is well aware that there can be no better advertisement of one's capabilities than a satisfied and delighted customer.

### Conclusion

Among the transformational shifts happening throughout the world, your Company is well-positioned to ride the waves and reap the rewards. Its proven expertise in building world-class infrastructure and EPC projects across multiple sectors, readiness to participate in the energy transition opportunities, proven capabilities in Hi-Tech Manufacturing and Services, and its emphasis on leveraging technology to deliver top-quality output, place your Company in a sweet spot to take advantage of the opportunities as they unfold. Further, all the businesses are aligned with the larger goals of transitioning into a cleaner, greener economy.

I would like to thank our employees, our customers, supply chain partners, and the Government for their contributions, directly and indirectly, to our growth. I also thank my fellow Board members for their invaluable support in guiding the Company through volatile times when there are multiple variables at play.

My special thanks to all our shareholders for the trust you have reposed in us. You remain an invaluable pillar of strength, and I look forward to your continued support in our journey towards achieving higher levels of excellence.

For nearly eight decades, your Company has served as a cornerstone of India's infrastructure and industrial development. The unwavering commitment to 'Building India' is deeply embedded in the DNA of every L&T-ite. Your Company is not merely present in core sectors of the economy; it is consciously structured to anticipate and swiftly respond to the nation's evolving needs.

Your Company takes immense pride in being the architect behind many of India's most iconic landmarks and critical infrastructure projects. From grand structures like the Statue of Unity to the intricate engineering marvels powering India's space missions, your Company consistently strives to deliver projects that not only serve a purpose but also inspire national pride. Your Company's commitment extends beyond brick and mortar, fostering innovation and technological advancements, continuously pushing boundaries to ensure India remains at the forefront of global progress.

This dedication to excellence has earned your Company the reputation as a Nation-builder, instrumental in shaping the landscape of a new, modern and aspiring India. **L&T BUILDS THE THINGS THAT MAKES INDIA PROUD.**

*Jai Hind!*

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# COMPANY INFORMATION

**MR. A. M. NAIK**

Chairman Emeritus

## BOARD OF DIRECTORS (AS ON MAY 8, 2024)

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**MR. S. N. SUBRAHMANYAN**

Chairman & Managing Director

**MR. R. SHANKAR RAMAN**

President, Whole-time Director & CFO

**MR. SUBRAMANIAN SARMA**

Whole-time Director & President (Energy)

**MR. S. V. DESAI**

Whole-time Director & Sr. Executive Vice  
President (Civil Infrastructure)

**MR. T. MADHAVA DAS**

Whole-time Director & Sr. Executive Vice  
President (Utilities)

**MR. ANIL V PARAB**

Whole-time Director & Sr. Executive Vice  
President (Heavy Engineering & L&T Valves)

**MR. ADIL ZAINULBHAI**

Independent Director

**MR. SANJEEV AGA**

Independent Director

**MR. NARAYANAN KUMAR**

Independent Director

**MR. HEMANT BHARGAVA**

Nominee of Life Insurance Corporation of India  
(upto May 27, 2024)

**MRS. PREETHA REDDY**

Independent Director

**MR. PRAMIT JHAVERI**

Independent Director

**MR. RAJNISH KUMAR**

Independent Director

**MR. JYOTI SAGAR**

Independent Director

**MR. AJAY TYAGI**

Independent Director

**MR. P R RAMESH**

Independent Director

**MR. SIDDHARTHA MOHANTY**

Nominee of Life Insurance Corporation of India  
(from May 28, 2024)

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### Company Secretary & Compliance Officer

Mr. Sivaram Nair A

### Registered Office

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

### Auditors

M/s. Deloitte Haskins & Sells LLP

### Registrar & Share Transfer Agents

KFin Technologies Limited

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79<sup>th</sup> Annual General Meeting through Video Conferencing or Other Audio-Visual Means on Thursday, July 4, 2024 at 3:00 p.m. IST



# The

The world is on fast-forward.

The climate is flashing red.

# Future

Curiosity is accelerating innovation.

It's not enough to just keep up. It's time to take the lead.

# Isn't

We are forging a path to a cleaner future, one innovation at a time.

Built on the bedrock of engineering, fuelled by technology.

# Waiting.

This isn't just about keeping the lights on. It's about lighting the way forward.

# EXECUTIVE COMMITTEE (ECOM)



**S. N. Subrahmanyam**  
Chairman & Managing Director



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



**Subramanian Sarma**  
Whole-time Director &  
President (Energy)



**S. V. Desai**  
Whole-time Director &  
Sr. Executive Vice President  
(Civil Infrastructure)



**T. Madhava Das**  
Whole-time Director &  
Sr. Executive Vice President  
(Utilities)



**Anil V. Parab**  
Whole-time Director &  
Sr. Executive Vice President  
(Heavy Engineering and L&T Valves)



**M. V. Satish**  
Advisor to the Chairman & MD  
(Buildings)



**D. K. Sen**  
Advisor to the Chairman & MD  
(Development Projects, Minerals & Metals,  
L&T Special Steels & Heavy Forgings,  
L&T-SuFin and L&T Aviation)

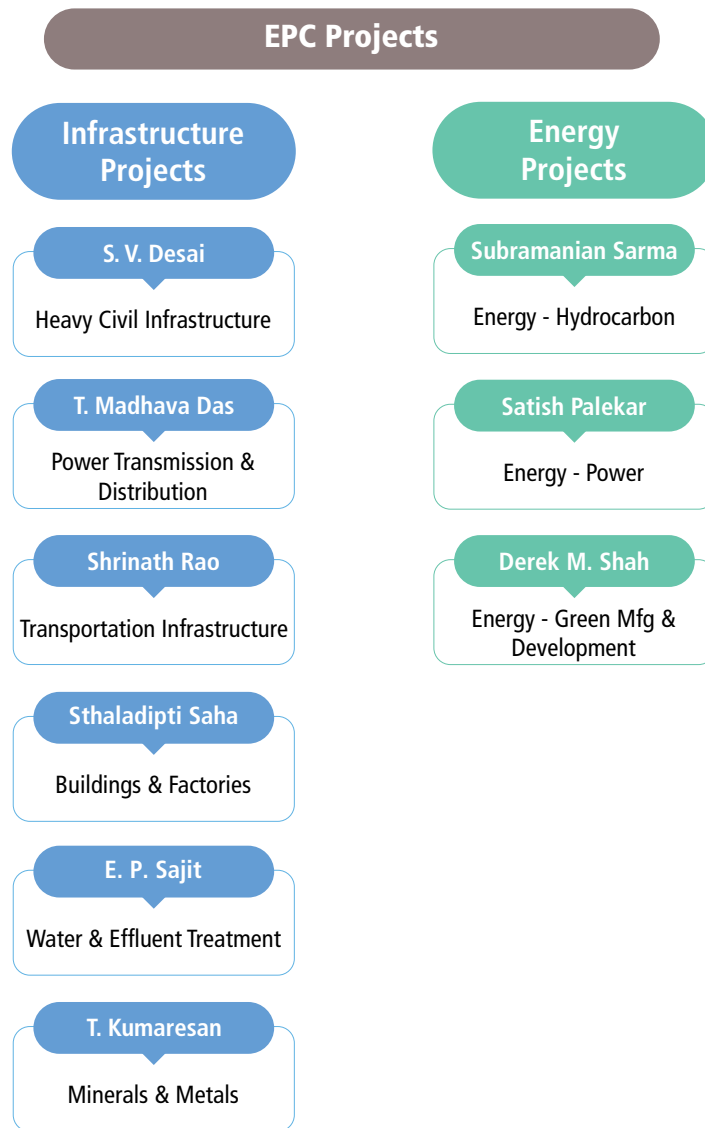


**J. D. Patil**  
Advisor to the Chairman & MD  
(Precision Engineering and Systems,  
and L&T Semiconductor Technologies)



**Shrikant Joshi**  
Advisor to the Chairman & MD  
(L&T Realty)

# GROUP BUSINESS STRUCTURE



## S. N. Subrahmanyam Chairman & Managing Director

### Hi-Tech Manufacturing

**Anil V. Parab**

Heavy Engineering and  
L&T Valves

**Arun Ramchandani**

Precision Engineering and  
Systems

### Development Projects

**K. V. B Reddy**

Hyderabad Metro

**S. K. Narang**

Nabha Power Limited

### Other Businesses

**Anupam Kumar**

L&T Realty

**Arvind Garg**

Construction, Mining, and  
Industrial Machinery

Rubber Processing  
Machinery

Hydraulics

### IT & Technology Services

**Debashis Chatterjee**

LTIMindtree

**Amit Chadha**

L&T Technology Services

Digital Services &  
E-Commerce Platforms

L&T-SuFin

L&T EduTech

L&T Cloudfiniti

L&T Semiconductor  
Technologies

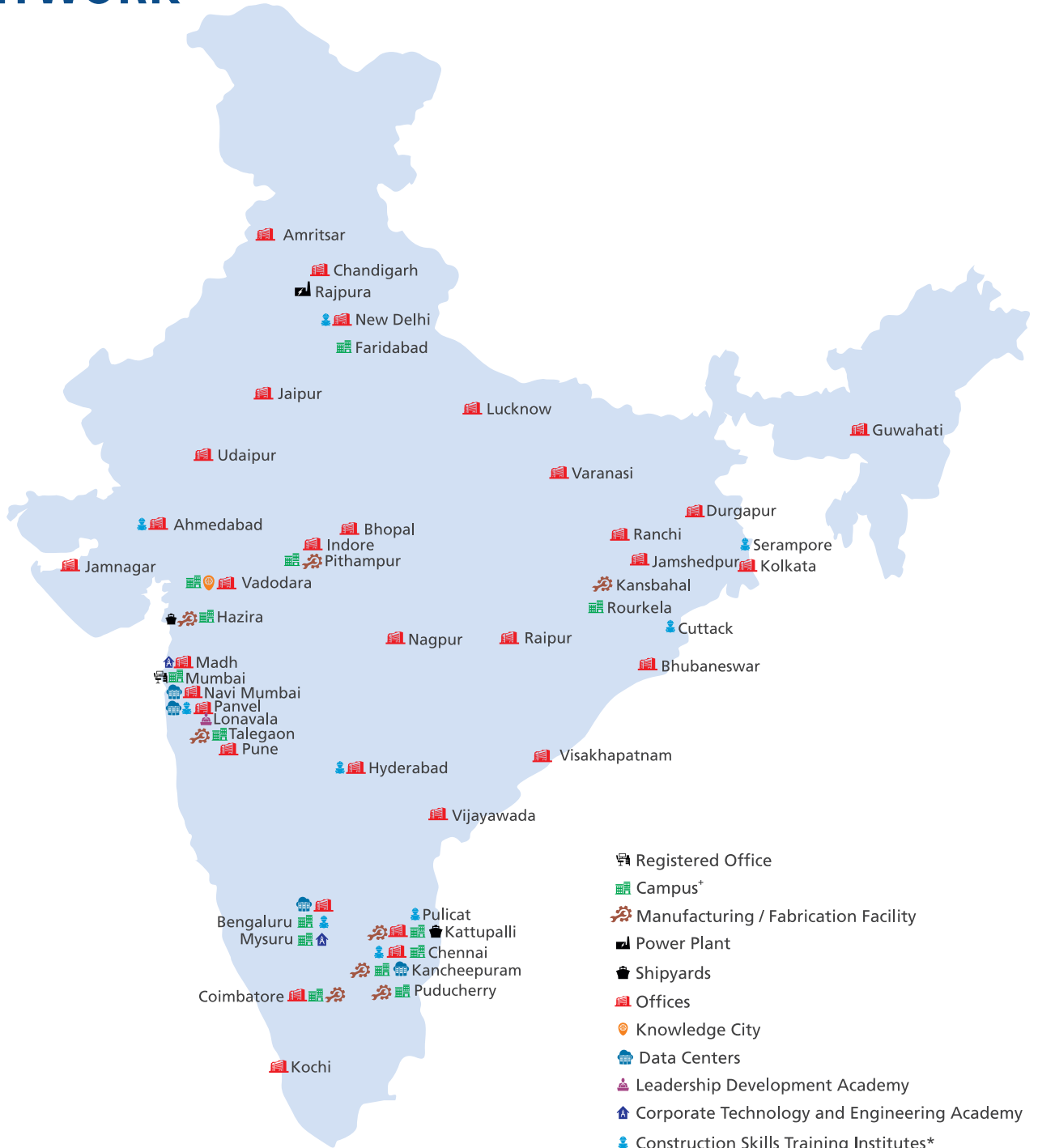
### Financial Services

**Sudipta Roy**

L&T Finance



# NATIONWIDE NETWORK



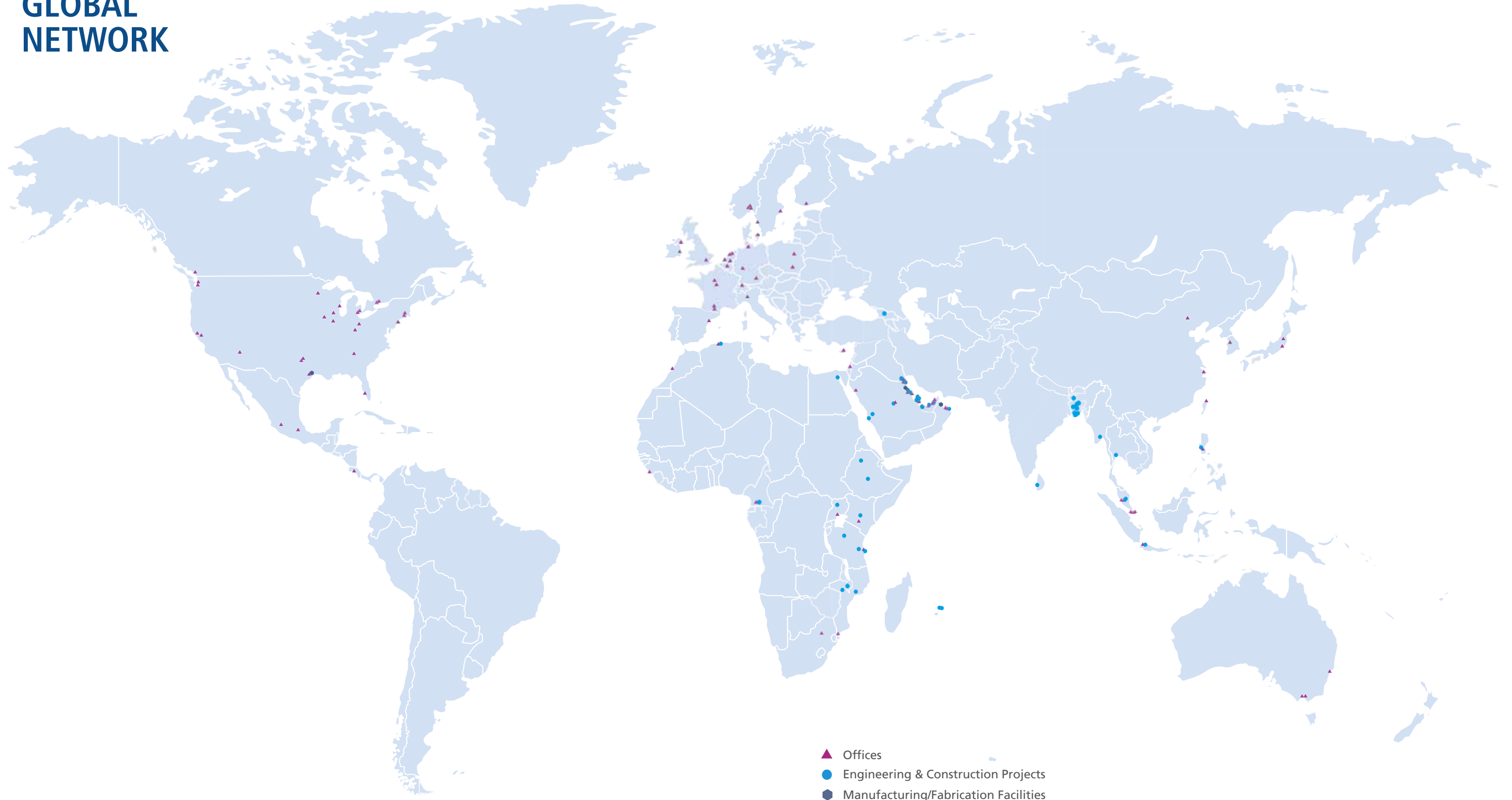
This pictorial representation does not purport to be the political map of India.

- Registered Office
- Campus<sup>+</sup>
- Manufacturing / Fabrication Facility
- Power Plant
- Shipyards
- Offices
- Knowledge City
- Data Centers
- Leadership Development Academy
- Corporate Technology and Engineering Academy
- Construction Skills Training Institutes\*

<sup>+</sup> Campus denotes facilities for design and manufacture

\* Part of L&T's Corporate Social Initiatives

# GLOBAL NETWORK





## CELEBRATING THE JOY OF GIVING

Larsen & Toubro is leading the change by creating happier, brighter tomorrows for 1.6 million lives through our CSR initiatives on Water & Sanitation, Education, Health, Greening, and Skill Building.

### Building India's Social Infrastructure

Access to Clean Water | Sustainable and Climate Resilient Agriculture | Building Hygienic and Dignified Sanitation Facilities | Water Harvesting Structures | School Infrastructure | Community Learning Centres | 'Engineering Futures' through STEM Education Programmes | Digitizing Schools | Community Health Centres | Mobile Medical Units | Health Awareness and Health Camps | Supporting National Health Missions | Technology Based Skill Training for Youth | Skilling Of Women | Skill Trainers Academy

## STANDALONE FINANCIALS- 10 YEAR HIGHLIGHTS

₹ crore

Description	← IndAS <sup>[12]</sup> →										IGAAP <sup>[12]</sup>
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	
← <sup>[9]</sup> →      ← <sup>[10]</sup> →											
<b>Statement of Profit and Loss</b>											
Gross revenue from operations <sup>[1]</sup>	126236	110501	101000	87255	82384	82287	74612	66301	63813	57558	
PBDIT <sup>[1][2]</sup>	9685	9295	9055	8309	6838	7653	7701	6481	5829	6488	
Profit after tax (excluding exceptional items <sup>[3]</sup> )	8856	7849	7612	5966	5414	5466	4861	4560	4454	4699	
Profit after tax (including exceptional items <sup>[3]</sup> )	9304	7849	7879	11798	6679	7491	5387	5454	5000	5056	
<b>Balance Sheet</b>											
Net worth	64416	71528	67114	61738	52175	50048	49174	46013	42135	37085	
Borrowings	22540	18151	20298	24474	25785	11990	10561	10558	13924	12936	
Capital employed	86956	89679	87412	86212	77960	62038	59735	56571	56059	50021	
<b>Ratios and statistics</b>											
PBDIT as % of net revenue from operations <sup>[1][4]</sup>	7.67	8.41	8.97	9.52	8.30	9.30	10.34	9.86	9.23	11.38	
PAT as % of (net revenue from operations <sup>[1]</sup> ) <sup>[5]</sup>	7.37	7.10	7.80	13.52	8.11	9.10	7.23	8.30	7.91	8.87	
RONW % <sup>[6]</sup>	13.69	11.32	12.23	20.54	13.07	15.74	11.32	12.37	12.39	14.30	
Gross Debt: Equity ratio	0.35:1	0.25:1	0.30:1	0.40:1	0.49:1	0.24:1	0.21:1	0.23:1	0.33:1	0.35:1	
Basic earnings per equity share (₹) <sup>[7]</sup>	66.95	55.85	56.09	84.02	47.59	53.43	38.46	39.00	35.81	36.31	
Book value per equity share (₹) <sup>[8]</sup>	468.59	508.92	477.67	439.55	371.65	356.79	350.90	328.79	301.57	265.85	
Dividend per equity share (₹) <sup>[8][11]</sup>	34.00	24.00	22.00	36.00	18.00	18.00	16.00	14.00	12.17	10.83	
No. of equity shareholders	15,64,085	14,25,064	14,92,124	13,71,535	12,51,569	10,21,275	8,99,902	9,23,628	10,28,541	8,53,824	
No. of employees	59,344	55,202	50,267	49,107	45,467	45,205	42,924	41,466	43,354	44,081	

<sup>[1]</sup> For Continuing Operations in 2020-21, 2019-20 and 2018-19.

<sup>[2]</sup> Profit before depreciation, interest and tax (PBDIT) is excluding exceptional items wherever applicable and other income.

<sup>[3]</sup> Profit from discontinued operations in the year 2020-21, 2019-20 and 2018-19 has been considered as exceptional item.

<sup>[4]</sup> PBDIT as % of net revenue from operations = [(PBDIT)/(gross revenue from operations less excise duty up to June 30, 2017)].

<sup>[5]</sup> Profit After Tax (PAT) as % of net revenue from operations = [(PAT including exceptional items)/(gross revenue from operations less excise duty up to June 30, 2017)].

<sup>[6]</sup> RONW [(PAT including exceptional items)/(average net worth excluding revaluation reserve)].

<sup>[7]</sup> Basic earnings per equity share has been calculated including exceptional items and adjusted for all the years for issue of bonus shares.

<sup>[8]</sup> After considering adjustments for issue of bonus shares during the respective years.

<sup>[9]</sup> Figures from 2020-21 include the impact of the merger of L&T Hydrocarbon Engineering Limited with the Company.

<sup>[10]</sup> Figures from 2018-19 include the impact of the merger of L&T Shipbuilding Limited with the Company.

<sup>[11]</sup> Dividend for 2020-21 includes special dividend of ₹ 18.00 per share and final dividend of ₹ 18.00 per share. Dividend for 2023-24 includes special dividend of ₹ 6.00 per share and final dividend of ₹ 28.00 per share.

<sup>[12]</sup> Figures from 2015-16 are as per Ind AS and for 2014-15 are as per IGAAP and hence not directly comparable.

# CONSOLIDATED FINANCIALS- 10 YEAR HIGHLIGHTS

₹ crore

Particulars	Ind AS <sup>[11]</sup>										IGAAP <sup>[11]</sup>
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	
<b>Statement of Profit and Loss</b>											
Gross revenue from operations <sup>[1]</sup>	221113	183341	156521	135979	145452	135220	119862	110011	101975	92762	
PBDIT <sup>[1][2]</sup>	23494	20753	18205	15624	16329	15330	13641	11130	10463	11258	
Profit for the year [PAT]	15547	12531	10419	12921	10894	10217	8004	6486	4545	4966	
Profit attributable to the Owners of the Company (excluding exceptional items <sup>[3]</sup> )	12966	10374	8572	6965	8894	8144	7151	5920	4154	4470	
Profit attributable to the Owners of the Company (including exceptional items <sup>[3]</sup> )	13059	10471	8669	11583	9549	8905	7370	6041	4233	4765	
<b>Balance Sheet</b>											
Net worth attributable to the Owners of the Company	86359	89326	82408	75869	66723	62375	54904	50217	44180	40909	
Non-controlling interest	16190	14241	12966	12052	9521	6826	5201	3564	2893	4999	
Borrowings	114040	118513	123468	132605	141007	125555	107524	93954	88135	90571	
Capital employed	216589	222080	218842	220525	217251	194756	167629	147735	135208	136479	
<b>Ratios and statistics</b>											
PBDIT as % of net revenue from operations <sup>[4][1]</sup>	10.63	11.32	11.63	11.49	11.23	11.34	11.40	10.18	10.35	12.24	
PAT as % of (net revenue from operations <sup>[1]</sup> ) <sup>[5]</sup>	7.03	6.83	6.66	9.50	7.49	7.56	6.69	5.93	4.49	5.40	
RONW % <sup>[6]</sup>	14.87	12.19	10.95	16.25	14.80	15.35	14.12	12.80	9.91	12.13	
Gross Debt: Equity ratio	1.11:1	1.14:1	1.29:1	1.51:1	1.85:1	1.81:1	1.79:1	1.75:1	1.87:1	2.21:1	
Basic earnings per equity share (₹) <sup>[7]</sup>	93.96	74.51	61.71	82.49	68.04	63.51	52.62	43.20	30.32	34.22	
Book value per equity share (₹) <sup>[8]</sup>	628.22	635.55	586.52	540.16	475.27	444.67	391.78	358.83	316.20	293.29	
Dividend per equity share (₹) <sup>[8][9][10]</sup>	34.00	24.00	22.00	36.00	18.00	18.00	16.00	14.00	12.17	10.83	

[1] From Continuing Operations in 2020-21, 2019-20 and 2018-19

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

[3] Profit from discontinued operations in the year 2020-21, 2019-20 and 2018-19 has been considered as exceptional item.

[4] PBDIT as % of net revenue from operations = [PBDIT/(gross revenue from operations less excise duty upto June 30, 2017)].

[5] PAT as % of net revenue from operations = [PAT/(gross revenue from operations less excise duty upto June 30, 2017)].

[6] RONW = [(Profit attributable to the Owners of the Company including exceptional items)/(average net worth excluding revaluation reserve)].

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

[8] After considering adjustment for issue of bonus shares during respective years.

[9] Dividend for the year 2020-21 includes special dividend of ₹ 18.00 per share and final dividend of ₹ 18.00 per share.

[10] Dividend for the year 2023-24 includes special dividend of ₹ 6.00 per share and final dividend of ₹ 28.00 per share.

[11] Figures for 2015-16 to 2023-24 are as per Ind AS and for 2014-15 are as per IGAAP and hence not directly comparable.



# MANAGEMENT DISCUSSION AND ANALYSIS



## Economy

### Indian Economy

The Financial Year 2023-24 remained a mixed bag of opportunities and challenges. On one hand, domestic activity exhibited resilience on the back of strong domestic demand, whilst on the other, global geopolitical uncertainty continued to impact inflation, interest rates, and the supply chain.

Amidst global headwinds, the Indian economy has displayed strength and has grown by 8.2% for FY 2023-24, mainly driven by sustained investment through an infrastructure-driven policy by the government. Better capacity utilisation in the manufacturing sector, buoyancy in auto and real estate, healthy corporate balance sheets, strong credit momentum, higher tax collections, and acceptable levels of inflation are aptly aiding the growth prospects of the Indian economy.

India's growth story momentum is likely to continue in the next fiscal year with sustained strength in domestic demand, easing of inflationary pressures, focussed fiscal outlay by the government, and a strong manufacturing revival. However, due to the general elections in India, public CapEx could witness a temporary slowdown in the very near-term.

While private industrial capital spending has been measured in FY 2023-24, it is expected to pick up in the next fiscal year with the ongoing global supply chain diversification trends and investors' response to the government's Production Linked Incentive (PLI) scheme to boost key targeted manufacturing industries.

However, headwinds from geopolitical tensions, volatility in international financial markets, geoeconomic fragmentation, continuing sea route trade disruptions, and extreme weather events pose risks to the otherwise optimistic outlook. India, given its structural reforms, strengthening physical and digital infrastructure, as well as upbeat business and consumer confidence, is in a better position to overcome these multiple challenges and emerge stronger.



### Global Economy

The global economy has been in better shape than anticipated at the start of the year, having demonstrated some signs of growth, as reflected in the various high-frequency indicators. However, elevated debt levels and continuing geopolitical hostilities aggravate risks to global growth and inflation outlook in the medium-term.

The US economy has shown elasticity so far, but inflation being higher than expected has postponed rate cuts by the Fed. The US Presidential election in November is expected to contribute to the economic volatility. Further, the UK and Europe economies are still fragile. Also, concerns about the real estate bubble in China could further dampen economic revitalisation.

The medium-term outlook has worsened for many developing economies amid slowing growth, sluggish global trade, and tighter financial conditions. Additionally, the volatility in crude oil prices and the ongoing shipping disruptions through the Red Sea may further pose challenges to global supply chains and aid inflation.

The Middle East region is also feeling the pressure on account of the Israel conflict. An escalation or spread of the conflict beyond Gaza and Israel, as well as an intensification of the disruptions in the Red Sea, could have an economic impact on the region. Structural reforms remain critical to boosting growth in the Middle East region by way of diversification into clean energy and other industrial sectors besides oil.

Despite all the turmoil, India is on track to become the third-largest economy by 2027, overtaking Japan and Germany. It is also the fastest-growing large economy with the tailwinds of young demographics, improving institutional strength and strong governance.



## Business Model and Strategy

### Strategy Formulation

Business strategy formulation aims to set long-term goals for the Group and identify areas to leverage its strengths, explore new business opportunities, and enhance its existing capabilities and offerings. This is enabled through plans with three different time horizons, viz., a long-term perspective plan (7-10 years), medium-term strategy (5 years), and short-term (annual) budget targets. Directions and Objectives determined in the Perspective Plan become guideposts for medium-term and short-term plans.

‘Lakshya’, the Group’s 5-year strategic plan, is developed through a collaborative process across the organisation. Lakshya 2026 seeks to achieve value-accretive growth in the existing business portfolio through a multi-pronged approach of targeting opportunities arising out of global trends, with a focus on ESG and Sustainability. The underlying emphasis of Lakshya 2026 is to ride the

momentum in existing and emerging technology trends for IT services, reorganise the business offerings to serve customers better, and drive profitability through operational excellence, value engineering, and various digitalisation-led productivity improvement initiatives.

Lakshya 2026 has completed its third year in FY 2023-24 and is progressing towards achieving the targets set in the plan. With the aim of being future-ready, the Group has recently incubated L&T Semiconductor Technologies, which focusses on fabless chip design and the delivery of smart products globally. This is in addition to the scaling up of Green Hydrogen and its derivatives, Data Centers, and E-commerce Platform businesses, viz. L&T EduTech and L&T-SuFin. The Group also continues to pursue its goal of unlocking value by exiting non-core businesses and staying asset-light.

### Business Model

Value creation is enabled through a portfolio comprising:



#### EPC Projects

EPC Projects focus on the proven core competencies of conceptualising, designing, executing, and commissioning large, complex projects in the areas of mobility infrastructure, power transmission and distribution, water and irrigation infrastructure, buildings and factories, metals and mining, energy generation & storage solutions, oil & gas, and energy transition.



#### Hi-Tech Manufacturing

Hi-Tech Manufacturing focusses on custom-designed and built equipment catering to process plants for various sectors (including nuclear), precision engineering and systems for the defence & aerospace sectors, electrolysers for hydrogen production, industrial and bulk material handling, construction machinery and mining equipment, and industrial valves.



#### Services

The Services businesses cater to sectors of IT (through LTIMindtree), Engineering R&D (through LTTS), financial services (through L&T Finance), real estate development (through L&T Realty), B2B E-commerce (through L&T-SuFin), skilling and assessment (through L&T EduTech), data/cloud services (through L&T-Cloudfiniti) and fabless chip design (through L&T Semiconductor Technologies).

In the past, the Group had made investments in concession projects such as Toll Roads, Airports, Ports, Hyderabad Metro, and power generation (Nabha Power). However, in recent years, the focus has been on reducing its exposure to such public-private partnerships (PPPs) through divestment. Further, the Group recently concluded its divestment of the 51% holding in L&T Infrastructure Development Projects Limited, an intermediate Holdco for Roads and Transmission Line concession.

The Group's businesses and offerings are closely linked to global megatrends.

### Urbanisation Boom



- High-rise Buildings (B&F)
- Multi-model Transportation Network (TI, HCI)
- High-capacity Utility Networks (PT&D, WET)
- Safe and Smart Cities (LTTS)

Increasing population pressures in cities leading to various challenges e.g., congestion and call for better solutions

### Climate Change



- Renewables - Solar, Hydel and Energy Storage (HCI, PT&D)
- Green Buildings (B&F)
- Clean Fuels (HE, LTEH)
- Green Hydrogen (LTEG)
- Water Recycle and Reuse (WET)

Climate change and resource scarcity driving need for solutions to balance growing needs with the environment



### Mobility Growth



- Mass Rapid Transit Systems (HCI, TI)
- World-class Airports (B&F, TI)
- Electric, Autonomous and Connected Systems (LTTS)
- Expressways and Rail Networks (TI)

Safe, fast, affordable and environment-friendly solutions for movement of people and goods

### Societal Challenge



- Water and Sewage Treatment Systems (WET)
- Housing (B&F, LTR)
- Energy Efficient Power Systems and Microgrids (PT&D)
- Financial Services (LTF)

Universal coverage for basic amenities while keeping up with growing demands of global population

### Digital Transformation



- Big Data, AI/ML, AR/VR, 5G, Cloud, Cyber Security (LTIM, LTTS)
- Automation, Industry 4.0, Digital Engineering (LTIM, LTTS)
- Chip design (LTSCCT)
- Data Storage and Computing (L&T-Cloudfiniti)
- Platforms (L&T-SuFin, L&T EduTech)

Technology and services offerings to transform businesses across various domains

B&F	Buildings & Factories
HCI	Heavy Civil Infrastructure
HE	Heavy Engineering
LTEG	L&T Energy - GreenTech
LTEH	L&T Energy - Hydrocarbon
LTF	L&T Finance
LTIM	LTIMindtree

LTR	L&T Realty
LTSCCT	L&T Semiconductor Technologies
LTTS	L&T Technology Services
PT&D	Power Transmission & Distribution
TI	Transportation Infrastructure
WET	Water & Effluent Treatment

## Portfolio Strategy

The portfolio strategy aims to pursue growth by de-risking revenue streams, exploring new adjacencies, and improving profitability with the aim of creating value for all stakeholders:

### Complementing the mature businesses with growth-stage businesses

While the Group relies on mature businesses for cash generation and steady growth, the focus is also on seeding and scaling up new businesses with high growth potential that are tech-oriented and can deliver superior financial returns.



### Geographically diversified businesses

India continues to remain the primary market for EPC Projects, Hi-Tech Manufacturing, and Financial Services businesses. This is complemented by a focus on select international geographies, i.e., the Middle East, Africa, and ASEAN. The Americas and Europe will continue to be the primary geographies for the IT services businesses.

### Balancing the cyclical nature of the EPC business through a portfolio of Services businesses

To have a better revenue profile and improved profitability, the Group intends to increase the share of the IT&TS Services business while pursuing growth in the traditional EPC and Hi-Tech Manufacturing businesses.



### Supplementing the standalone offerings with partnerships

For Hi-Tech Manufacturing and EPC Projects businesses, the Group has partnered with several large global processes, technology licensors, and EPC contractors to improve the scope of its business offerings. For the IT and Technology Services businesses, the Group has strategic partnerships with established global software product and technology companies.

IT Services business, with a focus on the Americas and Europe, is currently witnessing some sectorial headwinds. This, however, has been balanced by robust growth in the EPC Projects and Hi-Tech Manufacturing portfolio, aided by Infra CapEx-led focus in India and oil & gas investments in the Middle East, reflecting the resilience of the portfolio strategy.

## Strategic Thrust & Direction

The Group re-evaluated its Strategic Objectives in FY 2021-22 as part of the assessment done in the Lakshya 2026 exercise. These objectives illustrate how the Group creates value for its stakeholders, fulfils social obligations, and meets sustainability goals. These are:

### Strategic Objectives

#### ROE Growth

- SO-I** Value-accretive growth of current businesses
- SO-II** Scaling-up digital and e-commerce businesses
- SO-III** Developing business offerings to ride the Energy Transition wave
- SO-IV** Divestment of non-core businesses
- SO-V** Enabling business sustainability through a high focus on ESG and stakeholder value creation

Strategic Objectives are supported through:

### Strategic Enablers

- SE-1** Operational Excellence for leadership in cost-competitiveness and world-class execution
- SE-2** Industry-leading capabilities in digital technologies and analytics for productivity, ESG effectiveness and strengthening revenue streams
- SE-3** Financial resources to enable growth of the businesses and strong financial health to facilitate access to capital markets, when required
- SE-4** Talent and leadership pipeline to drive business continuity and growth
- SE-5** Capability development through R&D, absorption of new technologies and partnerships



## Performance in FY 2023-24 against Strategic Objectives:

Objectives	Performance Measures	Performance
<b>SO-I</b> Value-accretive growth of current businesses	<ul style="list-style-type: none"> <li>▫ Revenue Growth</li> <li>▫ Composition of Services in Total Revenues</li> </ul>	<p>In FY 2023-24, the Group achieved revenues of ₹ 2,21,113 crore (21% growth y-o-y).</p> <p>The Services businesses reported modest growth of 9% y-o-y with a stable percentage share in revenues at 28% in FY 2023-24.</p>
<b>SO-II</b> Scaling up digital and e-commerce businesses	<ul style="list-style-type: none"> <li>▫ Growth of digital &amp; e-commerce businesses</li> </ul>	<p>In FY 2023-24, L&amp;T-Cloudfiniti (Business offering linked to data centers and related services) saw its operations start at the Panvel Data Center with ~1.4 MW capacity. The business is also in the process of launching its Kancheepuram Data Center with 30 MW capacity in the near-term. Further, two new data centers in Mahape, Navi Mumbai and Whitefield, Bangalore, are under active consideration.</p> <p>L&amp;T Semiconductor Technologies was incorporated in FY 2023-24 with an initial focus on a fabless design approach.</p> <p>L&amp;T-SuFin and L&amp;T EduTech have continued to grow during FY 2023-24.</p>
<b>SO-III</b> Developing business offerings to ride the Energy Transition wave	<ul style="list-style-type: none"> <li>▫ Size of Green Business</li> <li>▫ New Business or Business offerings developed</li> </ul>	<p>The Group increased the share of Green Business to ₹ 634 billion, which is 50% of standalone revenues in FY 2023-24 (as compared to 37% in FY 2022-23).</p> <p>The Group invested ~₹ 110 crore during FY 2023-24 in the Green Business against the overall commitment of ~₹ 500 crore.</p> <p>The Group has instituted a Green Hydrogen Council comprising stalwarts from academia and business to provide guidance in building a global green energy business. In parallel, it has also joined The Hydrogen Council, a CEO-led coalition of 140+ MNCs for advancing Hydrogen in the global energy transition and energy mix.</p> <p>The Group progressed towards electrolyser manufacturing by making the first indigenously manufactured electrolyser.</p>
<b>SO-IV</b> Divestment of non-core businesses	<ul style="list-style-type: none"> <li>▫ Businesses Divestment</li> </ul>	<p>The entire stake in L&amp;T IDPL (a joint venture with investments in road projects and a power transmission asset) was divested on April 10, 2024.</p> <p>The Group continues to actively pursue divestments from other non-core assets and is also exploring various alternatives to de-risk the current exposure in Hyderabad Metro.</p>
<b>SO-V</b> Enabling business sustainability through a high focus on ESG and stakeholder value creation	<ul style="list-style-type: none"> <li>▫ Metrics linked to ESG performance are based on materiality. e.g.             <ul style="list-style-type: none"> <li>- Carbon Footprint</li> <li>- Resource consumption</li> <li>- LTIFR</li> <li>- Training hours</li> </ul> </li> </ul>	<p>For details, refer to the following in the Integrated Report section:</p> <ul style="list-style-type: none"> <li>▫ Natural Capital</li> <li>▫ Social and Relationship Capital</li> <li>▫ Human Capital</li> </ul>



## Risk Management Framework

Risk Management includes identification, measurement, and mitigation of risks. This includes judgements on the probability as well as severity of risk events. The Company has a 3-pronged approach to Risk Management – Operational, Tactical, and Strategic. These risks, at the level of individual projects as well as the portfolio level, are managed by robust processes, including statutorily mandated and various other internal processes. The Risk Management framework involves Business Heads and Risk Teams at various businesses working in close coordination with the Company-level teams. In addition to project-level risks, risks arising from Corporate Functions such as IT (including Cyber Security) and HR are also mapped and mitigated appropriately. The overall aim of the Risk Management function is to improve project outcomes, and thereby, aid financial performance.

The Chief Risk Officer closely monitors the overall Risk Management Process, which includes Project Pre-Bid, Execution, and Close-out Risk Reviews. Further, significant risks are presented to the Company's Risk Management Committee (twice a year) as well as the Apex Risk Management Committee, which lays down the essential guardrails such as Country Risk exposures, etc. The outcomes/learnings of Risk Reviews are captured in the ERM system, which helps track project-related and portfolio-related risks. Efforts are being made to use AI on the system to produce actionable insights.

Efforts are being undertaken to absorb risk-related learnings from an individual business and spread across the Company using forums such as 'Annual Risk Awards' and regular meetings of Business Level Risk Heads. These initiatives help in the dissemination of learnings across the Company, with respect to Specific Risks, Clients, Geographies, etc. Apart from internal learnings, efforts are also made to absorb best practices from outside the Company by participating in industry bodies/forums, etc.

### Operational Risks

In the Projects business, normal risks like right-of-way, resource availability, utilities shifting, etc., are typically encountered. These are managed by proper planning at the pre-bid stage and continuous monitoring at the execution stage. Risks arising from the financial position of clients, JV partners, suppliers, etc., are also analysed and appropriately mitigated. Risk Registers are maintained and updated regularly. Further, all ongoing projects are also suitably insured.

Risks from large, complex projects are mitigated by having guardrails at the pre-bid review stage as well as by measures such as having experienced project managers, good client relationship management, and suitable mitigation of counterparty and payment risks. However, if there are issues in the execution of large/marquee orders, risks to reputation need to be guarded against.

Legal and contractual risks are also thoroughly reviewed at the pre-bid stage to ensure that these stay within the Company's overall risk appetite.

**Supply Chain Risks** - These risks have risen due to the volatile geopolitical environment, especially in the Middle East. These are being closely monitored. While they are not likely to have a significant impact on operations in the short-term, the long-term persistence of these challenges may result in adverse outcomes. Despite this, commodity-related inflation has remained subdued, with the overall environment for commodity prices remaining manageable.

**Cyber Security** - The Company has a Cyber Security Assurance Framework encompassing Processes & Standards and Technology. These risks are monitored/managed at the level of individual businesses/domains as well as by various Committees, including the Company's Risk Management Committee.

**Climate Change** - Climate change increases the impact and likelihood of some physical risks, which could lead to execution disruption and losses. These risks manifest both as acute physical risks, e.g., extreme weather conditions, heavy precipitation, etc., as well as chronic physical risks, e.g., higher ambient temperatures, increase in sea levels, etc. While business operations typically face a higher impact of such risks, now even assets and the built environment are increasingly facing such threats. The Company's major business segments, i.e., EPC projects and Hi-Tech Manufacturing, are exposed to such physical risks from climate change, requiring risk mitigation strategies. Some of the major challenges are:

- i. Increasing frequency and intensity of extreme weather events or natural calamities pose significant threats to safety as well as the availability and utilisation of resources
- ii. Extremely high daytime temperatures pose a danger to the health and safety of the workforce, which, in turn, impacts productivity
- iii. Heavy precipitation or flooding poses a significant risk to project schedules
- iv. Actual weather patterns at project sites/manufacturing facilities may be significantly different from historical or predicted meteorological data and can impact business performance
- v. Changing weather patterns have the potential to cause disruptions in logistics and transportation of materials
- vi. In addition to loss of productivity and threat to safety, climate events pose an additional burden in terms of higher contingencies and insurance costs
- vii. Resource scarcity, e.g., availability of water due to changing rainfall patterns

To mitigate the impact of such risks, the Company proactively assesses the likelihood and impact of such risks. For EPC projects, this assessment is done both

at the bidding stage and during the execution stage. Manufacturing facilities also undertake such assessments on a periodic basis. The Company has adopted and implemented Environment Management Systems based on ISO 14001 and Occupational Health & Safety Management Systems based on ISO 45001. This helps not only in meeting regulatory compliance, but also improves operational performance by identifying and addressing business operations risks.

Monsoon preparedness plans, cover plans for the protection of equipment (covering, tying down, or other suitable arrangements), backup for power/fuel, human safety, and plans for restoring normal operations, e.g., dewatering arrangements are a standard requirement now for all projects. For dealing with periods of extremely high temperature, measures are taken to reschedule the work-rest cycle, additional measures are taken for shelters and hydration of the workforce, and awareness sessions and advisories are organised to apprise the workforce of risks, reporting issues, and preventive measures to be taken.

## Tactical and Strategic Risks

For the Projects Business, the risks arising from high debt levels in various emerging markets (Asia/Africa) have to be addressed while bidding for/executing projects in these regions. This is done using an appropriate approval matrix for Country Risk and focussing on multilaterally funded projects to mitigate sovereign risk.

Both Manufacturing and Projects businesses have faced additional risks due to the ongoing geopolitical tensions and a shifting Sanctions regime. Appropriate measures, such as end-to-end Sanction checks, are in place to manage these risks. Apart from Sanctions, every country's foreign policy can also impact business to some extent. This year, post-election outcomes (in India and overseas) are additional risks to be mitigated when required.

**Technology/Business Model Risks** - Changes in technologies/business models can affect the performance of clients and thus impact the type of projects that the Company executes. As such, the Company closely monitors these changes with respect to its clients. Trends in Business Model changes for the EPC business (e.g. the trends towards localisation, reduced site work/greater modularisation, and digitalisation) are also tracked.

**Concentration Risks** - The increase in the order book share of the Middle East has increased the concentration risk. This risk is monitored regularly at various levels and suitably mitigated by measures such as rigorous Sovereign Analysis and Client Financial Strength reviews.

**Business Continuity Plan (BCP)** - The Company has a process by which BCPs for various risk scenarios are prepared and tested. BCPs are reviewed at several levels and updated suitably, keeping in mind project/portfolio level changes in the Order Book.

**Risks from Energy Transition** - The current megatrend of Energy Transition is fundamentally reshaping several industries across the globe. This affects the businesses at the operational level by increasing 'green specifications' in tenders, building codes, etc. It has also facilitated opportunities such as Green EPC in the Middle East, domestic Pump Hydro Storage Projects (PSP), new business areas such as Green Hydrogen/Electrolyser manufacturing, and more Transmission & Distribution opportunities due to evacuation requirements/grid reconfiguration for renewables. However, risks could arise from the potential failure of any of these new initiatives.

The Company also sees significant business opportunities from energy transition linked to the decarbonisation of the energy sector. These are in areas of renewable energy (solar, hydel), clean energy (nuclear, natural gas), renewable fuels (green diesel), green hydrogen, battery energy storage, offshore wind, etc.

**Talent Risks** - The large volume of projects underway in India, as well as in key markets like Saudi Arabia, has increased the demand for key skill sets. As such, talent risks are likely to persist, given the focus on CapEx by both the Central and State Governments of India, as well as Saudi Arabia's ongoing plan to diversify its economy away from oil.

Overall, the Company strives to maintain its robust Risk Management Process, which is far ahead of the statutory stipulation. Despite this, tail risks (potential large impact from a very low probability event) can manifest themselves and will need to be appropriately managed when they arise.

## Financial Risks

Financial risk management is governed by the Risk Management Framework and Policy approved by the Company's Audit Committee under the guidance of the Board. Financial risks in each business portfolio are collated, measured, and managed by the Corporate Finance Department.

The global economy proved to be resilient in 2023 despite high inflation, significantly tight monetary policy, supply chain disruptions, volatile commodity prices, and a fragile Chinese economy. However, 2024 is likely to have comparatively slower growth due to the lagged impacts of monetary policy tightening. Political and geopolitical risks will be more pronounced in 2024, with an election-packed events calendar. More than 60 countries, representing half the world's population, will go to the polls in 2024. For G10, the main event is likely to be the US election. Inflation dynamics will look quite similar across developed and emerging economies, as most countries are experiencing gradual disinflation driven by the dissipating effects of supply-side shocks combined with tightening financial conditions. Disinflation in goods is proving to be faster than

in services, but as it continues normalising, it is expected that the Fed & ECB would start their easing cycles by the middle of 2024.

With oil prices expected to be in a range of USD 80-90 per barrel, the Middle Eastern countries are likely to continue their investments in the energy transition journey. The Company had a record order inflow from the Middle East in FY 2023-24 in the hydrocarbon and renewable segments, and the positive momentum may continue in FY 2024-25 as well.

The Indian economy has exhibited remarkable resilience. Output has expanded at a faster pace compared to major economies in 2023, and the outlook remains positive in the medium-term. The country is on track to emerge as the third largest economy in the world within this decade after overtaking the United Kingdom to become the fifth-largest in the world on a nominal GDP (USD) basis last year. An expanding growth pie is expected to lift per capita GDP, which trails most emerging market peers at this juncture. Going by the Government's CapEx emphasis in the Interim Budget of FY 2024-25, we expect public spending to remain strong and consequently, drive growth. Private CapEx could pick up incrementally in FY 2024-25 post-general elections, with improvement in capacity utilisation. However, private consumption is likely to remain modest as the lagged impact of past rate hikes filters through the real economy. NPAs in the banking system have reduced sharply. Hence, banks are well-positioned to fund the next CapEx cycle. Real GDP growth is likely to average around 7.0-7.5 % in FY 2024-25.

Unlike advanced countries, India does not face a big risk from wage-price inflation, which is supported by the recent trend of moderation in core inflation (currently at 3.5% vs. 6%+ in 2022). Headline CPI inflation is expected to moderate to 4.7% in the calendar year 2024.

There is a broad consensus on economic stability over the short- to medium-term post-general election results, which is positive for the continuation of the reform agenda and the structural outlook for the Indian economy. One can also expect fiscal consolidation to pick up pace, with the centre's fiscal deficit likely to narrow to 5.1% of GDP in FY 2024-25 and finally to 4.5% of GDP in FY 2025-26, as per the medium-term macro framework.

India's foreign exchange reserves stood at an all-time high of USD 646 billion as of March 29, 2024. The relative stability of the INR reflects India's sound macroeconomic fundamentals, financial stability and improvements in the external position. The slowing trajectory of inflation and improving CAD position would also allow the RBI to ease rates, maybe towards the end of the financial year.

### Foreign Exchange and Commodity Price Risks

The Company's businesses are exposed to fluctuations in foreign exchange rates and commodity prices. Additionally, it has exposures to foreign currency-denominated financial assets and liabilities. Net foreign exchange risk on revenues, costs, assets, and liabilities are managed through a combination of forwards and options wherein the counterparties are regulated banking entities. The financial risks involving commodity prices are managed through a combination of price variation clauses embedded in customer contracts, hedges in financial markets, and price pass-through arrangements. In the case of contracts with price variation clauses, the Company may run a Basis Risk between the actual price of the commodity and the reference indices.

The disclosure of commodity exposures as required under clause 9(n) of Part C, Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the format specified vide Chapter VI-E of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 is given below:

Sr No	Commodity Name	Exposure in INR towards the particular commodity (₹ crore)	Exposure in Quantity terms towards the particular commodity (Tn)	% of such exposure hedged through commodity derivatives				
				Domestic market		International market		Total
				OTC	Exchange	OTC	Exchange	
1	Aluminium - Buy	2,314.98	1,10,094	-	-	73.33	-	73.33
2	Aluminium - Sell	(23.30)	(1,406)	-	-	75.11	-	75.11
3	Zinc - Buy	69.11	3,400	-	-	100.00	-	100.00
4	Copper - Buy	2,774.60	38,952	-	-	62.59	-	62.59
5	Copper - Sell	(283.80)	(5,654)	-	-	100.00	-	100.00
6	Lead - Buy	78.11	5,000	-	-	100.00	-	100.00
7	Coking coal - Buy	71.04	30,030	-	-	9.99	-	9.99
8	Iron ore - Buy	53.55	57,290	-	-	58.65	-	58.65
9	Steel - Buy	19,410.19	53,67,394	-	-	-	-	-
10	Cement - Buy	5,502.16	85,61,148	-	-	-	-	-
11	Nickel - Buy	292.67	1,458	-	-	88.38	-	88.38
12	Thermal Coal - Buy	8.43	6,440	-	-	-	-	-
	<b>Total exposure</b>	<b>30,267.73</b>						

## Liquidity and Interest Rate Risks

The Company constantly monitors the liquidity levels and economic & capital market conditions and maintains access to sources of liquidity with competitive cost structure through a combination of approved banking lines, trade finance and capital markets. The Company judiciously deploys its surplus funds in short-term investments, which is in line with its Treasury Policy. The Company dynamically manages interest rate risks through a mix of fund-raising, investment products, and derivatives across maturity profiles and currencies within the robust Risk Management Framework.

## Financial Resources and Capital Allocation

The capital allocation philosophy of the Company is geared to support business initiatives for the profitable growth of the Company, while retaining adequate liquidity to support any sudden short-term requirements of the Group. After facing uncertainties in past periods due to the pandemic and geopolitics, which resulted in liquidity and supply chain disruptions, the Company has built appropriate cash buffers to meet both opportunities and challenges.

In the financial year, the Company supported the capital expenditure required to execute projects awarded in the Projects and Manufacturing business segment. Going forward, the Company will continue to support the growth of new businesses, including green energy, data centers, and semiconductors.

In line with its stated strategy to monetise non-core assets, the Company concluded the divestment of its roads concessions and transmission line business (L&T IDPL), which resulted in the release of capital to the tune of ~₹1300 crore.

Given the recovery in the business environment and financial markets and with reduced working capital requirements in the Company's businesses and a healthier economic scenario in FY 2023-24, the Company rewarded its shareholders by executing its first-ever equity share buyback that consumed approximately ₹ 12,300 crore, including taxes. Further, this transaction has a positive impact on the Group return ratios as well.

In FY 2024-25, the Company proposes to raise long-term debt to refinance about ~₹ 5,000 crore of maturing debt and to partly fund its proposed capital expenditure.

Low gearing levels (Gross Debt to Equity ratio at 0.35x) at the parent entity level and a healthy cash buffer equips the Company with enough flexibility to deal with normal business uncertainties.

The Company has seen a significant volume of large-value contracts in the Middle East, especially from Saudi Arabia, which requires large banking facilities, primarily non-fund based. The Company is confident of tying up the required banking facilities during the year to address the upcoming requirements.

## Internal Controls and Safeguards

Corporate governance is the foundation for the Company to achieve predictable growth and desired outcomes, and robust internal controls are one of the important pillars of corporate governance. The Company has adopted the globally accepted framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission for Internal Controls. This framework assists in the alignment of controls with the dynamics of recent challenges and changes in risk profiles arising due to varying internal and external factors. The Company ensures integrity in conducting its business, safeguarding its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records, and prevention & detection of frauds & errors through a set of detailed policies and procedures.

The Board of Directors and Management at all levels exhibit the right tone through their actions, behaviour, and directives. The 'Code of Conduct', which serves as a beacon for employees, defines the Company culture and values, and emphasises the importance of integrity and ethical values. Besides, the suppliers also have to conform to a separate 'Code of Conduct' to ensure that they align with the Company's commitment to seek sustainable growth by integrating Environment, Social and Governance (ESG) principles with its businesses. 'Whistle-blower/Vigil Mechanism' policies are available to both employees and business partners to enable them to raise genuine concerns about any actual or suspected ethical/legal violations, misconduct or fraud, with adequate safeguards against victimisation, fear of punishment or unfair treatment.

The Company has well-documented policies, procedures, and authorisation guidelines commensurate with the level of responsibility, besides standard operating procedures specific to respective businesses. This ensures the propriety of the transactions, besides authorisation at an appropriate level of Management. The Corporate Manuals on Accounting & Internal Controls prescribes the Accounting and Internal Controls Policies. Internal Financial Controls (IFC) at the entity and process level are aligned with the requirements of the Companies Act 2013. The Internal Controls teams at the corporate and business levels assist the Management in setting up appropriate internal controls and establishing and upgrading the system/procedures. Business teams ensure adherence to the documented policies, procedures, authorisation guidelines and IFC framework.

The effectiveness of Internal Controls is tested by the Statutory Auditor as well as by the Company's Corporate Audit Services (CAS) Department. CAS develops an audit plan for the Company, which covers core business operations and corporate & support functions. The Audit Committee of the Board reviews the annual internal audit plan. Significant audit observations from the independent internal audits are presented quarterly to the Audit Committee of the Board, along with the status of the Management actions and the progress of the implementation of recommended remedial measures. The Company also periodically engages independent professional firms to carry out reviews of the effectiveness of control in businesses and support functions.



# OVERALL FINANCIAL REVIEW 2023-24

## I. L&T CONSOLIDATED

Against the backdrop of domestic economic resurgence amidst global volatility, the Group has recorded a healthy performance across its businesses, spread across diverse sectors and geographies. The Company has continued its focus towards the goal of maximising shareholder value by utilising technology towards improving productivity and efficiency, timely & profitable execution of its record order book, containing working capital along with better funds management, and divesting assets identified for sale.

During the year, the Company successfully completed its first-ever buyback of equity shares in alignment with the long-term Lakshya 2026 plan to enhance shareholder value. Additionally, as part of the strategy to exit non-core businesses, on April 10, 2024, the Company completed the divestment of its entire shareholding in L&T Infrastructure Development Projects Limited, a joint venture primarily engaged in the development and operation of toll roads and a power transmission asset. Further, the Company also sold its entire stake in L&T Infrastructure Engineering Limited (LTIEL) to STUP Consultants Private Limited, a subsidiary of Assystem SA of France, to remain focussed on its core offerings.

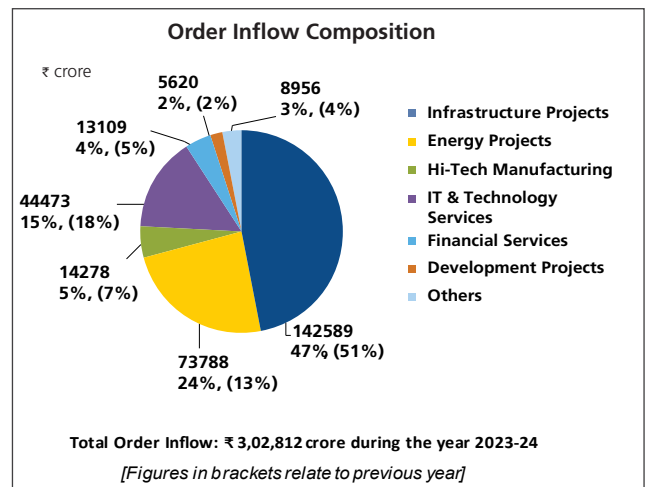
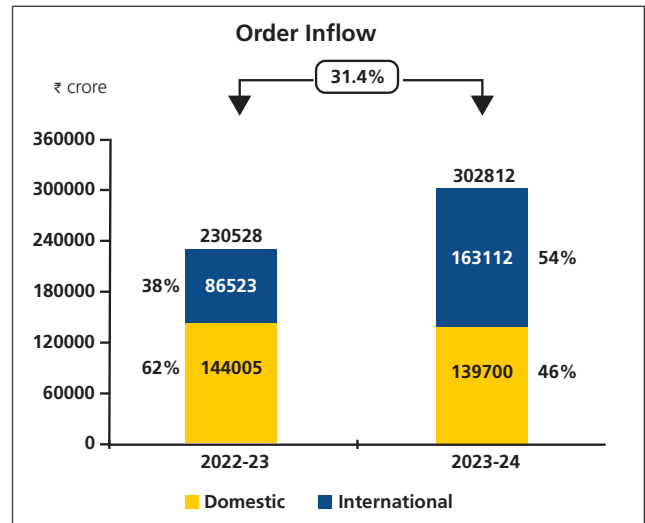
During the year, the Company successfully commissioned its first indigenously manufactured electrolyser at the Green Hydrogen Plant at A. M. Naik Heavy Engineering Complex in Hazira, Gujarat. This pioneering accomplishment signifies L&T Electrolysers Limited's foray into domestic electrolyser manufacturing, underscoring the Company's steadfast dedication to propelling sustainable energy solutions. The Company also launched its first Data Center Pilot project at Panvel, Mumbai, with a capacity of ~1.4 MW.

The Group has also forayed into fabless semiconductor chip design during the year by incorporating L&T Semiconductor Technologies Limited (LTST), a wholly-owned subsidiary. A fabless semiconductor company specialises in the design and creation of semiconductor chips without owning or operating semiconductor manufacturing facilities.

The financial services business of the Group, during the year, also concluded the merger of L&T Finance Holdings Ltd. and its wholly owned subsidiaries, viz. L&T Finance Ltd., L&T Infra Credit Ltd. and L&T Mutual Fund Trustee Ltd., resulting in the creation of a single lending entity – L&T Finance Holdings. Further, the name of L&T Finance Holdings Ltd. has been changed to L&T Finance Ltd. This merger leads to the creation of a simplified 'Single Lending Entity' and will create internal synergies, superior governance, and newer avenues for growth.

As at March 31, 2024, the L&T Group comprised 86 subsidiaries, 5 associate companies, 26 joint ventures, and 33 jointly held operations. Out of the total 150 entities, 36 companies belong to the listed subsidiaries, and 20 are associated with Development Projects. The rest of the entities in the Group are mostly strategic extensions of the traditional businesses, viz. EPC Contracts and Hi-Tech Manufacturing, to enable access to new geographies, technology, and nuanced business segments.

## Order Inflow and Order Book



L&T Group achieved order inflows of ₹ 3,02,812 crore during FY 2023-24, registering a growth of 31.4% over the previous year. Growth was largely driven by the strong investment momentum in the Middle East region, further complemented by the Government of India's CapEx push. The buoyancy in Middle East orders led to an increase in the share of international order inflow to 54% from 38% in the previous year.

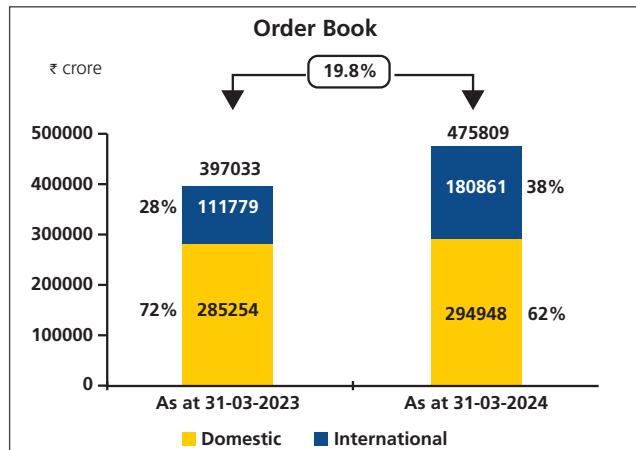
The year witnessed the booking of some noteworthy orders in the Urban Transit space, including another package for Mumbai-Ahmedabad High-Speed Rail in the Heavy Civil business, a few orders in the residential vertical of Buildings & Factories business, multiple renewable energy projects from the Middle East under the Power Transmission & Distribution business, Electrification Work package for Mumbai-Ahmedabad High-Speed Rail, and a road project in Mumbai in Transportation Infrastructure, a couple of orders in ferrous metal space, a major order from Ministry of Defence in the Precision Engineering & Systems business, a mega order in the Offshore vertical, and few ultra-mega orders in the Onshore vertical of the Hydrocarbon business.

With higher ordering in the Energy segment primarily due to CapEx acceleration in the Middle East region, the contribution of the Infrastructure segment in the overall order inflow has decreased to 47% from 51% in the previous year, while continuing to remain the largest segment in the Company's business portfolio.

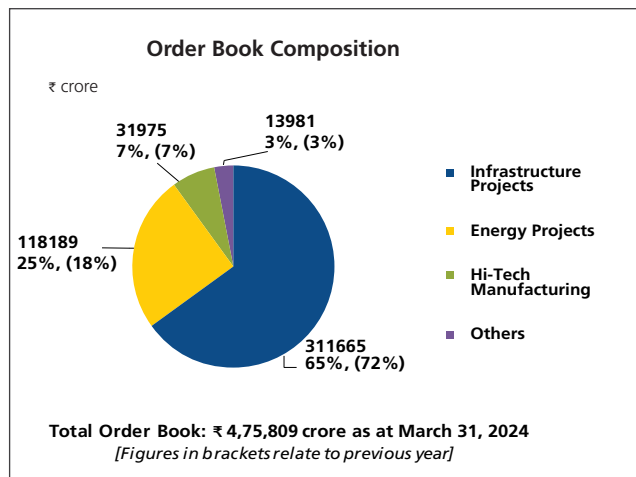
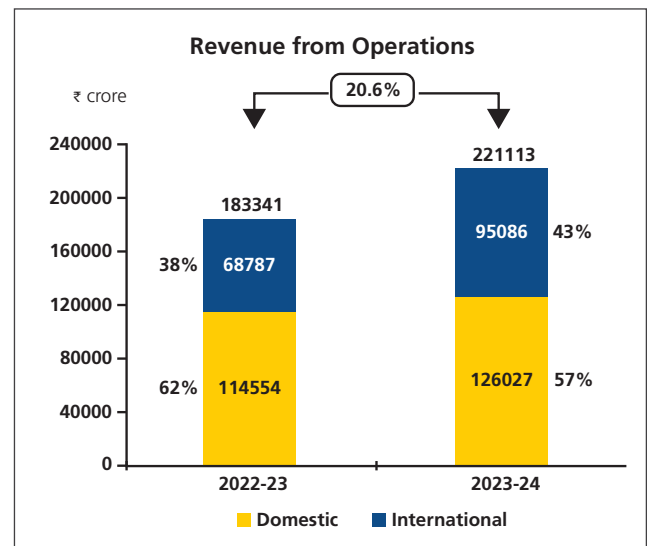
As at March 31, 2024, the order book is at a record level of ₹ 4,75,809 crore, thereby providing a multi-year revenue visibility for the Group. The infrastructure segment continues to dominate with a share of 65% of the consolidated order book.

The order book registered a growth of 19.8% on a y-o-y basis, mainly with the receipt of some high-value orders during the year. Around 77% of the total order book comprises orders received from Indian Central and State Governments (including local authorities) and State-owned Enterprises (both domestic and international). The private sector has marginally declined and has a share of 23% of the total order book as on March 2024, as against 25% as on March 2023. Of the domestic order book, 29% of the orders are funded by multilateral agencies.

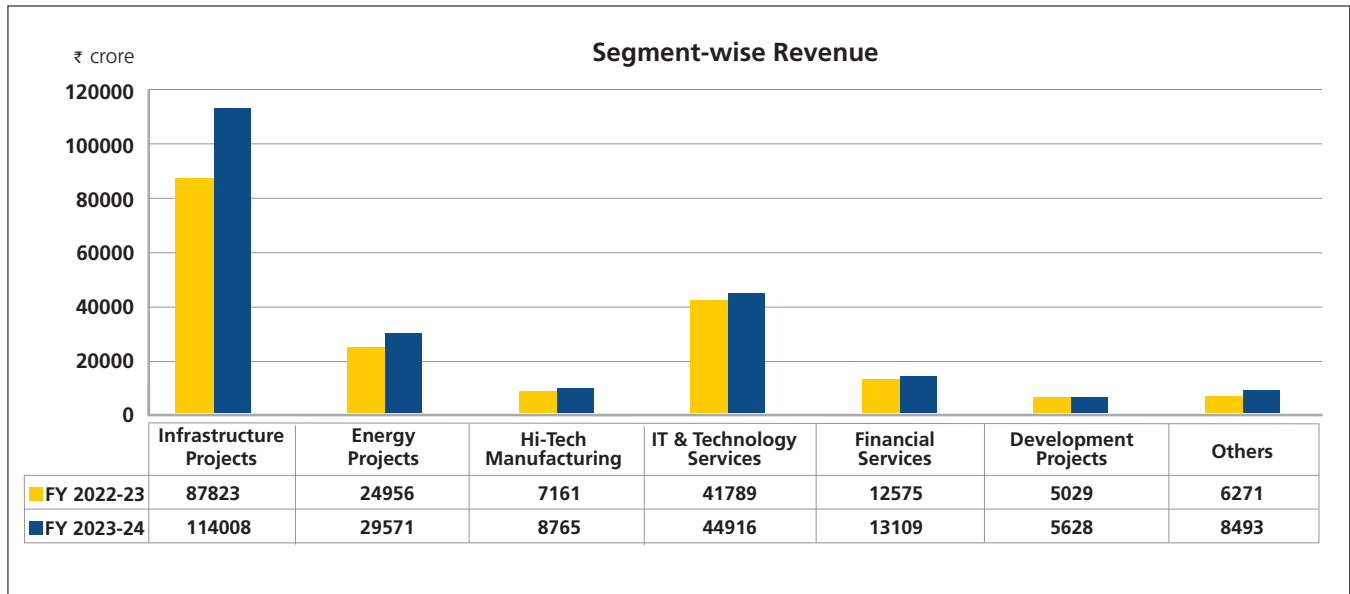
The share of the international order book increased from 28% to 38% on account of the intake of higher international orders during the year.



### Consolidated Revenue from Operations

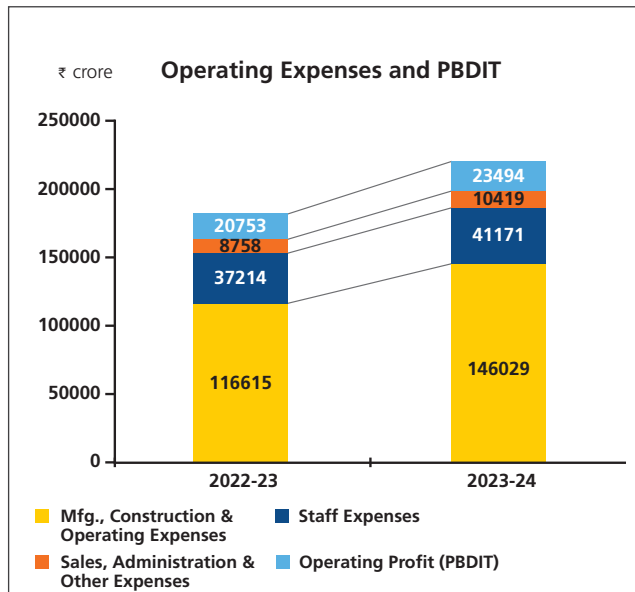


L&T Group recorded revenue of ₹ 2,21,113 crore during FY 2023-24, registering a growth of 20.6%. The growth was mainly achieved with the pick-up of execution momentum in project and manufacturing businesses. The composition of international revenue at the group level is at 43% in FY 2023-24 compared to 38% in the previous year.



During the year, all the segments registered growth over the previous year, with the Infrastructure segment leading the pack.

## Operating Expenses and PBDIT



Manufacturing, Construction and Operating (MCO) expenses for FY 2023-24 at ₹ 1,46,029 crore increased by 25.2% over the previous year. These expenses mainly comprise the cost of construction materials, raw materials and components, sub-contracting expenses, and interest costs in the Financial Services business. This represents 66.0% of revenue as compared to 63.6% in the previous year, mainly on account of cost overruns encountered in a few projects and changes in job mix.

Staff expenses for FY 2023-24 at ₹ 41,171 crore increased by 10.6% over the previous year, reflecting a combination of manpower ramp-up and salary revisions. Although, as a percentage of revenue, it decreased by ~170 bps during FY 2023-24, consequent upon higher revenue. The Group continues to focus on productivity improvements, digitalisation, and manpower optimisation across its businesses.

Sales and administration expenses at ₹ 10,419 crore increased by 19.0% over the previous year. This represents 4.7% of revenue, which is almost in line with the previous year.

The Group's operating profit at ₹ 23,494 crore for FY 2023-24 registered a growth of 13.2% y-o-y, largely due to higher business volumes. The EBITDA margin for the year, however, declined by 70 bps and is at 10.6%.

The impact of additional execution costs incurred in the Infrastructure segment and higher provisions on contract assets and customer receivables impacted the Company's overall margin. At the same time, cost savings in projects of the Energy segment, higher NIM in Financial Services, and sale of commercial property along with improved ridership in Hyderabad Metro, partially mitigated the impact.

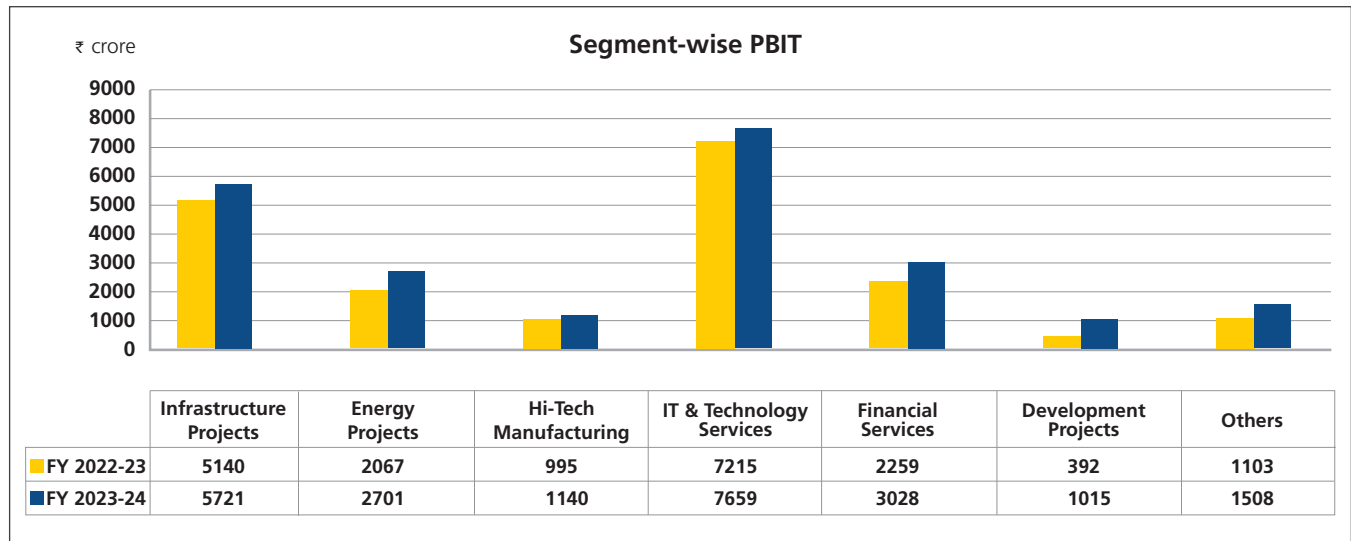
### Depreciation and Amortisation Charge

Depreciation and amortisation charges for FY 2023-24 increased to ₹ 3,682 crore from ₹ 3,502 crore in the previous year, registering an increase of 5.1%, mainly reflective of higher CapEx spending in recent years.



## Profit Before Interest and Tax

Segment-wise composition of PBIT for FY 2023-24 is represented below:



The segment-wise PBIT registered improvement over the previous year across all businesses. The PBIT of Development Projects is higher during the year primarily due to a non-recurring gain on the sale of commercial property in Hyderabad Metro.

### Other Income

This mainly consists of interest, dividend, and gains from treasury operations. Other income at ₹ 4,158 crore improved by 42.0% over ₹ 2,929 crore for the previous year, reflective of gain on sale/fair valuation of investments and efficient treasury operations.

### Finance Cost

The interest expenses for FY 2023-24 at ₹ 3,546 crore were higher by 10.6% over ₹ 3,207 crore for the previous year. The increasing average borrowing at a group level was partly offset by the reduction in the borrowing in Hyderabad Metro. The interest cost for FY 2023-24 was higher by 30 bps as compared to the previous year.

### Tax Expense

Income Tax charge for FY 2023-24 was higher at ₹ 4,947 crore by 10.3% compared to ₹ 4,484 crore in the previous year on higher taxable income.

### Exceptional Items

Exceptional items during the year mainly comprise gain on the divestment of stake in L&T Transportation Infrastructure Limited, a subsidiary of L&T IDPL and reversal of impairment of investment in L&T IDPL. The previous year mainly included a gain on divestment of the Mutual Fund business

of the Financial Services, partially offset by a one-time charge on remeasurement of the wholesale loan assets of the Financial Services segment at fair value.

### Consolidated Profit after Tax and EPS

Consolidated Profit after Tax (PAT) at ₹ 13,059 crore for FY 2023-24 increased by 24.7% over the previous year at ₹ 10,471 crore. The increase is mainly due to growth in revenues and improved treasury operations.

Consolidated Basic Earnings per Share (EPS) for FY 2023-24 at ₹ 93.96 improved over the previous year at ₹ 74.51.

### Return on Consolidated Net Worth

The Consolidated Net Worth, as on March 31, 2024, at ₹ 86,359 crore, reflects a net decrease of ₹ 2,967 crore, as compared to the position as on March 31, 2023. The Return on Net Worth (RONW) for FY 2023-24 was higher at 14.9%, compared to 12.2% in the previous year, mainly on account of higher profits and share buyback.

### Liquidity & Gearing

Cash flow from Operations (including change in loans and advances towards financing activities) for FY 2023-24 decreased to ₹ 18,266 crore as compared to ₹ 22,777 crore in the previous year, mainly due to build-up of customer outstanding and higher contract assets from an increase

in business volumes. During the year, additional funds were generated mainly from the divestment of commercial property in Hyderabad Metro, treasury and dividend income and investment sales.

Funds were utilised mainly for repayment of borrowings of ₹ 4,513 crore, capital expenditure of ₹ 4,210 crore, and payment of dividend of ₹ 4,217 crore. Further, funds were utilised for the buyback of equity shares ₹ 12,280 crore (including tax and expenses on buyback) and net interest payment of ₹ 3,605 crore (attributable to the level of Borrowing) during FY 2023-24.

Consequently, there was a net decrease of ₹ 4,984 crore in the cash balances as of March 31, 2024, compared to the beginning of the financial year.

Consolidated Fund Flow Statement			₹ crore
Particulars	FY 2022-23	FY 2023-24	
Operating Activities	22,777	18,266	
Net Divestment	2,670	1,000	
Treasury and Dividend Income	1,767	2,634	
Sale/(Purchase) of investments	(8955)	2739	
ESOP Proceeds (Net)	10	10	
Decrease/(Increase) in cash balance	(2893)	4,984	
<b>Source of Funds</b>	<b>15,376</b>	<b>29,633</b>	
Capital expenditure (Net)	3,793	4,210	
Repayment of borrowings	4,832	4,513	
Dividend Paid	3,091	4,217	
Interest Paid	3,047	3,605	
Payment to minority interest (net)	613	808	
Buyback of equity shares (Incl. tax and expenses on buyback)	-	12,280	
<b>Utilisation of Funds</b>	<b>15,376</b>	<b>29,633</b>	

The total Group borrowings as at March 31, 2024, was lower at ₹ 1,14,040 crore compared to ₹ 1,18,513 crore as at March 31, 2023. The major decrease is in borrowings of the Financial Services, Hyderabad Metro and Nabha

Power, partly offset by a higher level of borrowing at the Parent level. At a group level, the gross debt-to-equity ratio decreased to 1.11:1 as at March 31, 2024, from 1.14:1 as at March 31, 2023. However, the net debt-to-equity ratio marginally increased to 0.64:1 as at March 31, 2024, from 0.62:1 as at March 31, 2023.

#### Details of significant changes in key financial ratios along with explanation:

In compliance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the key financial ratios of the Group have been provided hereunder along with the explanation only for the significant changes, i.e., change of 25% or more as compared to the previous financial year:

Sr. No	Particulars	FY 2022-23	FY 2023-24	% Growth
(i)	Gross Debt Equity Ratio	1.14	1.11	2.8%
(ii)	PBDIT as % of net revenue	11.3%	10.6%	-6.1%
(iii)	Net Working Capital % of Sales* (Excluding Financial Services & Corporate)	16.1%	12.0%	25.9%
(iv)	Interest Coverage ratio (excludes Financial Services and Finance Lease Activity)	5.45	5.79	6.2%

\* The significant change in the Net Working Capital % of Sales for FY 2023-24 has been due to better collections and efficient working capital management.

## II. L&T STANDALONE

L&T's standalone financials reflect the performance of Infrastructure Projects, Energy Projects, Hi-Tech Manufacturing, and Others. The Others segment comprises Realty, Smart World & Communication, Construction & Mining Machinery, Rubber Processing Machinery, E-commerce/digital platforms, and Data Centers.

**Brief Summary of Performance at Standalone Level:**

₹ crore			
Particulars	FY 2022-23	FY 2023-24	% Growth
Order Inflow	1,49,984	1,71,663	14%
Share of International Order Inflow	20%	35%	
Revenue	1,10,501	1,26,236	14%
Share of International Revenue	17%	21%	
Order Book	3,30,555	3,71,381	12%
Share of International Order Book	15%	23%	
PBDIT	9,295	9,685	4%
PAT	7,849	9,304	19%
Net Worth	71,528	64,416	(10)%
RONW (%)	11.3%	13.7%	
EPS (in Rs.)	55.85	66.95	

**Liquidity & Gearing**

Business operations generated cash flows of ₹ 8,294 crore during the year, compared to ₹ 7,264 crore in the previous year. The increase is attributable to improved working capital management. During the year, additional funds were borrowed to support an increase in business volumes. The proceeds from cash generated through the sale of investments ₹ 4,645 crore, treasury income of ₹ 2,041 crore, and dividend income from S&A companies at ₹ 2,649 crore have been utilised towards Share Buyback (including expenses and tax) of ₹ 12,280 crore, CapEx payment of ₹ 2,822 crore, a dividend payment of ₹ 4,217 crore, and interest payment of ₹ 2,268 crore.

There was a net increase of ₹ 133 crore in the cash balances as at March 31, 2024, compared to the beginning of the year.

₹ crore		
Particulars	FY 2022-23	FY 2023-24
<b>Fund Flow Statement</b>		
Operating activities	7,264	8,294
Borrowings/(Repayment of Borrowings)	(2,027)	4,232
Sale/(Purchase) of Other investments	(2,904)	4,645
Treasury and dividend income	3,035	4,690
ESOP Proceeds	10	10
<b>Sources of Funds</b>	<b>5,378</b>	<b>21,871</b>
Capital expenditure (Net)	2,236	2,822
Net investment/(Divestment)	(352)	151
Dividend paid	3,091	4,217
Interest paid	2,333	2,268
Buyback of shares (Including buyback expenses and tax)	-	12,280
Increase/(Decrease) in cash balance	(1,930)	133
<b>Utilisation of Funds</b>	<b>5,378</b>	<b>21,871</b>

Total borrowings as at March 31, 2024, increased to ₹ 22,540 crore, compared to ₹ 18,151 crore in the previous year. The loan portfolio of the Company comprises a mix of Rupee and suitably hedged foreign currency loans. The gross debt-to-equity ratio increased to 0.35:1 as at March 31, 2024, from 0.25:1 as at March 31, 2023. The net debt ratio as at March 31, 2024, is 0.02:1 after netting off cash and cash equivalents.

# INFRASTRUCTURE PROJECTS SEGMENT



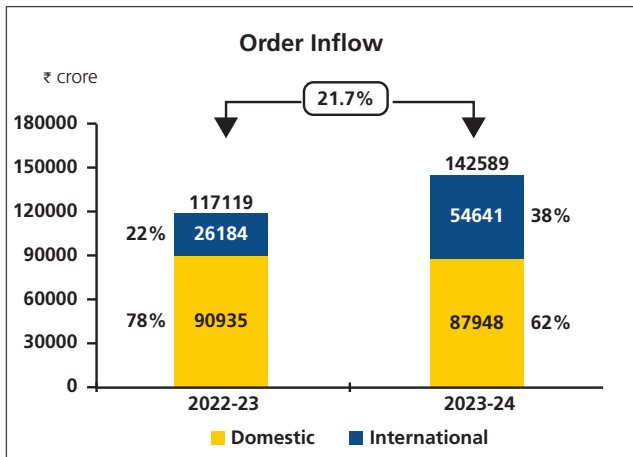
Artist's Impression

AIIMS Rewari, Haryana

The Infrastructure Projects Segment comprises the engineering and construction of:

- a) Buildings & Factories
- b) Transportation Infrastructure
- c) Heavy Civil Infrastructure
- d) Power Transmission & Distribution
- e) Water & Effluent Treatment
- f) Minerals & Metals

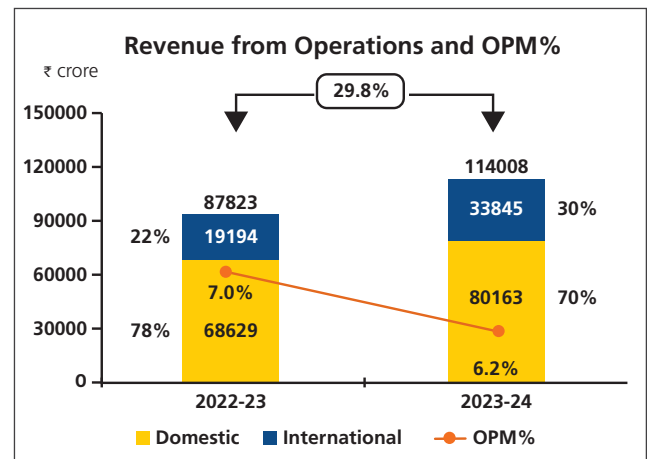
## Financial performance of the segment



The Infrastructure segment secured orders worth ₹ 1,42,589 crore in FY 2023-24, higher by 21.7% over the previous year, with the receipt of multiple orders across various sub-segments. During the current year, the Buildings & Factories business registered growth with the

receipt of some residential as well as IT park orders. The Transportation Infrastructure business registered growth with the receipt of a prestigious order for electrification work in the High-Speed Rail project as well as for a few road projects. The Heavy Civil Infrastructure business registered growth on receipt of a few high-value orders for Urban Transportation. Power Transmission & Distribution business benefitted from the receipt of multiple orders for renewable energy projects. Water & Effluent Treatment business and Minerals & Metals business registered de-growth over the previous year due to deferment/delay in finalisation of orders.

The share of international orders for the Infrastructure segment increased to 38% from 22% in the previous year, with the share of the Middle East in overall international order inflow for the segment remaining at 93% in line with the previous year.





*Hyderabad International Airport, Hyderabad, Telangana*

The Infrastructure segment registered revenue of ₹ 1,14,008 crore for FY 2023-24 – a growth of 29.8% over the previous year. The growth was mainly driven by the ramp-up of execution across multiple project sites. Revenue from international operations constituted 30% of the total compared to 22% in the previous year.

The segment's operating margin for FY 2023-24 declined to 6.2% from 7.0% in the previous year. The decline is largely reflective of time and cost overruns in multiple jobs coupled with increased provision on contract assets and customer receivables.

The funds employed by the segment at ₹ 24,048 crore as on March 31, 2024, registered a decline of 2.2% vis-à-vis March 31, 2023, mainly on account of improved working capital management.

## **Buildings & Factories**

### **Overview**

The Buildings & Factories (B&F) business stands at the forefront of building urban infrastructure, offering end-to-end design-and-build turnkey solutions that seamlessly traverse the entire project lifecycle, from concept to commissioning. Its expertise extends across sectors such as airports, hospitals, stadia, retail establishments, educational campuses, IT parks, office towers, data centers, high-rise structures, industrial warehouses, test tracks, and other light factory structures.

Driving the success of the business are dedicated engineering design centres, various competency cells, and

innovative formwork systems. The business' commitment to innovation is further amplified by the mechanised project execution, a robust network of seasoned consultants and reliable vendors, and a meticulously digitised project control framework. Its talented workforce, adept at navigating complex challenges, contributes significantly to the realisation of iconic structures both in India and overseas.

The business is organised into the following Strategic Business Groups (SBGs):

### **Public Spaces, Airports & Factories SBG:**

This SBG consists of the following three businesses:

- ▣ The Public Space business undertakes design & execution of iconic projects like statues, museums, stadia, metro stations/depots, convention centres, malls, integrated multi-modal developments, etc., right from concept to commissioning on an engineering, procurement and construction (EPC) basis
- ▣ The Airports business specialises in designing and constructing airport terminal buildings, along with their associated service structures. The business also provides integrated airport system solutions, including baggage-handling systems, passenger-flow monitoring, passenger boarding bridges, visual docking guidance systems, and other essential facilities
- ▣ The Factories business offers comprehensive EPC solutions with single-point accountability, catering to the needs of sectors like automobile plants & test tracks, semiconductor electronics & solar PV manufacturing, glass & paint manufacturing, vaccine manufacturing, warehouses, and FMCG products





*Phoenix H10, Hyderabad, Telangana*

### **Health, Residential & Commercial Buildings SBG:**

- The Health business provides world-class healthcare infrastructure development, right from concept to commissioning in EPC mode, including medical and paramedical services as well as medical equipment
- The Residential business is a prime EPC solutions provider of elite, affordable, and mass-housing projects. The business has expertise in executing high-rise towers and developing mass-dwelling units
- The IT Office Spaces & Data Centers business specialises in end-to-end services, from conceptualisation to commissioning, for establishing innovative data centers. It also provides turnkey Design & Build solutions for Information Technology and office spaces. The business also strategically embraces innovative construction technologies, including prefabricated prefinished volumetric construction (PPVC), modular construction, and 3D printing

## **Business Environment**

### **Public Spaces**

The Private customer segment has demonstrated robust growth across multiple sectors, including MUD (Mixed Use Development), Hotels, and Malls. However, in large-size state-sponsored projects, the Government has strategically opted to split high-volume tenders for better price discovery. Also, some marquee public projects were delayed because of lower initial estimates that were not adequately aligned with the proposed scope of work.

### **Airports**

The Airport sector is experiencing a dynamic business landscape with several key trends. First, passenger traffic has crossed pre-COVID levels, signalling a positive trajectory for airport infrastructure development. Second, there is a growing demand for air travel in tier II and tier III cities as well, thereby presenting multiple lucrative opportunities for greenfield airports and expansion/modernisation of existing airports.

### **Factories**

The factory construction business is experiencing sustained growth driven by orders from private players in response to the Government's impetus to manufacturing through the Production Linked Incentive (PLI) Scheme.

### **Health**

In the hospital infrastructure industry, private investments are proceeding cautiously, leading to delayed expansions. Notably, many Indian Institutes of Technology (IITs) are establishing postgraduate medical research institutes along with super speciality Hospitals. Additionally, the Government's plan to set up infectious disease hospital blocks in all districts has expanded the scope of new hospital projects. These developments signal a dynamic landscape with potential for growth and innovation in healthcare infrastructure.



*India International Convention Centre, Dwarka, New Delhi*

## Residential

Real estate has seen exponential growth in the previous year, with residential property sales scaling new highs amidst rising customer confidence, stable interest rates, and improved affordability. The surge in demand was witnessed in the upper middle class and luxury segments. New launches and sales in the top 7 cities have registered a growth of 25% and 31%, respectively, on a y-o-y basis.

## IT OS and Data Center

With the cessation of the Work-from-Home (WFH) culture over time, the business is seeing growth from many real estate developers wanting to develop premium office spaces. The B&F Fast segment is witnessing significant interest in 3D concrete printing technology. Noteworthy is that the business is executing the world's largest 3D concrete printed facility in Chandigarh and also received an order for constructing villas in Bengaluru using the technology. The Data Center business is also gaining traction, not only in India but also in the GCC region.

## International

The business has strategically expanded its presence in the Middle East, capitalising on the economic upswing in Oman. Furthermore, selective opportunities are being pursued in Saudi Arabia.

## Major Achievements

### Major Orders Won:

- ▣ Construction of two residential towers for Oberoi Realty in Thane
- ▣ Commercial and residential development for Prestige Group in Mumbai and Bengaluru
- ▣ Mass Housing development for CIDCO at Navade, Navi Mumbai
- ▣ Commercial development for Raheja Group in Hyderabad
- ▣ Commercial building at four locations in Bangladesh
- ▣ Commercial tower for TAISEI Corporation at BKC (Bandra Kurla Complex), Mumbai
- ▣ Airport at Bhogapuram, near Visakhapatnam, for GMR Airports Infrastructure Limited
- ▣ AIIMS hospital and allied infrastructure at Rewari, Haryana
- ▣ AIIMS hospital and allied infrastructure at Madurai, Tamil Nadu
- ▣ AI NAMA General Hospital at Oman
- ▣ MAHSR C3 High-Speed Railway Stations & Depot
- ▣ Paint Polymer Manufacturing Plant in Gujarat for Asian Paints
- ▣ Paint Manufacturing Plant in Kharagpur for Birla Paints

### Key Projects Commissioned:

- ▣ Food Processing Plant in Ahmedabad for JR Simplot India
- ▣ Paint Manufacturing Plants for Birla Paints at Panipat, Ludhiana and Cheyyar, Tamil Nadu





*Flacq Teaching Hospital, Mauritius*

- ▣ Assam Cancer Care Foundation, Guwahati & Silchar, Assam
- ▣ AIIMS Guntur, Andhra Pradesh
- ▣ Delhi International Airport T1 Expansion and Hyderabad International Airport Expansion from GMR Airports Infrastructure Limited
- ▣ India International Convention & Expo Centre (IICC) Dwarka, IIT Hyderabad Ph2 and IIT Bhilai projects
- ▣ Statue Of Oneness in Omkareshwar, Madhya Pradesh
- ▣ Kalinga Stadium in Bhubaneswar, Odisha

### Other Key Achievements:

The business successfully designed and built the Shri Ram Janmabhoomi Temple and was instrumental in the timely consecration ceremony of Ram Mandir in Ayodhya, Uttar Pradesh.

The construction industry has taken significant strides towards sustainability. Spearheading this transformation, CIDCO Kharkopar, CIDCO Bамандongri, and the CIDCO Precast yard at Bамандongri have teamed with the Maharashtra Electricity Board to operate entirely on renewable energy sources. These initiatives, in addition to reducing carbon footprint, also set a precedent for other construction projects to follow suit. Furthermore, the Prestige Serenity Project at Bengaluru recently implemented a Power Purchase Agreement – a first in the construction industry for the use of renewable energy for site operations. These milestones underscore the business' commitment to environmental stewardship.

B&F is pioneering 3D concrete printing in India by constructing the country's first post office building using this cutting-edge technology. The Halasuru Post Office in

Bengaluru spans 1000 sq. feet and was built within an impressive 45 days. The project encompasses the entire spectrum of construction, including structures, MEP (mechanical, electrical, and plumbing), and finishes.

### Outlook

**Public Spaces:** Central Government initiatives such as the Target Olympic Podium Scheme (TOPS) and the improved scenario in the hospitality industry, contribute to existing traction in the Public Spaces business. The business is also actively tracking the expansions of global retailers like IKEA. Further, prospects from the Central Government in Central Vista projects, Mixed-Use Development, and other sports redevelopment projects signal a healthy outlook for this business.

**Airports:** Supportive Government policies such as UDAN (Ude Desh ka Aam Nagrik) and the Air Cargo Policy are driving investments in various airport projects. While the business envisages an uptick in investments from the Central Government, large airports/expansions from private Airport Operators could be deferred. The business is also looking at opportunities in this sector in the GCC region.

**Factories:** Backed by schemes like the 'National Policy on Electronics 2019', the Electronics and Semiconductor industry is expected to grow significantly in FY 2024-25. Major players are looking to set up manufacturing facilities for batteries and semiconductor chips. With major automobile players actively expanding their existing production and venturing into Green Energy vehicles, this business is seeing healthy prospects in the medium-term.



*Meerut Aligarh Ghaziabad Road Project, Uttar Pradesh*

**Health:** Mega healthcare projects are on the rise with the Government accelerating healthcare infrastructure development across India. The Central Government's initiative to establish one medical college in each district (with a population of 10 lakh people +) has led to competition among state governments and private players to develop medical infrastructure. The Government's focus is on improving the bed-to-population ratio in order to align with WHO norms. Further, many large hospital redevelopment projects are shaping up across the country.

**Residential:** In the Indian residential building sector, post-COVID, there has been a consistent year-on-year increase in project launches and property sales across the top 7 cities. Simultaneously, the average inventory has reached an all-time low of 15 months by the end of the previous year. This, coupled with improved affordability, stable interest rates, and wealth effect, are contributors to medium-term growth.

**IT OS and Data Center Business:** The IT OS and Data Center Business is well-positioned to capitalise on the growing demand for Data Center construction in India and abroad, leveraging its experience, expertise, and strategic partnerships to tap into this lucrative market segment while continuing to serve its clients in the commercial and retail segments as well.

**International Opportunities:** Projects within the GCC countries present substantial prospects in the international markets as well. Notably, Saudi Arabia offers promising opportunities in sectors like airports, data centers, and stadia. Further, in Oman, the business is focussed on projects in the hospitality industry, encompassing both hotels and hospitals.

With healthy investment opportunities across public and private space anticipated in the medium-term across geographies, the business is well-placed to benefit from the improved momentum.

## Transportation Infrastructure

### Overview

L&T's Transportation Infrastructure business is one of the leading contractors in India, offering turnkey Design & Build/EPC solutions with single-point responsibility for all kinds of transportation infrastructure such as Roads, Runways, Bridges, Elevated Corridors, Railways, City Infra, Urban Transit, and Airports. The business is divided into two Strategic Business Groups (SBGs), namely, Railways Business Group (RBG) and Roads, Bridges & Formations (RBF) Business Group.

The Railways Business Group (RBG) is subdivided into Mainline Business Unit (MLBU) and Metro Business Unit (MTBU). MLBU addresses EPC construction works in the domains of civil & trackwork, electrification and system integration, including signalling & telecommunication for all Mainline Railway Projects, Dedicated Freight Corridors, Rail Links for Port, Mining and Power Plant facilities, etc. MTBU carries out EPC construction works involving ballastless trackwork, electrification, and system integration for all Mass Rapid Transit System Projects and Regional Rapid Transit Systems in India and abroad.

The Roads, Bridges & Formations (RBF) Business Group provides EPC Design & Build Construction services. RBF comprises a Roads & Runways (R&R) Business Unit,





*Eastern Dedicated Freight Corridor (Contract Package 303), Uttar Pradesh*

a Bridges Business Unit, and a Formations & Structure Business unit (F&S) with projects currently spanning across India, the UAE, and Mauritius. The R&R business is involved in the roads sector, viz. associated structures, cross-drainage, toll plaza, wayside amenities, etc.; in the airport sector, viz. construction of complete airside infrastructure (runways, taxiways, aprons, airfield ground lighting, fuel hydrant systems for international airports, both greenfield & brownfield); and to decongest urban areas, it provides design and construction solutions for elevated corridors. The Bridges Business deals with the construction of bridges, both in India and overseas, using ingenious and cutting-edge bridge construction techniques like incremental launching, segmental construction, full span, cable stay, precast & pre-stressed concrete, as well as steel & concrete composite construction. The F&S business provides construction services for all types of railway civil work in dedicated freight corridors, high-speed rail, and urban railway network projects.

The business has Engineering Design Centres located in Mumbai, Faridabad, and Chennai. It also has a Competency Development Centre at Kancheepuram and a Workmen Training Centre at Ahmedabad.

## Business Environment

### Railways Business Group

The Railway sector has been on a high growth trajectory for the past few years. The pace of investment has been at an all-time high with adequate financial support from the Government.

The Finance Minister, in the interim budget speech of FY 2024-25, announced the Government's focus on implementing three major railway economic corridors – Energy, Port Connectivity, and High Traffic Density. The budget allocation in the interim budget FY 2024-25 saw the largest ever capital expenditure allocation of ₹ 2.52 lakh crore in various areas like rolling stock, track augmentation works, electrification, passenger amenities, High-Speed Rail, and the Dedicated Freight Corridors.

With an emphasis on the introduction of High-Speed and Semi High-Speed Corridors, Regional Rapid Transport Systems, Suburban Rail Systems, first & last mile connectivity projects, modernisation of railway stations, implementation of Automatic Train Protection System 'KAVACH', manufacturing of Vande Bharat trainsets, and Electric Locomotives, the sector has been abuzz with activities, thereby opening up various opportunities for the business.

### Roads, Bridges & Formations

The total budgetary outlay for infrastructure-related ministries increased from around ₹ 3.7 lakh crore in FY 2022-23 to ₹ 5 lakh crore in FY 2023-24, offering investment prospects for the private sector across the various transport sub-segments. The Government has also set ambitious targets for the transport sector, including the development of a two lakh-km national highway network and expanding airports to 220 by 2025.

The aviation sector has seen increased activity in the past ten years. The number of airports has doubled to 149 during this period.





*Dwarka Expressway, Haryana*

The Government is also focussing on developing new elevated corridor/flyover projects across major cities, with the primary aim of decongesting urban roads and highways.

## Major Achievements

### Major Orders Won:

- ▣ Mumbai-Ahmedabad High-Speed Rail – Traction Power Supply Package (EW1) from National High-Speed Rail Corporation Limited (NHSRCL)
- ▣ Jakarta Mass Rapid Transit (MRT) Project (Phase 2A) (Contract Package CP205) for MRT Jakarta through L&T's long-term Japanese partner, Sojitz Corporation
- ▣ Palasbari to Sualkuchi Cable-Stayed Bridge across the river Brahmaputra in Assam, from Public Works Roads Department (PWRD), Assam
- ▣ Dahisar Bhayandar Bridge in Mumbai, from Municipal Corporation of Greater Mumbai (MCGM)
- ▣ Versova Dahisar Bridge in Mumbai, from Municipal Corporation of Greater Mumbai (MCGM)
- ▣ Bhogapuram Airport in the state of Andhra Pradesh, from GMR Visakhapatnam International Airport Limited (GVIAL)
- ▣ Bengaluru Suburban Rail project (Package C4) in Bengaluru, Karnataka, from Rail Infrastructure Development Company (Karnataka) Limited (K-RIDE)

### Key Projects Completed:

The business has completed/commissioned the following projects:

- ▣ Bar Bilara Jodhpur Road Project in Rajasthan was inaugurated in May 2023
- ▣ Mukkola Junction to Kerala/Tamil Nadu Border Road Project was completed and received PCOD (Provisional Commercial Operations Date) in June 2023
- ▣ RRTS – Priority stretch (Sahibabad to Duhai – 34 TKM) in Uttar Pradesh was inaugurated in October 2023
- ▣ Dhaka Metro (Phase 2 – Agragaon to Motijheel – 18 TKM) was inaugurated in November 2023
- ▣ Commercial Operation commenced in the entire section of 283 TKM in the WDFC CP 303 Project (Khurja to Pilkhani in Uttar Pradesh – 283 TKM) in November 2023
- ▣ The complete stretch of the 902 TKM section in EDFC CP-204, New Bhaupur to Mugalsarai in Uttar Pradesh, was commissioned in December 2023
- ▣ EDFC CP-105, Dadri to Khurja in Uttar Pradesh, was inaugurated in January 2024
- ▣ The Indergarh to Mej River Expressway Project in Rajasthan was inaugurated in February 2024
- ▣ CTP 14, a portion of the Dedicated Freight Corridor project, was inaugurated in March 2024
- ▣ Dwarka Package 3 (Delhi-Haryana Border to Gurugram (Haryana)) was inaugurated in March 2024
- ▣ Dwarka Package 4 (NH248 BB ROB to NH-8 SPR Intersection (Haryana)) was inaugurated in March 2024



*Western Dedicated Freight Corridor (Civil & Track Package 14), Haryana-Uttar Pradesh*

- ▣ Delhi International Airport (Phase 3A) was inaugurated in March 2024
- ▣ Meerut Aligarh Ghaziabad Road Project in Uttar Pradesh, completed in March 2024
- ▣ Kanpur & Agra Metro Track package 12 TKM from Fatehabad to Jama Masjid was inaugurated for public operation in March 2024
- ▣ A portion of EDFC projects CP 304 & CP 305 – 558 TKM (World Bank funded) was commissioned in March 2024
- ▣ Signalling & Telecom STP-17 (JICA funded) – 488 TKM between New Makarpura to New Gholvad in Gujarat was completed and in commercial operation since March 2024

## Outlook

### Railways Business Group

As envisaged under the National Infrastructure Pipeline, Railway investments revolve around improving track capacity and freight efficiency, augmenting the speed of trains, enhancing safety, and ensuring better connectivity.

Indian Railways (IR) has been actively focussing on network expansion in the past few years. In the Interim Union Budget for FY 2024-25, the railways sector has received the highest ever CapEx allocation of ₹ 2.6 trillion, with many projects aimed at capacity augmentation and traffic decongestion in the IR network.

The Government is targeting Rail Line Construction of 20 km/day in FY 2024-25 to add 45,000 Km of rail route in the next 8 years, with an estimated cost of ₹ 12 lakh crore, thereby increasing railways share in overall passenger/ freight movement from 25% to 50% by 2030. In recent

years, there has been a thrust for the development of Semi-HSR Corridor projects, for which Track and Systems packages worth ₹ 25,000 crore are expected to be finalised in the next five years.

Further, as part of the development of the Regional Rapid Transit System (RRTS), civil packages and system tenders in the next round are expected under the four RRTS corridors being implemented by the National Capital Region Transport Corporation (NCRTC).

There is continued thrust on building new and expanding Metro/MRT Systems to facilitate ease of movement and reduce carbon footprint. Systems orders are expected to be finalised across four Metros in the upcoming two years. The business outlook for the next five years includes 12 new projects (450 Km) in the Track and Systems domain.

### Roads, Bridges & Formations

The Government of India has identified roads and highways as the 'go to sector' for spurring infrastructure investment in India. It is believed that investments in infrastructure yield a direct multiplier of over 2.5x on the economy and the roads sector in India has presented itself as a priority recipient of these investments. Over the last decade, there has been more than a 50% increase in the total length of highways in the country. The Government's budget support for road infrastructure has also rapidly increased, leading to a budget of approximately USD 31.5 billion for FY 2023-24.

The Ministry of Road Transport and Highways has requested a budgetary allocation of ₹ 3.25 lakh crore for FY 2024-25, marking a 25% y-o-y increase.





*Mumbai Coastal Road (Package 1 & 4), Maharashtra*

The National Highways Authority of India spent a record ₹ 2,07,000 crore in the construction of national highways in 2023-24, the highest ever capital expenditure so far, and a jump of 20% compared to ₹ 1,73,000 crore spent in 2022-23 and ₹ 1,72,000 crore in 2021-22.

The largest portion of the capital expenditure – equivalent to 24.5% or ₹ 2.7 Tn (USD 33.2 Bn) – has been allocated to the Ministry of Road Transport and Highways (MoRTH) in the Interim Budget of FY 2024-25. The Government increased its allocation to the MoRTH by 2.8% in the FY 2024-25 Budget. Higher budgetary allocations will help the ministry develop more highways and expressways amid difficulties such as rising interest rates and increasing land acquisition costs.

A fair risk sharing between Government and private sectors, as well as an improved dispute resolution mechanism, will encourage public-private participation in infrastructure projects.

### International Front

While the business continues to focus on neighbouring countries like Bangladesh, it is also strongly examining entry into ASEAN, the Middle East, and North & East African countries, where L&T has a strong presence and footprint.

Most importantly, the business is targeting only those projects that are funded through secured sources like the Government of India – Lines of Credit or through Bilateral/Multilateral funding agencies such as JICA, EBRD, ADB, etc.

## Heavy Civil Infrastructure

### Overview

The Heavy Civil Infrastructure business is a market leader in EPC projects in the core civil infrastructure segments that are crucial for the country's sustainable economic growth and development.

The business has a strong domestic presence to undertake projects of mega scale and complexity, with an ability to provide both EPC and turnkey solutions to suit customer requirements. The domestic market contributes more than 95% of the total revenue of the business.

Further, the business derives a competitive edge due to its dedicated in-house design and technical capabilities, competency cells, fabrication facilities, specialised training centres, and strong resource base consisting of a huge fleet of Plant & Machinery, skilled workforce and a talented pool of employees.

The business segments include:

- a) Urban Transit Infrastructure consisting of Metros, Semi & High-Speed Rail, Urban tunnels
- b) Nuclear
- c) Hydel & Tunnels
- d) Ports & Harbours
- e) Defence Infrastructure

**Urban Transit:** As a frontrunner in augmenting urban transit infrastructure in India, this segment is currently involved in the construction of various metro rail packages, both elevated and underground, in Mumbai, Bengaluru, Chennai, Kolkata, Patna, New Delhi, and in Riyadh, KSA.



### *Kudankulam Nuclear Power Plant, Tamil Nadu*

The segment is also executing multiple mega packages in India's first High-Speed Rail Corridor, connecting Mumbai to Ahmedabad. It has deployed the latest high-end construction techniques for the construction of Full Span Launching Girders, which is a first-of-its-kind being implemented in India. With a view to promoting the 'Aatmanirbhar Bharat' initiative, in-house fabricated equipment like Straddle Carrier, Launching Girders, and Girder Transporter are being used in the construction of this prestigious project.

The business also undertakes Semi High-Speed Rail construction and has successfully completed a portion of the Delhi-Meerut RRTS project during the year.

**Hydel & Tunnels:** The Hydel sub-segment offers comprehensive turnkey construction solutions for hydroelectric dam projects, barrages, pumped storage plants, and complex irrigation projects. Presently, the business is executing projects in Madhya Pradesh, Assam, Arunachal Pradesh, Uttarakhand, and Jammu & Kashmir.

In the Tunnels segment, the business is executing two major rail tunnel packages connecting Rishikesh-Karnaprayag, Uttarakhand.

**Nuclear:** The Nuclear sub-segment undertakes civil construction works for nuclear power plants. It has expertise in the construction of Pressurised Heavy Water Reactors (PHWRs) and Light Water Reactors (LWRs) in addition to Natural Draft Cooling Towers (NDCTs). Currently, the business is engaged in the construction of nuclear power plants and associated facilities in Tamil Nadu, Maharashtra, and Rajasthan.

**Ports & Harbours:** This sub-segment has extensive expertise in constructing greenfield ports, shipyard structures, and seawater intake systems along the country's coastline. It specialises in offering comprehensive construction solutions for various marine infrastructure elements that include breakwaters, berths, jetties, wharfs, dry docks, and shore protection structures. Currently, the business has a presence in Tamil Nadu, Kerala, Andhra Pradesh, and Maharashtra.

**Defence Infrastructure:** L&T has established a pre-eminent position in shoring up the country's defences. The Defence Segment offers single-point EPC solutions, from concept to commissioning, for various defence establishment infrastructure facilities in India.

L&T GeoStructure Private Limited, a wholly-owned subsidiary, is a pioneer in the ground engineering space and is engaged in foundation and ground improvement-related projects. It has a strong, professional, and specialised team with knowledge of design, equipment, and methods to execute and supervise sophisticated foundation works. The business has expertise in deep piling and diaphragm walls, multi-cellular intake wells for river-linking, marine terminals with berths, jetties, and deep cut-off walls.

## **Business Environment**

The Government is keen on developing core infrastructure that is crucial for economic advancement, as evidenced by the enhanced budgetary allocation in the Union Budget. The capital expenditure outlay for the FY 2024-25 has increased by 11.1% to ₹ 11.1 trillion, equivalent to 3.4% of GDP.





### *Mumbai-Ahmedabad High-Speed Rail Project*

#### **Urban Transit**

India's metro network is expanding at an unprecedented pace, with construction work currently in progress covering about 990 km across various cities. With the focus on sustainable development, continual expansion of our cities, and the realisation of greater first-mile and last-mile connectivity, India's metro systems have the necessary prioritisation from the Government. With over 12 corridors proposed in the National Rail Plan, High-Speed Rail projects are also being prioritised. Newer technology of hyperloop, more sustainable high-speed transportation, is also being considered in the country, with an MoU being signed between India and Switzerland. With the aim of alleviating city traffic congestion and improving connectivity between cities, many tunnel projects are also being prioritised by the Government.

#### **Hydel**

India's commitment at COP26 held at Glasgow in 2021 was for the creation of 500 GW non-fossil power generating capacity by 2030 and the Government is taking steps to increase investment towards offshore wind, pumped storage, hydel power, nuclear power, etc. Pumped Storage Plant (PSP) projects are considered as one of the first priorities amongst all energy storage systems to facilitate the achievement of this goal. The Government's prioritisation of mega hydel projects in Northeastern states and J&K also signals a promising business landscape.

#### **Nuclear**

As part of the country's efforts to achieve a cleaner energy transition, Nuclear Power Corporation of India Limited (NPCIL) is currently on a mission to commission

a nuclear power reactor every year. The nuclear power capacity is expected to increase from 7,480 MW to 22,480 MW by 2032. Even though large-scale plants remain the main focus for the country, the Government is also exploring options for Small Modular Reactors (SMRs), with effectiveness and feasibility studies and collaboration with other countries.

#### **Ports & Harbours**

SagarMala, a flagship programme of the Ministry of Ports, Shipping and Waterways, aims to promote port-led development of the country. According to the Ministry, as many as 800 projects have been identified as a part of the programme, including Port Modernisation & New Port Development and Port Connectivity Enhancement, which will result in increased capacity and world-class infrastructure at Indian ports. With Indian regulation encouraging private sector involvement in the sector, the Ministry has identified around 80 Public Private Partnership (PPP) Projects, valued at ₹ 42,300 crore, set to unfold by FY 2024-25.

#### **Defence**

The Government is focussing on building new capacities and upgrading existing defence infrastructure with an increased budget allocation to the Ministry of Defence. This will lead to the creation of opportunities in various Defence Infrastructure projects.

#### **International**

The business is exploring opportunities in the Middle East and SAARC countries with prospects visible in the Urban Transit, Ports, and Harbours businesses.





*Mumbai Coastal Road (Package 1 & 4), Maharashtra*

## Major Achievements

### Major Orders Won:

- ▣ Mumbai-Ahmedabad High-Speed Rail (MAHSR) C3 project – Construction of 135.45 km stretch of the prestigious Mumbai-Ahmedabad High-Speed Rail Project, including construction of viaducts, stations, major river bridges, depots, tunnels, earth structures, stations, and other auxiliary works
- ▣ Orange Gate Tunnel – Design and construction of an Underground Road Tunnel Project between Orange Gate, Eastern Free Way to Marine Drive Coastal Road at Mumbai
- ▣ Kolkata Metro – Design and Construction of an Underground Metro Project connecting the Joka – Esplanade Metro Corridor in the city of Kolkata
- ▣ Patna Subway Tunnel – Construction of a 1.5 km pedestrian tunnel connecting Patna Museum and Bihar Museum, between Bailey Road and Chajju Bagh in Patna, Bihar

### Key Projects Completed:

- ▣ Mumbai Trans Harbour Link (MTHL 1) – India's longest sea bridge (connects South Mumbai with Navi Mumbai), spanning nearly 22 km, was inaugurated in January 2024
- ▣ Mumbai Coastal Road Project Phase 1 (MCRP) – This ambitious project was inaugurated in March 2024
- ▣ Delhi Meerut RRTS Lot 1 – A leap in India's urban transit infrastructure. The project was inaugurated in March 2024

### Other Key Achievements:

- ▣ Successful completion of 100 km of superstructure erection in Mumbai-Ahmedabad High-Speed Rail (MAHSR) C4 project with cumulative concrete pouring of 50 lakh cubic metre
- ▣ India's first 30 m U-Girder span in metro construction placed successfully in Chennai Metro Rail Ltd. (CMRL RT-01)
- ▣ Record tunnelling of 37.4 m in a single day and an average of 450 m/month per TBM of 9.1 m dia. in RVNL Package 4
- ▣ Head Race Tunnel breakthrough three months ahead of schedule at 120 MW Lower Kopili HEP in Assam

## Outlook

According to CRISIL, India is expected to spend nearly ₹ 143 lakh crore on infrastructure in the next seven fiscals through 2030, more than twice the ~ ₹ 67 lakh crore spent in the previous seven fiscal 2017 to 2023, with a primary focus on Urban Transit, Renewable Energy, and Ports. The upcoming phase of infrastructure development is set to witness an increase in the average project size and a notable increase in mega-scale projects. The Government is also striving to encourage private and foreign investment through various initiatives such as a liberalised FDI policy, fiscal incentives, and measures such as PM Gati Shakti and the National Single Window System (NSWS) to improve ease of doing business.

With India's aim to achieve Net Zero by 2070, the country has to focus on green construction technologies in future infrastructure projects. Faced with rapid urbanisation, the Government is considering the implementation of



*90 MW Floating Solar Project, Omkareshwar, Madhya Pradesh*

Mass Transit Systems such as Metro/Metro Lite/Metro Neo/Personal Rapid Transit System in Tier 1 and Tier 2 cities as an initiative, part of the green mobility drive to reduce the country's carbon footprint in the fight against climate change. With a strong push towards green energy initiatives, including favourable policies and incentives, the business has unprecedented opportunities in the Hydro, Nuclear, and Pumped Storage Sectors and an opportunity to contribute meaningfully to India's sustainable energy transition.

## Power Transmission & Distribution

### Overview

L&T's Power Transmission & Distribution business vertical is a major EPC player, providing technology-focussed, end-to-end solutions for enabling access to clean, reliable electricity. It offers integrated EPC services and related digital solutions, starting from the establishment of Solar PV plants to smart & efficient transmission and distribution networks to last-mile electrification. It serves Renewable Energy Developers, Utilities, Industrial, and Infrastructure customers in 30 countries across the SAARC, ASEAN, the Middle East, Africa, North America, and CIS regions.

The business is broadly organised into four major groups, viz., Renewables SBG, Transmission & Distribution (Domestic) SBG, International Transmission & Distribution Business Units, and the Digital Energy Solutions business.

The **Renewables business group** is a single-stop EPC service provider globally for GW-scale Solar PV, Energy

Storage, Microgrid, and Hybrid Renewable Projects. There are very few players with such strong experience and expertise in handling different module technologies, module mounting structures, and storage types.

The business group has accumulated in-depth engineering and construction know-how to execute a vast range of renewable projects, be it hybrid, floating or linear, with best-suited technologies for terrain type and tracking. The round-the-clock renewable energy required by emerging load centres such as Data Centers and Green Hydrogen plants can be effectively provided by the business, with its wide-ranging capabilities in Solar PV Plants, Battery Energy Storage Systems, Energy Management Systems/SCADA, Wind Balance of Plant, and grid elements.

The container integration facility at Kancheepuram augments the capabilities of the business with an annual capacity to integrate ~ 400MWh of battery energy storage system with associated intelligent management and control systems. In addition to India, the Renewables SBG has a major presence in Saudi Arabia and the United Arab Emirates.

The **Transmission & Distribution (Domestic) business group** caters to various T&D utilities and developers, along with the bulk power supply consumers like metros, airports etc.

The *Substation business unit* provides turnkey solutions for Extra High Voltage (EHV) air-insulated/gas-insulated substations up to 1200kV, Flexible AC Transmission Systems (FACTS) devices such as Static Synchronous Compensator (STATCOMs) and Static VAR Compensator (SVCs), Digital Substation related solutions, and EHV cable systems.



### 500kV Pulah Indah Olek Lempit Transmission Line, Malaysia

The *Transmission Line business unit* provides complete EPC solutions for overhead transmission lines. It is well integrated with the digitally driven, sustainability-focussed tower manufacturing units, which have a combined capacity to produce more than 1 lakh tonnes of tower components per annum. The Kancheepuram manufacturing facility also houses the world-renowned Tower Testing and Research Station, which provides its design and testing services to clientele from 33 countries.

The *Power Distribution business unit* has been at the forefront of distributing electricity in an efficient manner to all, by providing a range of EPC services related to urban/rural electrification, augmenting, reforming, and strengthening of high voltage and low voltage distribution networks, power quality improvement works, and advanced distribution management solutions.

The **International T&D business units** provide the entire spectrum of power T&D-related services in the Middle East, Africa, and ASEAN regions.

Over the past three decades, the *Middle East business unit* has earned a strong reputation among the utilities and oil companies in Saudi Arabia, UAE, Oman, Qatar, Kuwait, and Bahrain, having executed several marquee projects. It enjoys an enviable track record and garners a significant share of T&D projects awarded every year.

Larsen & Toubro Saudi Arabia LLC (LTSA), a wholly-owned subsidiary, provides engineering, construction, and contracting services in the sphere of transmission & distribution in Saudi Arabia.

The *Africa business unit* has executed several landmark projects in Algeria, Egypt, Morocco, Kenya, Ethiopia, Tanzania, Uganda, Botswana, Mozambique, and Malawi. It has made further inroads into Western & Northern Africa with ongoing projects in Guinea, Cameroon, and Tunisia. With the regional offices strategically located in Nairobi and Casablanca to serve the vast continent, the business has earned a coveted position with a sizeable market share in the addressable segment.

In the *ASEAN region*, L&T is an established international T&D player, holding a portfolio of prestigious projects spread across Malaysia, Thailand, Myanmar, and the Philippines. The offices in Kuala Lumpur, Bangkok, and Jakarta serve as the touchpoints for the electricity companies in the region.

The **Digital Energy Solutions** arm of L&T's Power T&D business provides electricity-related consulting and digital solutions globally through its 'Spark' platform, and a multitude of software products and solutions. Its cutting-edge offerings include hybrid energy management systems, energy storage controllers, substation data platforms, power system cyber security needs, etc. Driven by powerful algorithms and simulations, the solutions offered by this unit enable customers across India, the Middle East, and the USA to build resilient future-ready systems.

The Power Transmission & Distribution business vertical aims to provide a green technology path to clean energy transition in India and abroad while providing customers and prosumers with the highest standards of reliability, availability, and efficiency of power transmission and distribution networks.



*400kV Ottapidaram, Tamil Nadu*

## Business Environment

A vibrant renewable energy market in the Middle East provides ample opportunities coinciding with a plethora of Power Transmission & Distribution related projects. This makes up for the relatively subdued environment in India and Africa. Further, these opportunities come with significantly higher package sizes, thereby aiding effective resource utilisation and facilitating volume growth. Due to ongoing disturbances in the Red Sea, the supply chain was impacted to an extent. However, the execution of projects has largely continued unhindered.

The domestic Renewable Energy space is characterised by self-EPC execution by developers, land acquisition requirements, and e-reverse auctions. Selected opportunities were pursued with specific customers in niche areas, such as Floating Solar Plants.

As the domestic power distribution space was fraught with aggressive customer estimates and a fragmented contractor base, the addressable opportunities were relatively lesser, for which the business was very particular. The recent revival of the order finalisation of transmission line packages for renewable energy evacuation provided a welcome relief.

## Major Achievements

### Major Orders Won:

- ▣ 2.8GWp Solar PV Plant EPC orders in the Middle East
- ▣ An integrated order involving Renewable Generation, Power, and Water Utilities for an ultra-luxury tourism destination in Saudi Arabia

- ▣ 75MW Floating Solar order in India
- ▣ 765kV Transmission Lines related to the integration of Renewable Energy Zone in Karnataka
- ▣ 400kV Transmission Line orders in Jharkhand and Chhattisgarh
- ▣ Receiving and Auxiliary Substations with SCADA for Chennai Metro Corridors 3 & 5
- ▣ Distribution Infrastructure improvement projects in Rajasthan and Gujarat
- ▣ Upgradation of SCADA (Supervisory Control and Data Acquisition) at Transmission Asset Managing Centres for monitoring and control of 275 EHV Substations in India
- ▣ A 400kV Substation and 3 Nos. 132kV Substation packages in UAE
- ▣ 400kV Transmission Line packages in UAE and Kuwait
- ▣ 8 Nos. 132kV Substations in Kuwait
- ▣ Substation packages from the ongoing network expansion phase in Qatar
- ▣ 525kV HVDC Transmission Line package in Saudi Arabia
- ▣ 380kV Substations and Overhead Line packages in Saudi Arabia
- ▣ 275kV Substation and Underground Cable laying order in Malaysia
- ▣ Certain Advanced Grid Services and Energy Consulting Services in the USA for the Digital Energy Solutions business





*400kV JNHPP Chalinze Transmission Line, Tanzania*

### Projects completed and commissioned:

- 1.8GWp Sudair Solar Plant in KSA
- 15 Substations and 1409 CKM of overhead transmission lines in the Middle East
- 5 Substations and 420 CKM of transmission lines in Africa
- 138 CKM of 500kV transmission lines in the ASEAN region, including the Tallest Transmission Tower in Malaysia that entered the 'Malaysia Book of Records'
- 50 GIS bays in Thailand
- 220kV Transmission Line and two Substations in Nepal at high altitudes
- 400kV Substations & Transmission Lines in Tamil Nadu and Uttar Pradesh
- 220kV Substation & Transmission Line in West Bengal
- Improved Distribution Infrastructure by adding 1531 Ring Main Units and 1450+KM of cable conversion in Uttar Pradesh, West Bengal, Haryana, and Jammu
- 35MW Solar Plant with 57MWh Battery Energy Storage System in Gujarat

### Significant Initiatives

- Initiated a global strategic partnership with Dell Technologies for synergistic use of high-end computing power with software solutions for energy utilities
- Memorandum of Understanding (MOU) signed with IIT Indore for Advanced Research & Development in renewable energy integration and control technologies
- Innovation in anchoring & mooring methods for floating solar projects

### Outlook

Renewable electricity has emerged as the preferred source of energy in varied applications and industries. Significant investments for enhancing renewable energy capacity are witnessed in both developed and emerging economies. Novel solutions involving a spectrum of renewable technologies, including wind and energy storage, are being integrated for solar generation. This proliferation of renewable energy goes hand in hand with the multi-fold expansion of transmission grid infrastructure.

The GCC countries have set ambitious renewable energy addition plans for 2030, which are backed by action on the ground. Besides diversification of fuel mix, renewable energy for Green Hydrogen is another major driver. Our reputation and relationships with the major developers in the region are expected to fuel the growth of the business in the adjacent regions as well.

In specific countries of Africa and ASEAN, the business will leverage its proven track record, established relationships with various stakeholders, and ability to access the project finance market in order to pursue select opportunities arising from Just Transition initiatives, grid interconnection requirements, and renewable proliferation.

In India, a significant increase in the capacity of solar module manufacturing in the past year will improve input costs and delivery timelines, given the compulsory requirement to meet Approved List of Models and Manufacturers (ALMM) stipulations. Further, the tendering of the on-the-ground and floating solar plants by the Central and State Public Sector Enterprises will be the mainstay in the coming years.





*Water Treatment Plant at Nashik, Maharashtra*

765kV Transmission Line and Substation opportunities, mainly for the purpose of renewable energy evacuation, will continue to provide stable order inflow in the medium-term, besides HVDC corridors and Metro Rail projects. From select DISCOMs, distribution modernisation opportunities such as Loss Reduction Works and Supervisory Control and Data Acquisition (SCADA)/Advanced Distribution Management System (ADMS) packages are expected to gain momentum.

The ability to provide a range of advanced physical and digital solutions, including Dynamic Reactive Power Compensation, Hybrid Energy Management Systems, and EV Charging Infrastructure at scale, gives the business an edge over competitors.

The influx of orders coupled with ramped-up execution and efficient working capital cycle provide a strong ground for improved return ratios in the business.

## Water & Effluent Treatment

### Overview

L&T's Water & Effluent Treatment (WET) business is a technology-driven EPC business dedicated to delivering comprehensive solutions in the water space, through best-in-class project management, technological capabilities, and treatment process know-how. The business caters to varied customer segments for municipal water (potable & waste), irrigation, industrial water, desalination, and smart water infrastructure by implementing treatment plants, storage & pipeline networks for water supply & wastewater, irrigation, and industrial applications across

India and at various international geographies. The business is recognised for its successful implementation of large-scale projects nationally and globally, delivering clean water, sanitation facilities, and efficient treatment processes for the community. These efforts not only enhance public health and quality of life but also promote economic growth and sustainable development.

The business has a unique Water Technology Centre (WTC) in Kancheepuram, near Chennai, which has state-of-the-art laboratories to develop solutions for the ongoing/emerging challenges in the Water sector.

L&T's Water & Effluent Treatment business is structured into three verticals:

- (i) Water & Wastewater
- (ii) Irrigation, Industrial, and Infrastructure
- (iii) Water International

The **Water & Wastewater** business vertical provides water solutions to the municipal water sector. In the potable water arena, it undertakes projects that encompass sourcing, treatment, transmission, storage, and distribution for the entire value chain, from intake to households. In the municipal wastewater segment, projects involve the collection and conveyance of sewage, pumping stations, and wastewater treatment, including the treatment of sludge to the highest standards and generation of power.

The **Irrigation, Industrial, and Infrastructure** business vertical caters to the needs of the irrigation and industrial sector by providing a wide variety of water solutions, including mega & micro irrigation, treatment of industrial effluent, plant water systems, and water infrastructure



*Varanasi Sewage Treatment Plant, Uttar Pradesh*

for smart cities. Desalination projects are also undertaken by this vertical.

The **Water International** business vertical focusses on providing complete water solutions in the markets of the Middle East, East Africa, and SAARC (South Asian Association for Regional Cooperation) countries.

## Business Environment

With the Government's focus on water infrastructure development, the business foresees significant market opportunities in the Urban Water & Water Management, Wastewater, Industrial & Desalination, and Irrigation sectors.

The business faces industry-specific challenges, including intense competition from established players and new entrants, workforce shortages, commodity price fluctuation, and cost escalations. Despite these challenges, the business remains resilient and actively addresses these headwinds through improved productivity and timely project implementation with exceptional quality and safety standards, thereby meeting stakeholder expectations.

In the Middle East region, the water demand is expected to grow significantly as huge spending is envisaged in the areas of desalination and treatment of wastewater & industrial effluents. The conscious pursuit of value-accretive opportunities in the Middle East is a risk mitigation to a high-growth but commoditised domestic market.

## Major Achievements

### Major Orders Won:

- ▣ Ballia Water Supply Project, Uttar Pradesh
- ▣ Firozabad Water Supply Project, Uttar Pradesh
- ▣ AMAALA Utilities Water Package, KSA
- ▣ Chittorgarh Package I Water Supply Project, Rajasthan
- ▣ Mega Lift Irrigation Project Cluster XXII & XXV in various Districts, Odisha
- ▣ Southwest Guwahati Water Supply Project, Assam
- ▣ Effluent Treatment Plant for Talcher TPP Stage III, NTPC, Odisha

### Major Projects Commissioned:

More than 10 million people benefitted from the commissioning of 32 projects during FY 2023-24. Some of the major projects commissioned during the year are:

- ▣ Ranchi Smart City, Jharkhand
- ▣ Gangadhar Meher Lift Irrigation Project, Odisha
- ▣ Shivhar Water Supply Scheme, Uttar Pradesh
- ▣ Diggian Sewage Treatment Plant, Chandigarh
- ▣ Coimbatore Sewage Treatment Plant, Tamil Nadu
- ▣ Chhatarpur Water Supply Scheme, Madhya Pradesh
- ▣ Jawai Water Supply Project, Rajasthan
- ▣ Sauni L3P8, Gujarat
- ▣ 30 MLD Common Effluent Treatment Plant, Gujarat
- ▣ Zanzibar Water Supply Project, Tanzania





*Gangadhar Meher Lift Irrigation Scheme, Bargarh, Odisha*

## Significant Initiatives

Multiple strategic initiatives were implemented during the financial year with an enhanced focus on digitalisation, mechanisation, and technology to make the business more future-ready in its quest to stay ahead in the competitive market.

- ▣ With a focus on operational excellence, the business implemented precast/hybrid construction methods (Intake, Pumphouses, Elevated Storage Reservoirs, and House Service Connections) across various projects to address the shortages in skilled manpower
- ▣ Predictive analytics incorporated in tendering based on historical data to estimate optimised tender Bills of Quantity (BOQ) with accuracy & speed, which has substantially reduced manual efforts and improved tendering efficiency
- ▣ Aerial survey using drones, extensive usage of ArcGIS software for auto-zoning of villages & volumetric calculations for large areas, Gap Information Monitoring App (GIMS), and House Service Connection app are some other key initiatives undertaken on the engineering & execution front
- ▣ The Incident Potential Rate (IPR) dashboard helps monitor project execution and facilitates risk evaluation in real-time. This AI/NLP-enabled platform has fast-tracked management intervention that facilitated quick decision-making, resource planning, and mobilisation, culminating in a better EHS environment at the projects
- ▣ The business has piloted the 'Integrated Project Management System (IPMS)' in a few projects to foster

seamless collaboration across departments, enhance visibility into all aspects of project management, and mitigate risks proactively

## Outlook

The business is predominantly a B2G company with many state government departments as its clientele. The growth of the business is highly dependent on the policies of the central and state governments. In the Interim Government Budget for FY 2024-25, the Central Government has once again emphasised its vision of making India 'Viksit Bharat' by 2047, thereby underscoring the importance of the various welfare schemes for its citizens, which, in turn, is expected to further drive opportunities in the Water, Wastewater, and Irrigation sectors. Additionally, the Jal Jeevan mission (Har Ghar Jal) that aims to provide piped water to every rural household will continue to provide opportunities in the arena of potable water infrastructure and ancillary services.

On the International Business front, the Middle East (especially the Kingdom of Saudi Arabia) presents new business horizons with ongoing mega-development projects. The business will collaborate with strategic partners to leverage opportunities that are aligned with regional priorities and economic growth initiatives.

Domestic competition remains fierce with a low entry barrier and emergence of new entrants, due to which innovation and technological advancements become critical for sustained business growth.

Amidst these opportunities, challenges like commodity price volatility and increased cost pressures persist



*Alumina Refinery Expansion Project at Vedanta Lanjigarh, Odisha*

across the industry. The business will focus on strategic planning and improved risk management practices to counter these challenges.

## **Minerals and Metals**

### **Overview**

L&T's Minerals & Metals (M&M) business offers complete EPC solutions for the Minerals & Metals sector across targeted geographies. The business undertakes end-to-end engineering, procurement, manufacturing, supply, construction, erection, and commissioning of projects, covering the complete spectrum from mineral processing to finished metals.

The business also offers comprehensive product solutions with an array of customised Mineral Crushing Equipment and Plants for varied applications, surface miners, material handling, high-speed railway construction equipment, steel plant machinery, and other custom-made critical equipment & complex assemblies catering to core industrial sectors including mining, steel, ports, fertilisers, cement, chemical plants, etc.

The complete range of product solutions is backed by five decades of knowledge & experience, in-house design capabilities, and state-of-the-art manufacturing facilities, providing after-sales product support and value-added & cost-effective services to ensure higher uptime. The manufacturing centres are in Kansbahal, Odisha and Kancheepuram, Tamil Nadu.

## **Business Environment**

### **Domestic Business**

Currently, India is the second-largest crude steel producer in the world. Domestic steel consumption has witnessed consistent robust growth, driven by sectors like infrastructure, automotive, construction, and consumer goods. In FY 2023-24, the cumulative production of crude steel was above 140 MT, registering a growth of 11% on y-o-y basis.

Similarly, India's annual steel consumption was ~130 MT for FY 2023-24, recording a growth of 8% over the previous year. The Government's impetus on infrastructure development and the 'Make in India' initiative have played a significant role in boosting metal consumption. Improved volumes coupled with better realisations have helped the metal industry to substantially de-leverage its balance sheets and have paved the way for a fresh CapEx investment cycle.

The discovery of lithium deposits for the first time in the country is likely to fuel industry growth. Further, with the Central Government approving the lithium mining auction proposal, private companies will be able to participate in such tenders. The same is expected to enhance business prospects in the non-ferrous segment as well.

With all these positives, major metal manufacturers are in the process of CapEx expansion, which should augur well for the business.





*Bucket Wheel Stacker reclaimer for JSW Dolvi, Maharashtra*

## International Business

Minerals & Metals has found renewed focus in the Middle East as countries keep funnelling investments to new mineral exploration & conversion to metal as part of their long-term strategy. Driven by the need to diversify beyond oil, investments in mega-to-giga infrastructure projects/factories are on the anvil as the GCC region is embarking on an actionable road map to exploit its other mineral resources, led by the Kingdom of Saudi Arabia.

The Middle East is emerging as a major transit centre for setting up low-carbon emission Iron & Steel hubs and is attracting investments by offering low gas prices, lower power tariffs, and flexible policies.

New opportunities are expected in aluminium, gold, phosphate, copper, and new-age minerals as sponsors evaluate the likely approach to embark on setting up new plants, as well as expanding existing facilities to cater to increasing demand.

In Africa, investments in Minerals & Metals continue to be a mainstay, since many of the countries are rich in a wide variety of valuable minerals/resources. However, challenges around the speed and scale of implementation limit the entry of the business to offer complete services.

## Product Business

The outlook for the Product business is positive, with the user industry poised for growth, driven by the Government's focus on the development of infrastructure and housing construction activities. The business has been actively pursuing prospects in select international markets

and has successfully secured repeat orders for Surface Miners from African markets, and expects the momentum to continue in the medium-term.

The business has some unique solutions in mining and stockyard equipment, which will be pursued across the African continent and other international markets as well.

The demand for core products (like Crushing Systems, Surface Miners, Material Handling Equipment, High-Speed Rail Equipment, and Port Cranes) is primarily driven by movement in the following industrial sectors:

**Cement Sector:** The cement segment in India is expected to grow at a CAGR of 5%-6% over the medium-term, with large investments in greenfield and brownfield projects. Major cement players in the country are undertaking ambitious expansion plans to capitalise on this growth potential.

It is estimated that the Indian cement industry is likely to add ~30 MT capacity in FY 2024-25, majorly due to the growth in housing, industrial, commercial and infrastructure projects.

**Mining & Steel Sector:** The spurt in capacity augmentation of steel plants and continued augmentation of capacities in coal and iron ore to cater to the growing steel and power demand have increased the business potential for Surface Miners and Skid Mounted Coal Crushers. New investments in coal-based thermal power plants have also led to an increase in the business potential for equipment ranges covering crushers, stacker reclaimers, plough feeders, etc.





### *Freight Handling Facilities for Etihad Rail, UAE*

The current year also witnessed increased order inflow for Surface Miners, Apron Feeders, Stacker Reclaimers, Wagon Tippers, Paddle Feeders, and Coal-Crushing Equipment from the above sectors. The momentum is expected to continue in the coming years, with promising growth plans for the mining and steel players.

**Construction Sector:** Growth in infrastructure projects drives growth in Aggregate Crushing solutions. Enhanced budget allocation for roads and highway projects in FY 2024-25 will further ensure tremendous growth opportunities for Aggregate Crushing solutions.

**Port Sector:** The port segment in India is expected to experience significant growth due to various Government initiatives aimed at promoting port-led development, like the SagarMala initiative and Maritime India Vision 2030. Steady growth of 7% y-o-y basis is evaluated in container traffic expected till 2030, with Government and private players investing in the expansion of container terminals.

The business has signed a license agreement with Konecranes, Finland, to manufacture and supply technologically advanced cranes for Indian ports and shipyards. The business has started the supplies of the first order of ELLs (Electric Level Luffing Cranes) for Cochin Shipyard Limited in the current year. With good prospects in the pipeline from all major players in Ports and Shipyards, FY 2024-25 holds good potential for locally manufactured equipment.

## Major Achievements

### Major Orders Won:

With increased demand and growth in industrial sectors domestically, the following are a few highlights & prestigious orders received:

- ▣ New 5 MTPA Blast Furnace at Dolvi, Maharashtra, for JSW Steel
- ▣ 5 MTPA Steel Melt Shop augmentation at Dolvi, Maharashtra, for JSW Steel
- ▣ Upgradation of Blast Furnace 'G' at Tata Steel, Jamshedpur
- ▣ 160 KTPA Zinc Roaster 6 Package at HZL Debari, Rajasthan
- ▣ A large order from ArcelorMittal Nippon Steel India (AM/NS) for ten Stacker cum Reclaimers
- ▣ Order from Mahanadi Coalfields Limited (MCL) for six Surface Miners
- ▣ Highest-ever orders for twenty Stacker Reclaimers in a year
- ▣ Limestone crushing plant orders from Adani Cement
- ▣ An order for a Crushing Plant from Dalmia Cement
- ▣ First 300T Goliath Gantry Crane from Hindustan Shipyard Limited

### Key Projects Commissioned:

- ▣ Inaugurated CHP Dudhichua Phase-III in Madhya Pradesh, 10 MTPA CHP for Bhubaneswari Coal Mining Limited in Odisha, 7.5 MTPA CHP for North Urimari Birsa Coal Mine in Jharkhand, and 15 MTPA Lajkura Projects in Odisha
- ▣ Alumina Refinery Expansion Project at Lanjigarh, Odisha, has been commissioned
- ▣ 1<sup>st</sup> Slab Caster for Tata Steel at Kalinganagar, Odisha



*General Cargo Berth II for Kamarajar Port, Chennai, Tamil Nadu*

- ▣ Aluminium refinery expansion for Hindalco at Tikri, Odisha
- ▣ Achieved a historic milestone of the 1000<sup>th</sup> Apron Feeder supplied to Shree Cement
- ▣ Largest capacity 1100TPH Aggregate Crushing export order supplied to JSW-Fujairah in UAE
- ▣ Three Sets of High-Speed Rail equipment supplied in a record time of 9 months
- ▣ Three Drum Coolers supplied to Hindustan Zinc Limited as a successful import substitute on a repeat basis
- ▣ Mansourah-Massarrah Gold Project in the Kingdom of Saudi Arabia
- ▣ Freight Handling Package for Etihad Rail in UAE

### Significant Initiatives:

- ▣ Implemented Wrench Software, a central system which enables live project management
- ▣ Developed in-house Steel Structural Software System for managing 2 lakh metric tonnes of Structural Fabrication & Erection per annum
- ▣ Smart Health Station [An IOMT (Internet of Medical Things)-based Health Station] to enhance health monitoring of employees, including workmen
- ▣ Steel frame Plastic Shutter panels to replace plywood & hardwood to improve productivity and quality besides being environmentally friendly

### Outlook

The developed countries in Europe, the USA, and Japan are relocating their steel production capacity to Asian countries due to economic and environmental concerns. India, with huge iron ore reserves, will be the major beneficiary of this diversification strategy, coupled with increased domestic production and consumption needs due to its rapid economic expansion.

Auctioning and privatisation of mines drive more investments in mineral beneficiation & pelletisation of iron ore, which provides value-added and environment-friendly products to Iron & Steel plants both in India and facilitates exports. Iron & Steel capacity expansions by all major Indian companies are on track, buoyed by domestic consumption demand and elevated margins.

Aluminium and Zinc in the non-ferrous sector are witnessing capacity expansions in all the existing plans by the major players like Hindalco, Vedanta, and HZL.

The Minerals and Metals sector in the Middle East is emerging as a major investment destination due to low energy costs and investment-friendly policies and financing options, which coincides with their vision of expansion to non-oil areas. Expansion in freight handling and related infrastructure across the countries in the Middle East is also witnessing increased investments, mainly in the UAE and Oman.

# ENERGY PROJECTS SEGMENT

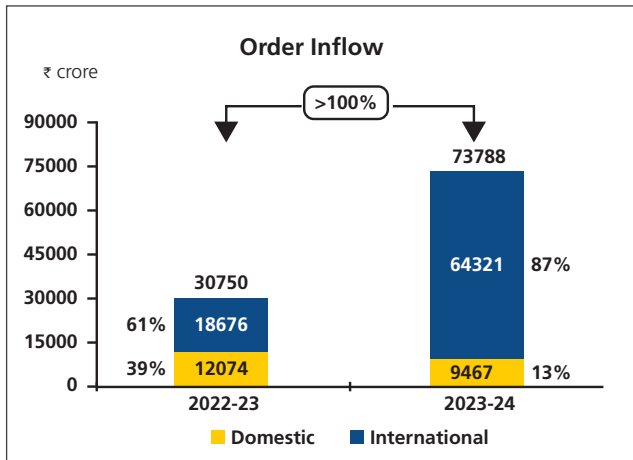


*Modularised Reformer for a Blue Hydrogen project in Rotterdam, Netherlands*

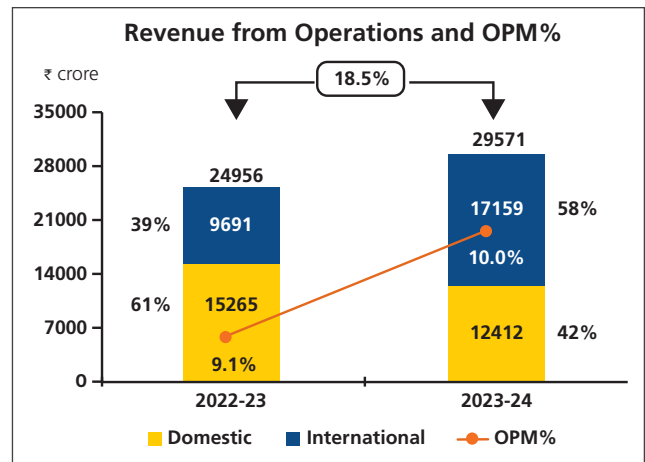
## The Energy Projects Segment comprises:

- a) Hydrocarbon Business
- b) Power Business
- c) Green Energy Business

## Financial performance of the segment



The Energy segment achieved order inflows of ₹ 73,788 crore in FY 2023-24, registering a substantial growth of more than 100% over the previous year on robust ordering momentum from the Middle East region, leading to an increase in the share of international orders from 61% in the previous year to 87% in FY 2023-24. The receipt of multiple ultra-mega international orders in the Hydrocarbon business aided the order inflow.



The Energy segment's revenue at ₹ 29,571 crore for the year grew by 18.5% y-o-y due to a pick-up in the execution momentum, mainly in the Hydrocarbon business. The Power business registered a decline due to a tapering order book. The share of international revenue in FY 2023-24 at the segment level was higher at 58% compared to 39% in the previous year on the execution of large international projects in the Hydrocarbon business.

The segment's operating margin increased to 10.0% from 9.1%, mainly due to cost savings and favourable award of claims.

Funds employed by the segment as on March 31, 2024, at ₹ 5,792 crore, increased by 34.7% over the corresponding number as on March 31, 2023, mainly due to an increase in contract assets in some large value projects.





*Oil Production Deck Module for Saudi waters*

## Hydrocarbon Business

### Overview

The Company's Hydrocarbon business provides integrated 'design and build' turnkey solutions for the hydrocarbon industry across multiple geographies. The business executes projects encompassing all functions, such as engineering, procurement, fabrication, construction, installation, project management, and asset life management services.

Backed by cutting-edge innovation, the business has integrated capabilities across the value chain, supported by in-house Front-End Engineering Design (FEED), project management, procurement, modular fabrication facilities, Onshore and Offshore construction, installation, and commissioning.

Modular fabrication facilities of the business are located primarily in India and the Middle East; at Hazira (near Surat), Kattupalli (near Chennai), and Sohar in Oman to serve the respective adjacent markets.

In India, the Engineering, Procurement, and Project Management centres are located in Mumbai and Vadodara. Overseas, the business presence is predominantly in the Middle East—spanning Kuwait, Algeria, Qatar, and the UAE—with a regional centre of excellence for Engineering and Project Management situated in the Kingdom of Saudi Arabia. The business has set up a Piping shop and a Heavy Wall Pressure Vessel Manufacturing shop at Jubail Industrial Zone to support the KSA In-Kingdom Total Value Add (IKTVA) services.

The business caters to clients across the hydrocarbon value chain through the following business verticals and units:

### Offshore

The Offshore business offers lump sum turnkey EPCIC (Engineering, Procurement, Construction, Installation, and Commissioning) solutions for wellhead platforms, riser platforms, process platforms, accommodation platforms, subsea pipelines, brownfield developments, decommissioning projects, deepwater structures, manifolds, as well as transportation and installation services to the global offshore oil & gas industry.

The Offshore business has its dedicated comprehensive in-house engineering capabilities offering 'Fit for Purpose' engineering solutions, which cover the complete project life cycle, from concept to commissioning. As a one-stop solution EPCIC player, it also has in-house fabrication facilities which focus on quality and timely dispatches. Own marine assets comprise a self-propelled heavy-lift-cum-pipe-lay vessel – LTS 3000 – held through a joint venture and a wholly-owned pipe-lay barge – LTB 300 – that helps expedite offshore installations, besides ensuring on-time completion of projects.

As a contractor of choice for both domestic & international markets, the Offshore project management team delivers complex offshore projects in a time-bound manner with the utmost quality standards in a safe and incident-free environment.



*Dual Feed Cracker Block Unit (DFCU) for HRRL, Barmer, Rajasthan*

## Onshore EPC

This business provides end-to-end EPC (Engineering, Procurement, Construction, and Commissioning) solutions for the oil & gas industry, offering turnkey solutions across the hydrocarbon value chain covering refining, oil & gas processing, petrochemicals, fertilisers, cryogenic storage, LNG, pipelines, and terminals, including storage tanks and underground cavern storage systems for LPG.

It also offers innovative construction solutions, such as automated welding (double-sided tandem SAW for horizontal joints and Semi-Auto FCAW for vertical joints), NDT (Non-Destructive Testing), and Automated UT (Ultrasonic Testing) for LNG Tank construction yielding high quality and productivity, enhancement of high deposition submerged arc welding process for duplex stainless-steel material in pipelines, new line of gas regulators for reduced gas wastage, and automatic pipe fabrication shop with cutting edge technologies.

The business has a track record of concurrent execution of multiple ultra-mega & mega projects successfully, both in domestic and international markets, with different technology process licensors. The world-class in-house Engineering Centres offer design and engineering services for onshore hydrocarbon plants, pipeline projects, and onshore oil & gas field development projects with a complete spectrum of FEED, process, detailed engineering, project management services, procurement assistance, and related services.

The business will continue to provide engineering and related services to the hydrocarbon industry in the domestic and international markets.

## Onshore Petrochemicals and Fertilisers

Recently, a separate SBU has been carved out from the Onshore vertical to significantly focus on emerging opportunities due to significant developments in the downstream petrochemical and fertiliser sectors, such as Liquid to Chemicals, Blue Ammonia, and Urea projects.

## Modular Fabrication

The Modular Fabrication business specialises in supplying plants & modular systems built as solutions for the Offshore, Onshore Oil & Gas, and Offshore Wind Farm industries, with the capability to deliver modules up to 6,600 MT.

Its dedicated engineering & project management expertise is extensive and draws strength from the EPC businesses for both Offshore and Onshore projects. Offshore solutions encompass structures and modules for Oil & Gas and Wind Farm projects, including Deepwater Subsea structures, Oil & Gas manifolds, Jack-up rigs, and Mobile Offshore Production Units (MOPU). Onshore offerings cover Process & Piperack modules, skids, structures, Static Equipment/ Pressure Vessels and Columns, Modular Specialty Furnaces, and Prefabricated Control Rooms/Substation Buildings (E-houses).

World-class modular fabrication facilities are strategically located at Hazira (India's West coast), Kattupalli (India's East coast), Sohar (Oman), and Jubail (KSA). The combined annual capacity for fabrication is estimated at about 60 million manhours or 2,00,000 MT (depending on the product mix). The Heavy Wall Pressure Vessel manufacturing facility, along with an operational pipe fabrication shop in KSA, primarily caters to the local requirement of





*Residue Upgradation Facility (RUF) for HPCL, Vizag, Andhra Pradesh*

offshore and onshore projects while developing skills in the Kingdom of Saudi Arabia to support the country's localisation programme.

Modular Engineering capability also includes tailored 'Print to Build' solutions for technology companies, particularly in renewables and decarbonisation. The business is delivering modules globally, covering significant regions such as North America, Europe, Africa, the Middle East, Asia, and Australia.

### **Advanced Value Engineering & Technology Services (AdVENT)**

Leveraging expertise in high-end engineering and execution of large-scale, technologically complex EPC projects over several decades, and collaborating with well-organised R&D centres and renowned institutions, the AdVENT business unit delivers customer-centric solutions for various elements of the value chain of the hydrocarbon industry.

AdVENT's technical capabilities and agility enable it to offer associated tailored value engineering solutions. Its offerings to clients encompass full-spectrum engineering—from concept to commissioning. It also provides EPC Project Solutions, Integrated Modular Solutions, Refinery Technology Solutions, and Sustainable Waste-to-Energy Solutions.

AdVENT also focusses on technology-backed chemical industries, which are now ramping up investments in the chemical sector and reducing dependence on imports. These chemicals are the building blocks of high-value industrial end products.

### **Asset Management**

The Asset Management business delivers differentiated and value-added services across a wide spectrum of solutions to Hydrocarbon and allied Process Industries.

These comprehensive Asset Management Solutions cover operation, maintenance, performance enhancement, and health assessment of critical assets. This business complements the organisation's EPC Project offerings for mutually beneficial engagement with clients over the entire lifecycle of assets.

The comprehensive Operations & Maintenance Outsourcing model covers Consulting and Asset Integrity. It can also include Asset Performance Improvement & specialised services based on the needs of customers.

### **Offshore Wind**

The vision of accelerating sustainable energy solutions is the driving force behind the Offshore Wind Business, which offers one-stop EPCI (Engineering, Procurement, Construction, and Installation) solutions for HVAC/ HVDC substations, and Wind Turbine foundations in both fixed and floating structures across the globe—from Far East, to Europe, and the USA. The business has strong multidisciplinary teams, partnerships with key industry stakeholders, and a robust network of suppliers backed by state-of-the-art fabrication facilities in Oman and India operating on the principle of 'Think Global Act Local'. The business is also partnering with electrical technology companies and collaborating with floating foundation technology providers and other key stakeholders to offer a comprehensive solution.



### *Jubail Industrial Gas Network, KSA*

## Business Environment

India's energy demand is poised to increase significantly, fuelled by strategic investments and initiatives such as the USD 67 billion plan in the next 5-6 years to bolster the domestic gas sector. Furthermore, the impending transition towards green energy is evident through initiatives like the Green Hydrogen Standard, backed by substantial incentives and agreements for green hydrogen production in states like Maharashtra, Rajasthan, and Odisha.

Integrated outsourcing of Operations & Maintenance gains momentum, with Vedanta Limited-Cairn and ONGC leading the change.

GCC-based oil companies are investing heavily in gas compared to oil. Geopolitical events have affected businesses both positively and negatively. Oil & Gas prices have remained significantly buoyant, enabling the oil companies in the Middle East to maintain their investment appetites. However, challenges continue to persist with regard to supply chain disruptions resulting from the ongoing conflicts in the Red Sea and Russia/Ukraine.

India's expertise in speciality chemicals and the potential extension of PLI schemes to the chemical and petrochemical sectors indicate promising growth prospects. Additionally, investments in coal gasification projects, viability gap funding for such projects, and the tripling of the Ammonia market by 2050 underscore significant opportunities in the sector.

Globally, the Offshore Wind market is poised to play a pivotal role in helping nations transition to Net Zero and decarbonise life. This sector is witnessing exponential growth, propelled by a confluence of factors viz. escalating

demand for clean energy, supportive governmental policies, technological breakthroughs, and an expanding global market. The growth is being fuelled by advancements in technology, improvement in infrastructure, and viability of projects.

International competition for EPC primarily emanates from Korean and European EPC companies. The business has diversified its exposure to more regions like Australia and Europe, leveraging technological solutions, and enhancing productivity to mitigate risks while maintaining competitiveness as it takes on new competitors. The business remains proactive in deploying measures to ensure cost leadership and focus on improved productivity.

Digital transformation in optimising operations, enhancing efficiency, improving safety, and increasing innovation is an ongoing effort with the adoption of Artificial intelligence (AI) and Machine Learning (ML).

## Major Achievements

### Major Orders Won:

- ▣ EPCI order for new offshore structures, secured from a prestigious client in the Middle East
- ▣ Contract from a prestigious client in the Middle East for engineering, procurement, and construction of large Gas Compression Plants consisting of Gas Inlet Facilities, Gas Compression Systems, Produced Water Handling, Propane Refrigeration Systems, Condensate Transfer, and Utilities for Gas Compression Facilities in new onshore facilities and its integration with existing Gas Compression Plants
- ▣ Saipem & Clough JV (SCJV), Australia, has awarded a contract for the fabrication and supply of process





*Central Processing Facilities for Sonatrach project, Algeria*

and piperack modules for a 2.3 MMTPA urea plant for Perdaman Chemicals and Fertilisers Pty Ltd

- ▣ Order from a prestigious client in the Middle East for EPC for an ultra-mega Gas Processing Plant consisting of Inlet Separation Facilities, Booster Compression System, Amine Gas Recovery Unit, Dehydration Unit, Mercury Removal Unit, NGL Recovery Unit, and Sales Gas Compression System in new onshore facilities and its integration with existing Gas Processing Plants
- ▣ EPCI contract for a new large offshore platform and brownfield integration work with existing facilities from a prestigious client in the Middle East
- ▣ Contract from Indian Oil Adani Ventures Limited, including engineering, procurement, construction, and commissioning of offsite tankages, bullets, and other associated facilities on a lumpsum Turnkey basis
- ▣ Order from Oil & Natural Gas Corporation (ONGC) for the MHN TCPP PGC BGC Project (MTPBP) off India's West Coast for engineering, procurement, construction, installation, and commissioning of new Process Gas Compressor (PGC) modules at ONGC's Mumbai High & Tapti offshore locations, along with the upgrade of existing facilities to enhance production
- ▣ EPC contract for an Enclosed Ground-Flare System and demolition of existing facilities, reducing flame and smoke visibility to the nearby ongoing large-scale residential developments from prestigious clients in the Middle East
- ▣ Gas Pipeline project from a prestigious client in the Middle East comprising engineering, procurement, and construction of two new 56" Pipelines along with associated scraper receivers and launchers and main line

isolation valve (MLIV) stations running parallel to the existing pipeline corridor

### Projects completed

- ▣ Mechanical completion and gas-in achieved for Re-route Gas and Condensate Pipeline Midyan Duba Project
- ▣ Successful completion of Performance Guarantee Test Run (PGTR) for all three sites of the South-West Gas Fields Development (SWGFD) Project, Algeria
- ▣ Commissioning of New Strategic Gas Export Pipeline (NSGEP) for KOC, Kuwait
- ▣ Commissioning of Replacement of Hydraulic ESD Systems project for a client in the Middle East
- ▣ Mechanical completion of Replacement of 11 BERRI Pipelines project for a client in the Middle East
- ▣ Delivery of Linde Rotterdam HMU (Hydrogen Manufacturing Unit) Project
- ▣ Construction of Fuel (Hydrogen) and Utility facilities (Nitrogen/Oxygen) completed at Jubail, KSA for Air Products

### Significant Initiatives

#### Productivity Enhancement

The business is implementing strategies geared towards streamlining processes, eliminating redundancies, and empowering its workforce to maximise productivity.

#### Value Engineering

Embracing value engineering practices is paramount to reducing quantities, leading to a competitive



*LNG Storage Tanks for Adani Dhamra LNG Terminal, Odisha*

business strategy. Good value engineering entails standardisation, templatisation, rework avoidance, surplus management, and resource optimisation to drive efficiency and minimise costs.

### **Digitalisation and Automation**

Recognising the pivotal role of technology, the business is making substantial investments in digitalisation and automation initiatives. These encompass 4D visualisation, critical path integration, construction ability simulation, material handling studies, interactive VR simulations, AI/ML-based video analytics, predictive analytics, and increased yard automation to enhance operational efficiency and accuracy. Generative AI will be used over time to enhance productivity.

### **Smart Procurement**

The business is adopting smarter procurement practices to optimise resource utilisation and enhance cost-effectiveness. This involves the implementation of e-procurement platforms, data-driven decision-making processes, vendor consolidation, spend analysis, and fostering strategic supplier partnerships to drive value and efficiency across the procurement chain.

### **Outlook**

The opportunity landscape of India's refining capacity currently stands at approximately 250 MMTPA, with ongoing additions of 40 MMTPA capacity, coupled with value-added petrochemical units. Anticipated investments in Refinery-Petrochemical integration and the pursuit of achieving targeted Net Zero emissions in India and the

Middle East underscore a promising market trajectory for the business in the medium-term.

The Indian government's focus on the 'National Coal Gasification Mission' aims to curtail dependence on imports by utilising coal to create value-added products, further supported by an incentive allocation of ₹ 8,500 crore. Additionally, initiatives aimed at increasing the share of Gas in India's energy mix to 15% by 2030, coupled with the development of a robust National Gas Grid, present avenues for growth and diversification.

For the Offshore industry, the Indian government's recent focus on enhancing energy security has unlocked 99% of previously restricted areas within India's Exclusive Economic Zone (EEZ) for oil exploration and production (E&P). Previously, 42% of the EEZ was off-limits, but now only 1% remains restricted, presenting significant opportunities.

ONGC continues to press ahead with its deepwater exploration and production plans, buoyed by sustained high oil prices. It intends to develop more than 25 offshore facilities and lay more than 1000 Km of subsea pipelines in the next three years with investments of USD 7.3 billion spread across both the West and East coasts.

There is a considerable demand for Value-Added Services like Consulting, Shutdown and Turn-around Management, Performance Improvement, Asset Integrity Services, etc.

With a strategic focus on asset monetisation and value maximisation, coupled with increased capital expenditure in upstream projects, the Middle East region is poised for growth, especially in the downstream processing of crude to chemicals.



*New Strategic Gas Export Pipeline for Kuwait Oil Company, Kuwait*

The business expects Saudi Aramco to continue its investment spending in the medium-term. Due to supply-side capacity constraints, which were affecting the completion schedule of various projects, Saudi Aramco has temporarily paused investment in the increment programme. Once a few of the ongoing programmes achieve significant progress, the increment CapEx programme should be revived. Overall, as per the guidance released by Aramco, even in this revised scenario, there is an increase of up to 20% CapEx growth to USD 58 billion expected for 2024, with 60% of this investment in the Upstream sector.

Qatar Energy intends to boost its LNG production capacity from the current 77 MTPA to 126 MTPA by 2026 and plans to contribute 40% of global LNG demand by 2029. It is continuing with expansion under its USD 12 billion North Field Production Sustainability programme.

OPEC expects an increase in oil demand over the next two years, which will be met by crude supply from non-OPEC+ producers.

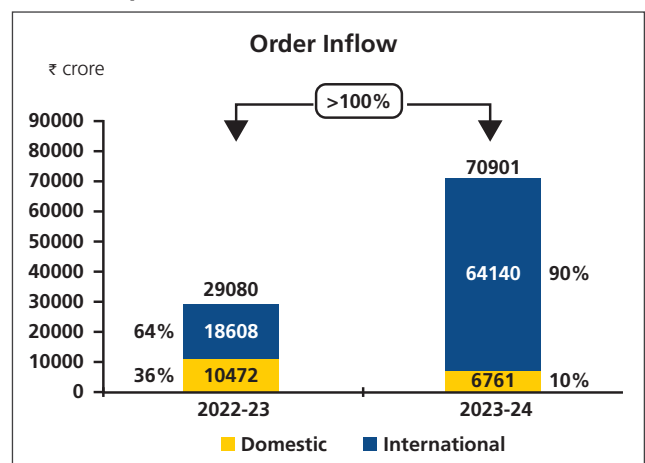
Commitment to offshore wind energy with the formation of Offshore Wind Business, the business is participating in global tenders for key developers. In Global Offshore Wind Capacity, the European market has renewed urgency to replace fossil fuels with renewables. There is a strong demand for renewable energy in the US as well (Inflation Reduction Act).

Globally, new wind power installations are projected to exceed 100 GW in 2026, with an additional 680 GW of new capacity expected to be added in the next five years. Additionally, there are business opportunities in Far East

countries like Korea and Taiwan. Offshore Wind is also gaining momentum in India with the announcement of 30 GW capacity by 2030. Government initiatives for the allocation of offshore wind blocks are setting the ecosystem in motion.

With dynamic market conditions, the business remains steadfast in its commitment to a customer-centric approach, prioritising innovation, driving sustainable growth, and fostering competitiveness to achieve the mission of ‘Execution Par Excellence.’

**Financial performance of the business**



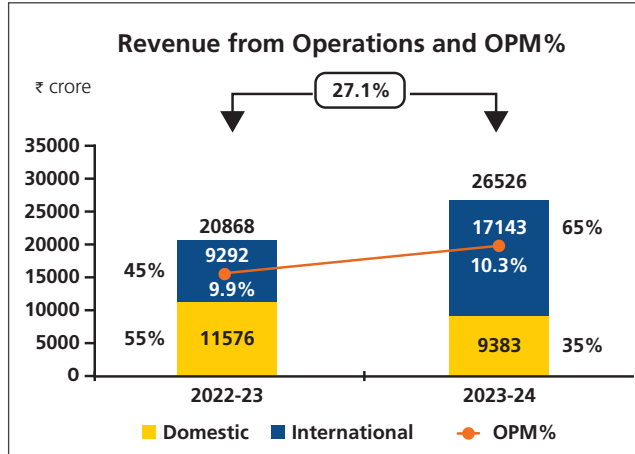
The Hydrocarbon business achieved order inflows of ₹ 70,901 crore in FY 2023-24, registering a growth of more than 100% over the previous year with the receipt of two ultra-mega orders from Saudi Arabia and a mega





*Flue Gas Desulphurisation (FGD) system at India's first ultra-supercritical thermal power plant, Khargone, Madhya Pradesh*

order from the domestic client. The share of international orders also improved from 64% in the previous year to 90% in March 2024 with the receipt of ultra-mega orders in Saudi Arabia.



The Hydrocarbon business recorded revenue of ₹ 26,526 crore for the year, registering a growth of 27.1% y-o-y, due to a pick-up in execution momentum, mainly in the Offshore vertical of the business. The share of international revenue in FY 2023-24 was higher at 65% of the total revenue as compared to 45% in the previous year, with a higher opening international order book.

The operating margin of the business increased to 10.3% from 9.9%, mainly due to cost savings arising out of improved execution in a few international and domestic jobs, further aided by the reversal of provisions on the receipt of a favourable arbitration award in a legacy project.

## Power Business

### Overview

L&T is one of the leading EPC players offering turnkey solutions for both Coal and Gas-based power plants. These solutions encompass every aspect of design, engineering, manufacturing, construction, and project management. In addition to undertaking turnkey projects, it also offers equipment and other services for power plants.

The business has developed its own capabilities in executing large and complex power projects. These include engineering, state-of-the-art manufacturing facilities, a competent manpower pool, and decades of experience earned in executing large & complex projects within and outside India. The business has a proven track record of delivering complete power plant solutions with scale and sophistication to meet India's growing energy needs.

The business also executes combined cycle and cogeneration power projects based on LNG, Natural Gas and/or liquid fuel on a turnkey basis. It has an excellent track record in implementing projects for utilities, refineries, and Independent Power Producers (IPPs) in India and overseas. With extensive experience of over three decades in executing EPC contracts for Combined Cycle Power Plants (CCPP) and Cogen plants, the business has numerous references, deploying gas turbines sourced from major leading Original Equipment Manufacturers with Gas Turbine (GT) sizes ranging from 30 MW up to the most advanced GTs to date.

The business has built on its core competencies and capabilities and has emerged as a major player in emission



*2x660 MW Shree Singaji Thermal Power Plant (Stage-II), Madhya Pradesh*

control technologies such as Flue-gas Desulphurisation (FGD) in the Indian thermal power plant industry. It now has a sizeable presence in the FGD business.

The business has an integrated manufacturing facility at Hazira, Gujarat. It is one of the world's most advanced facilities, having a manufacturing capacity of 5,000 MW per annum.

The facility manufactures ultra-supercritical/supercritical boilers, turbines & generators, pulverisers, axial fans and air preheaters, components of FGD, and electrostatic precipitators. The business has project management offices in Vadodara and various other locations.

The business has the following Joint Venture (JV) companies within its fold:

**L&T-MHI Power Boilers Private Limited**, a joint venture with Mitsubishi Heavy Industries (MHI), Japan, the world's leading power equipment maker, for the engineering, designing, manufacturing, erection, and commissioning of ultra-supercritical/supercritical boilers up to a single unit of 1,000 MW.

**L&T-MHI Power Turbine Generators Private Limited**, a joint venture with Mitsubishi Heavy Industries (MHI), Japan and Mitsubishi Electric Corp. (MELCO), for the manufacture of Steam Turbine Generator (STG) equipment of capacity ranging from 660 MW to 1,000 MW. The Company is engaged in the engineering, design, manufacture, erection, and commissioning of ultra-supercritical/supercritical turbines and generators.

**L&T Howden Private Limited**, a joint venture with Howden Holdings B.V, is in the business of regenerative air preheaters and variable pitch axial fans (equipment, after-market spares and services) for power plants.

**L&T-Sargent & Lundy Limited**, a joint venture with Sargent & Lundy LLC, USA, is engaged in the business of providing design, engineering, and project management services for power projects.

## Business Environment

The thermal power sector is witnessing a revival after around three years amidst the continuing transition of India's power generation mix. With increasing economic activity, high GDP growth, industrial expansion, and power demand growing to record levels, many utilities are feeling the need to fast-track the brownfield expansion of their existing coal-based thermal power projects.

In FY 2023-24, EPC coal-based power projects with a cumulative capacity of around 7 GW were awarded. Currently, around 10 GW of projects are in various phases of tendering. This establishes that for sustained energy security, thermal power generation is going to co-exist with renewable energy for a longer period than envisaged – till India achieves its Net Zero Target by 2070.

The gas-based power generation sector in India remains muted due to high fuel costs despite an improvement in the supply and distribution network for natural gas. Approximately 24 GW of installed/commissioned gas-based power plants in India are idling due to high costs



*Boiler manufacturing facility at Hazira, Gujarat*

of generation. The Government of India has no plans to increase gas-based power generation.

However, to meet the anticipated surge in power demand during the upcoming summers, the government has mandated the activation of the existing gas-based power plants across the country and has issued directives to make these plants fully operational to meet the surge in power demand.

## Major Achievements

Some of the major achievements by the business during the year include:

- ▣ Flue Gas Desulphurisation System for a 2 x 500 MW Central Utility Project inaugurated in West Bengal
- ▣ FGD orders received from State Utilities for a 2 x 300 MW + 2 x 500 MW Power project in West Bengal and a 1 x 800 MW Power project in Gujarat
- ▣ Completion of facilities for three FGD units of Central Utility Projects in Chhattisgarh, Madhya Pradesh, and Odisha
- ▣ Reliability Test Run completed for three FGD units of Central Utility Projects in Chhattisgarh, Madhya Pradesh, and Uttar Pradesh
- ▣ Final Acceptance Certificate received for an International Combined Cycle Project in Bangladesh
- ▣ Auxiliary Boiler Light Up achieved for a 2 x 660 MW Power Project in Uttar Pradesh

## Significant Initiatives

In line with the energy transition and sustainability requirements, the business formed a Technology Task Force (TTF) to identify, incubate, and implement new technology opportunities to make the organisation resilient. TTF has finalised a few focus areas like Carbon Capture Technology, Small Modular Reactors, Flexibilisation in Coal based power plants, Coal Gasification, Integrated Gasification Combine Cycle (IGCC), and Biofuel/Ammonia/Methanol firing in Supercritical Power Boilers, etc. The business is also expanding into adjacencies like providing Life Cycle Solutions (Spares and Services) to customers, which will cater to other OEM machines as well.

To improve profitability and on-time execution of projects, the business introduced various Operational Excellence initiatives. To improve productivity and reduce profit leakages, various digital and analytical levers such as Artificial Intelligence (including Machine Learning), IoT-isation, Immersive Technologies like Virtual Reality, BIM, Drones, Process Automation, and Business Intelligence & Analytics have been imbibed into the day-to-day operations. The focus on achieving QEHS (Quality, Environment, Health & Safety) excellence remains of prime importance. It has also accelerated the usage of digital levers to increase the efficiency and productivity of operations.





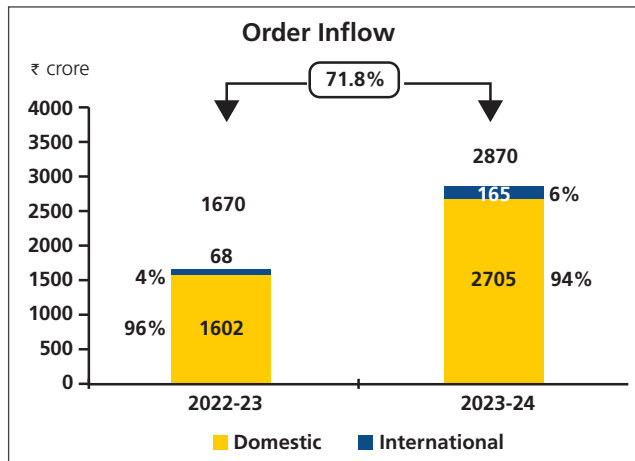
Turbine manufacturing facility at Hazira, Gujarat

### Outlook

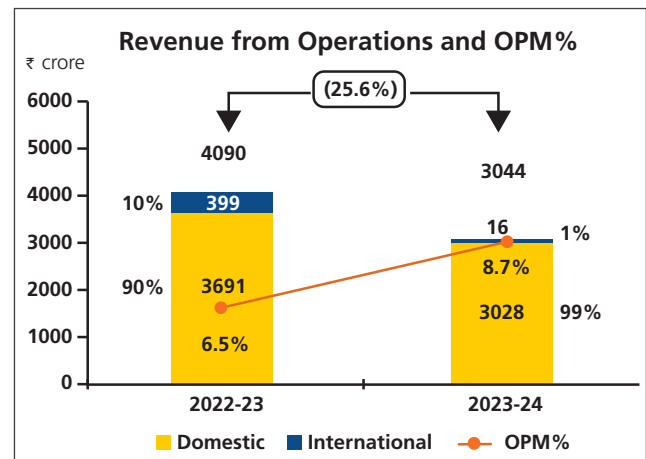
India is continuing to see a surge in energy demand and an increase in the Plant Load Factor (PLF) of thermal power plants to maintain the country's energy security amid rising demand. As per estimates from the Ministry of Power, the capacity additions in thermal power will continue up to 2032. More than 49 GW of coal-based power projects are expected to be awarded in the next 3-4 years.

Focus on execution and improvement in profitability of operations continue to remain critical for the continuity of the business.

### Financial performance of the business



The Power business recorded an order inflow of ₹ 2,870 crore for the year ending March 31, 2024, registering a growth of 71.8% as compared to the previous year, largely aided by the receipt of a few FGD orders.



The Power business revenue at ₹ 3,044 crore declined 25.6% on a y-o-y basis, with tapering of execution of jobs in the portfolio and a declining order book.

The operating margin improved to 8.7% from 6.5%, mainly due to the cost savings in certain international gas-based projects.





*Green Hydrogen Plant at L&T's A. M. Naik Heavy Engineering Complex in Hazira, Gujarat*

## Green Manufacturing & Development

### Overview

L&T's Green Energy business affirms the Greener Planet vision by aligning with the initiatives of global decarbonisation and the National Green Hydrogen Mission (NGHM). It focusses on a green energy portfolio to meet the domestic and global future energy needs while achieving the global climate goals.

To achieve this vision, L&T Energy Green Tech Limited (LTEGL), a wholly-owned subsidiary of Larsen & Toubro Limited, focussing on Green and New Energy transition business segments, has been created. The Green Energy business shall focus on the entire Green Energy value stream, including Green Molecules and their derivatives (Hydrogen, Ammonia, Methanol, etc.).

The business is centred on three principal business segments, viz. Manufacturing, EPC, & Development. The Green Manufacturing unit at Hazira (Gujarat) would focus on end-to-end manufacturing of electrolyzers as an OEM supplier, with value stacking and advanced technologies. The EPC arm would cater to domestic and global projects in the Green H<sub>2</sub>, Derivatives, and Carbon Capture Solutions. The Development division would focus on Integrated Development of Green H<sub>2</sub> & Derivatives projects. The business has incorporated three companies that cater to these three lines of business.

**L&T Energy Green Tech Limited (LTEGL)** will provide single-point integrated solutions in the hydrogen economy.

LTEGL aims to undertake complex and mega projects in the hydrogen value stream of renewable power, hydrogen, and derivatives (Ammonia, Methanol, DME, etc.) generation, storage, and transportation infrastructure. LTEGL would undertake extensive research and development (R&D) activities through its Technology & Innovation centres and assess the best global technologies, acquire strategic interests, licensing in technologies aligned with green and new energy opportunities.

**L&T Electrolysers Limited (LTEL)**, a subsidiary of LTEGL, is the manufacturing arm for modular & mass manufacturing of smart, efficient, and reliable electrolyzers. Electrolysers are hi-tech equipment that use electricity, water, and electrolytes to produce green hydrogen. The units consist of transformers, rectifiers, electrolyser stacks, electrolyser processing units (EPUs) for gas separation, and purification & distillation units (PDUs) for making fuel cell grade hydrogen with 99.999% purity.

The company will use pressurised, alkaline technology under licensing arrangements with its European partner, M/s McPhy. The technology does not use noble materials and is competitive with a compact modular footprint. These devices have a fast start-up from hot standby to full load and demonstrate a quick response to intermittent renewable energy supply.

**GH4India Pvt Ltd**, a JV between L&T, ReNew Power, and IOCL, is formed to develop the nascent green hydrogen sector in India. GH4India will focus on developing Green Hydrogen & derivatives projects to supply Green Hydrogen at an industrial scale in a time-bound manner under various ownership and operatorship models.



*Electrolyser manufacturing plant at L&T's A. M. Naik Heavy Engineering Complex in Hazira, Gujarat*

## Business Environment

The Green Hydrogen and New Energy sectors are experiencing a remarkable surge globally, driven by the urgent need to combat climate change and transition towards a low-carbon economy. Governments worldwide are recognising the importance of investing in renewable energy technologies, including Green Hydrogen, to achieve their climate targets outlined in the Paris Agreement.

Competitive renewable energy sources, aided by advancements in electrolysis technology, low-cost financing, and government incentives, are accelerating the pace of achieving parity between green energy and conventional alternatives. This has led to a proliferation of projects and investments across various regions, ranging from Europe and the USA to Asia-Pacific and beyond.

Over forty nations have hydrogen strategies, with early adopters revising their plans for higher ambitions. Low-emission hydrogen is seen as vital for decarbonising hard-to-abate sectors, highlighted by the energy crisis sparked by the global geopolitical situation. Additionally, major economies are integrating hydrogen technologies into their new industrial strategies.

Countries such as India with abundant renewable energy resources, have a competitive advantage in green hydrogen production, potentially reshaping global energy trade dynamics.

In the global electrolyser market, China, after a slow beginning till 2022, added 30% to the global electrolyser capacity addition in 2023. North America and Europe lead

in promoting low-emission hydrogen production, backed by significant government funding initiatives like the US Inflation Reduction Act (IRA), Hydrogen Production Tax Credit, the EU Important Projects of Common European Interest, and the UK Low Carbon Hydrogen Business Model. The European Union Emissions Trading System – EU ETS is a cornerstone of the EU's policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively.

The National Green Hydrogen Mission (NGHM) of India has come up with incentives to accelerate Green Hydrogen adoption in India through the Strategic Initiative for Green Hydrogen Transition (SIGHT). Over ₹ 19,500 crore is earmarked towards the adoption of Green Hydrogen. These incentives are mainly directed towards Electrolyser Manufacturers and Green Hydrogen Producers.

## Major Achievements

- ▣ LTEL engineered, developed, and commissioned the first Indigenous Electrolyser in its newly set up factory at A. M. Naik Heavy Engineering Complex at Hazira, Gujarat
- ▣ LTEL is awarded a PLI benefit of ₹ 444 crore for manufacturing electrolysers with an allotted capacity of 300 MW and also a grant of ₹ 120 crore as a fiscal incentive under the Gujarat Electronics' Policy
- ▣ LTEGL has bagged its first Front End Engineering & Design orders from global players making a foray into the Green EPC space

- LTEGL and GH4India have received pre-qualifications for developing Green Hydrogen & Derivative assets from domestic and overseas off-takers
- LTEL has established an Electrochemical Testing Facility at A. M. Naik Heavy Engineering Complex at Hazira, Gujarat

## Significant Initiatives

- The R&D Lab is being enhanced, and the New Energy Technology Lab is being set up to develop various green & sustainable technologies
- LTEL has taken definitive steps towards indigenisation by developing a local supplier ecosystem for electrolyzers
- LTEL is establishing a Giga factory with manufacturing automation and Industry 4.0 solutions ensuring productivity, safety, efficiency, and traceability
- The Green Energy business is initiating world-class quality systems per ISO and implementing L&T's Business Excellence Models at its manufacturing facility
- Set up an advisory 'L&T Green Energy Council' (GEC), a global think-tank comprising eminent thought leaders and experts from various facets of Green Energy, towards identification of technology trends, analyse global policy developments, evaluate emerging business models, and explore collaborations

## Outlook

The global outlook on green hydrogen and its derivatives business seems encouraging and reflects a growing recognition of its potential to decarbonise industries and power systems. Most countries that have set ambitious targets towards carbon neutrality are exploiting the production of Green Hydrogen from renewable energy sources. Therefore, Green Hydrogen emerges as a key solution to reduce carbon emissions across various sectors, including transportation, manufacturing, and energy generation. Investments in Green Hydrogen infrastructure and technology are increasing, mainly driven by Government incentives, private sector initiatives, and

international collaborations. Moreover, the development of hydrogen derivatives such as ammonia, methanol, and synthetic fuels further expands the potential applications of Green Hydrogen, offering scalable solutions for energy storage, transportation, and industrial processes.

Despite challenges such as cost competitiveness and scaling up production, the global momentum towards a hydrogen economy is palpable, signalling a transformative shift towards sustainable energy systems amidst the pursuit of economic growth.

In India, the Green Hydrogen and New Energy Sectors are poised for significant growth and innovation. As the country aggressively pursues its renewable energy targets, the demand for clean and sustainable energy solutions is escalating rapidly. Besides, the Government's commitment to reducing carbon emissions is evident from various announcements around favourable policies and incentives. NGHM creates a conducive environment for the expansion of green hydrogen and new energy businesses.

In addition, India's vast renewable energy potential, particularly in solar and wind power, presents abundant opportunities for Green Hydrogen production through electrolysis. The integration of Green Hydrogen into various sectors such as industry (especially cement, steel, refineries, fertilisers, etc.), transportation, and power generation offers promising prospects for market penetration and revenue generation. Additionally, collaborations with government agencies, private enterprises, and research institutions will play a crucial role in driving innovation and scaling up production capacities.

However, challenges around financing and regulatory complexities need to be addressed to unlock the full potential of the Green Hydrogen and New Energy markets in India.

Overall, with the right strategies and investments, the outlook for this sector is highly optimistic, promising a substantial contribution to India's energy transition and sustainable development goals.



# HI-TECH MANUFACTURING SEGMENT



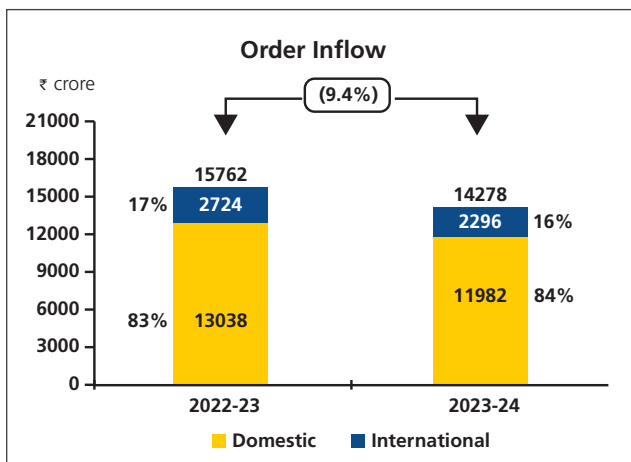
TA Crystallizer and PTA Crystallizer for Mega PX-PTA project at IOCL Paradip Refinery, Odisha

## The Hi-Tech Manufacturing Segment comprises:

- a) Heavy Engineering Business
- b) Precision Engineering & Systems Business

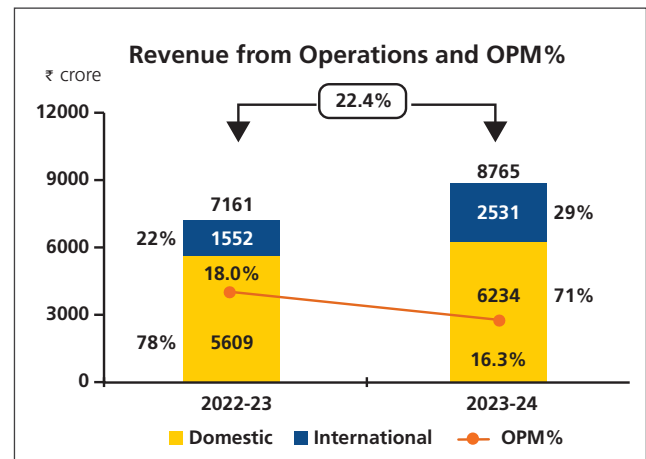
The Defence Engineering business has been renamed as L&T Precision Engineering & Systems business with effect from April 01, 2024. This is in line with the vision to pursue opportunities in emerging deep-tech sectors like Precision Manufacturing and Electronic systems in Defence, Aerospace, and other industries.

## Financial performance of the segment



The Hi-Tech Manufacturing segment achieved order inflows of ₹ 14,278 crore during FY 2023-24, registering a decline of 9.4% over the previous year, mainly on account of deferment of orders in Precision Engineering & Systems

business. The share of international orders decreased to 16% in the current year from 17% in FY 2022-23.



The Hi-Tech Manufacturing segment achieved revenue of ₹ 8,765 crore for the year, registering a growth of 22.4% y-o-y due to a pick-up in execution momentum. The share of international revenue in FY 2023-24 was at 29% of the total revenue of the segment as compared to 22% in the previous year, on account of higher opening international order book.

The segment's operating margin declined to 16.3% from 18.0%, mainly due to cost overruns in a few jobs and the change in job mix.

Funds employed by the segment as on March 31, 2024, at ₹ 1,353 crore declined over the corresponding figure on March 31, 2023, by 49.0%, mainly due to higher





*OxO Reactor for BASF Guandong Integrated Project, China*

customer advances on receipt of large orders in the Precision Engineering & Systems business. The Heavy Engineering business also contributed through improved customer collections.

## Heavy Engineering Business

### Overview

L&T Heavy Engineering business is a global leader in the manufacturing of Engineered-to-Order Hi-Tech Reactors and high-pressure & temperature Heat Exchangers for Refinery, Petrochemicals, Fertiliser, Oil & Gas, and Nuclear Power plants.

The A. M. Naik Heavy Engineering complex at Hazira is a globally benchmarked state-of-the-art, fully integrated, and digitally-enabled manufacturing complex. Its capability spectrum spans across in-house Engineering & Technology centres, besides having a highly talented team committed to a safe and sustainable work culture. The business is globally recognised for its impeccable track record of timely and quality deliveries while creating new international benchmarks. The business has implemented extensive digital Industry 4.0 technology in its manufacturing & operations.

The business is organised into the following Product Business Units (PBUs):

- The **Reactor & Pressure Vessels (RPV)** PBU specialises in the fabrication of Hydro-Processing Reactors, Tubular Reactors, Gasifiers, Ammonia Converters, Urea Reactors, Coke Drums, Fluid Catalytic Cracking (FCC) Reactor – Regenerator system, Oxidation Reactor, Titanium Cladded
- Equipment, LNG/Gas Processing Pressure Vessels and Heavy Columns
  - The **Heat Transfer Equipment (HTE)** PBU specialises in Molten Salt Reactor System, Ammonia & Urea Exchangers, High-Pressure Screw Plug Heat Exchangers, Methanol Converters, Propylene (PO) Reactors, Vinyl Acetate Monomer (VAM) Reactors and Fired-Tube Waste Heat Boiler packages
  - The **Process Plant Internals (PPI)** PBU specialises in proprietary internals for Reactors and Ammonia Converter Baskets, Chemical Vapor Deposition (CVD) reactors for polysilicon plants, which are manufactured using materials like Stainless Steel, Duplex/Super Duplex Stainless Steel, Inconel, Monel, Hastelloy, Titanium, Zirconium, etc.
  - The **Modification, Revamp & Upgrade (MRU)** PBU offers value-added end-to-end solutions for FCC (Fluid Catalytic Cracking) revamps, Crude Distillation Unit/ Vacuum Distillation Unit revamps, Multi-Shutdown Facility revamps, Urea Reactor Life extension, Coke Drum repairs, Heat Exchanger revamp, Urea energy-saving projects, debottlenecking/capacity enhancement of Oil & Gas units, and emergency repairs for the process plant industry
  - The **Nuclear** PBU specialises in key equipment for steam supply systems in nuclear power plants. It manufactures key components of the nuclear island like Steam Generators, End Shields, Pressurisers, Safety Heat Exchangers, Reactor Header Assemblies, Calandria, End Fittings, etc.
  - The **Special Fabrication Unit (SFU)** fabricates critical Titanium Piping Spools, complex internals for Gasification Plants, Loop Reactors, Primary Quench Exchangers (PQE), and filter vessels for the petrochemicals sector



*Ammonia Converter and Basket for OCI Beaumont, USA*

- The business also has one of the world's largest Forge Shops. **L&T Special Steels and Heavy Forgings Private Limited (LTSSHF)** is a joint venture with the Nuclear Power Corporation of India Limited (NPCIL). It is one of a kind in Southeast Asia with all the operations for making heavy forgings under one roof

## Business Environment

The current FY 2023-24 has continued to witness the fallout of the prolonged Russia-Ukraine war, the Israel-Hamas conflict, and the persistent U.S.-China tensions. These geopolitical events have led to overall economic uncertainty and higher operational risks, like rising freight costs and delayed deliveries. Despite these headwinds, the business has continued its progress across most of the segments.

On the domestic front, the business has seen traction in large-scale private projects like solar photovoltaic GIGA factories & refinery revamps.

The Modification, Revamp and Upgrade (MRU) business, identified as a Lakshya 2026 growth initiative, has taken off well both in India and GCC countries. Clients are increasingly opting for revamps and deferring greenfield investment projects. Euro-5 compliance norms in GCC, fertiliser energy-saving projects in India and revamping of ageing plants are key drivers for the MRU business.

In the nuclear power sector, fleet procurement for the Indian Pressurised Heavy Water Reactor (IPHWR) is in progress, albeit at a slower pace.

Volatility in the cost of input materials and high energy prices are having an impact on the margins of the Forging business, which are being neutralised partly by stepping up energy conservation. Global forging companies are able to compete better in prices due to relatively lower energy costs.

## Major Achievements

On the International front, Business has won major orders like:

- IEFCL (Indorama Eleme & Fertiliser Chemicals Ltd.) Train-3 Ammonia Plant, Nigeria – A first-ever complete package of PEQs (Proprietary Equipment), CEQs (Critical Equipment), and Steam Drum
- Fertiglobe - Harvest Ammonia Plant, UAE – Order for Ammonia Converter & Basket
- Perdaman Australia – Complete package of Urea Equipment
- PTT Glycol Company, Thailand – 1<sup>st</sup> direct order for 2 nos. Scientific Design Ethylene Oxide Rx
- PDH-PP (Propane Hydrogeneration - Polypropylene) Plant, Turkey – 1<sup>st</sup> order Ceyhan Polypropylene, Uretim A.S, Turkey

In the domestic sector, the business continues to dominate by winning a total of 10 Urea PEQs in a row in the current financial year. CVD (Chemical Vapor Deposition) Reactor and Offgas Coolers are breakthrough orders with large business potential for the Polysilicon Project of RIL Giga factories.



*HDS Reactor for IOCL Panipat DHDT project, Haryana*

The MRU business secured the largest order from Petro Rabigh, KSA, for Ethane Cracker revamp and HOFCC (High Olefin Fluidised Catalytic Cracking Unit) debottlenecking. This will unlock new opportunities with Aramco JV companies in KSA. The MRU business has also secured a number of orders on a nomination basis in the domestic market, including the largest domestic order from Nayara Energy for Coke Drum replacement.

The business has also successfully and timely delivered the World's Heaviest Ammonia Converter for OCI Beaumont, USA; the World's Heaviest Coke Drums for Pemex's Salina Cruz Refinery, Mexico; and SS Heaviest Removal Column for Pluto Train 2 Project, Australia. Further, the business also delivered Loop Rx of the IOCL P-25 project for the first time & Titanium pools for Assam Bio-Refinery.

The business was granted four patents for its innovative designs and processes.

The Nuclear business has surpassed its earlier benchmark of 36 months to manufacture Steam Generators in 33 months. The business has also qualified to manufacture the forgings for Framatome's Pressuriser Design for the first time.

LTSSH team has completed 16 out of the 24 sets of forgings for Nuclear Steam Generators; 70% delivery of the critical forgings for a prestigious strategic programme; India's biggest Pelton Runner Forging (~49 MT) for Idukki Hydro project in Kerala, and 1<sup>st</sup> set of Titanium Forgings for the country's strategic programme named 'Samudrayaan – India's Deep Ocean Mission'.

## Significant Initiatives

iRUDRA is an end-to-end digital transformation programme focussed on enhancing product reliability, cost competitiveness, and customer & employee experience. Foundational solutions like plant connectivity, cybersecurity, and middleware, are its strong backbone.

Leveraging LTIMindtree's iNXT platform for IIoT, 112 critical machines have been connected, enhancing quality, productivity, and support for the 'Express Delivery Programme'.

The acceleration of automation initiatives, as mentioned below, continued during the year, contributing to significant improvement in productivity:

- ▣ Automated Circumferential Seam Setup Station
- ▣ Robotic External Welding Station
- ▣ Overlay UT Automation
- ▣ AI-Based UT & Visual Inspection

## Outlook

In the domestic market, the Union Cabinet approved a viability gap funding scheme for Coal Gasification projects in January 2024 and multiple mega projects in the refinery and petrochemicals sector. The business expects a continuation of large-scale private projects in solar photovoltaic Giga Factories and petrochemical segments.

Climate change is expected to provide sustainable growth in view of the demand for renewable diesel and biodiesel plants (which are more eco-friendly) and enforcement of clean fuel standards – Renewable Energy Directive (RED) II, Renewable Fuel Standard (RFS), and Low Carbon Fuel





Coke drums each weighing 450 MT for Numaligarh Refinery Limited, Assam

Standard (LCFS) in developed countries. Oil-to-Chemicals projects drive growth in the petrochemicals sector (especially in Asia) and LNG sector (especially in the USA and the Middle East).

The MRU business expects sustainable increased demand and a stronger foothold in GCC for energy efficiency, emission reduction, and crude-to-chemical projects.

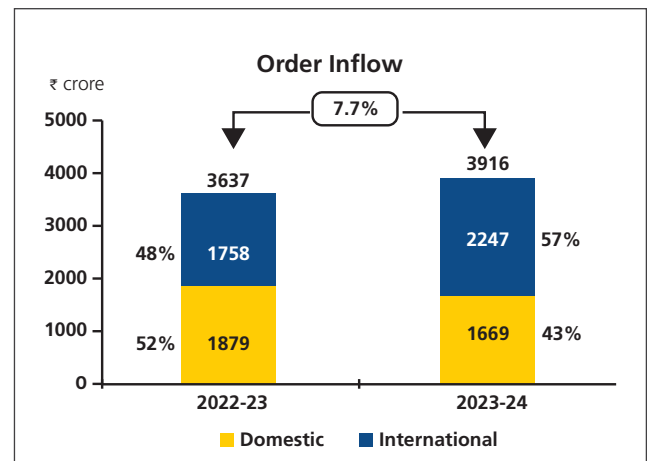
COP28 has been a historic event for the nuclear energy sector. India plans to triple its nuclear power generation capacity to 22.5 GWe by 2031. NITI Aayog and the Department of Atomic Energy (DAE) are exploring the possibility of repurposing retiring thermal power plants with small modular nuclear reactors. Anushakti Vidhyut Nigam Limited (ASHVINI), a JV between NTPC and NPCIL, will focus on fast-track construction of 6 X 700 MWe Pressurised Heavy Water Reactor (PHWRs) as a part of the Fleet Programme in support of climate change and towards achieving Net Zero emissions target.

The business is targeting special projects like Laser Interferometer Gravitational-Wave Observatory (LIGO) and Medical Isotope Reactors. A successful historical track record in the Fusion Reactor project (ITER) has opened new business opportunities for the ITER organisation. The business is well poised to benefit from the momentum in the nuclear sector.

The business remains positive in its outlook for order prospects despite as many as 60+ countries, including many in India and the European Union, going into elections, which may lead to a lot of uncertainties in decision-making on upcoming prospects.

The digital as well as the various organisational excellence initiatives of the business are expected to result in improved productivity and higher value creation on a medium to long-term basis.

**Financial performance of the business**

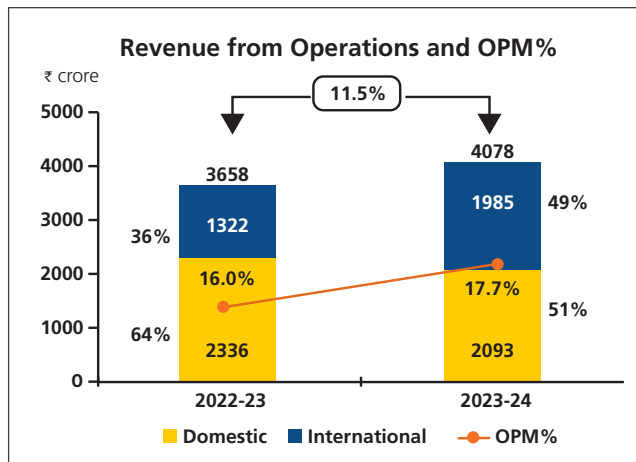


The Heavy Engineering business recorded an order inflow of ₹ 3,916 crore for the year ending March 31, 2024, higher by 7.7% as compared to the previous year, mainly due to the receipt of a high-value international order in the Modification, Revamp & Upgradation (MRU) business. The share of international orders increased to 57% in the current year from 48% in the previous year.





Naval vessel RFA Argus from Royal Fleet Auxiliary (RFA) UK, for repairs at L&T Shipbuilding's Kattupalli Shipyard, Tamil Nadu



The Heavy Engineering business's revenue of ₹ 4,078 crore grew by 11.5% on a y-o-y basis, with higher execution of orders in the MRU business. The share of revenue from international operations has increased to 49% compared to 36% in FY 2022-23.

The operating margin of the business improved from 16.0% to 17.7% due to execution cost savings and a better job mix.

## Precision Engineering and Systems Business

### Overview

L&T entered the various strategic sectors, such as nuclear power, aerospace, and defence, in the sixties, early

seventies, and mid-eighties, respectively, as a part of the Company's focus on building a strong and self-reliant India by leveraging its precision and systems engineering capabilities. This was well ahead of the opening up of these sectors for private industry participation, beginning with Defence in 2001 and Space in 2020.

During the preceding one and a half decades, L&T was associated with the Defence Research & Development Organisation (DRDO) while concurrently contributing towards the Indian Navy's 'A Builders Navy' aspiration by developing platform-specific equipment and systems across classes of Naval platforms with in-country value addition. As for the Space sector, the business continued to be a trusted partner to ISRO across every segment of Space activities across Boosters and wide-ranging hardware for Space Launch Vehicles and Satellites, test facilities, material independence, Satcom infrastructure, and Deep Space Communication Network.

Since the constitution of a separate business vertical in 2017, the business has grown from strength to strength and earned recognition in the aerospace and defence segments, as L&T Defence. Reflecting the Company's vision to pursue opportunities in emerging deep tech sectors like precision manufacturing, advanced electronics systems, AI, additive manufacturing, autonomous platforms, and digital technologies, including Industry 4.0 in Defence & other industries, the business has been renamed as L&T Precision Engineering & Systems with effect from April 01, 2024.

Having built a portfolio of products, systems, platforms, and solutions, and correspondingly a basket of technologies, the business provides concept-to-design-to-delivery customised solutions across chosen strategic



### Close-In Weapon System (CIWS)

segments with a focus on indigenous design and emphasis on creating Indian Intellectual Property (IP).

The business is structured to provide direction to various segments of operations, as under:

- ▣ Marine Platforms, Equipment, and Systems
- ▣ Land Platforms, Equipment, and Systems
- ▣ Aerospace Systems

The business is headquartered in Powai, Mumbai and its operations extend across India. It also includes R&D centres, Product Design & Engineering Centres, and the following dedicated production centres:

- ▣ A. M. Naik Heavy Engineering Complex at Hazira (near Surat) for manufacturing, integration, and testing of armoured & allied land platforms and hulls, as well as pressure-proof structures for underwater platforms
- ▣ The shipyard at Kattupalli (near Chennai) caters to new builds and repair of marine platforms
- ▣ Strategic Systems Complex for weapon launch systems, sensors, engineering equipment and control systems at Talegaon (near Pune)
- ▣ Precision Manufacturing & Systems Complex (PMSC) for aerospace systems manufacturing, equipped with Centres of Excellence for Advanced Composites and Additive Manufacturing at Coimbatore
- ▣ Strategic Electronics Centre at Bengaluru

These work centres are complemented by R&D Centres at Powai and Bengaluru, and Product Design, Development & Engineering Centres for Armoured Platforms & Weapon Systems, Sensors, Engineering Equipment and Aerospace

Systems at Powai, Talegaon, Hazira, and Coimbatore, as well as Design & Engineering Centres for Underwater Platforms and Warships at Powai and Chennai.

Since its inception, the business has built a portfolio of wide-ranging, indigenously designed and developed products, systems, solutions, platforms, and technologies. The business has indigenously conceptualised, engineered, built, and supplied over 250 systems and products, with more than 50 of them having been delivered in serial production mode. The business model is uniquely differentiated through its focus on in-house technology and product development, innovation for serial production, and mature and equated partnerships with domestic as well as global majors, both in the government and private sectors. Besides the supplies, the business offerings also include providing support during installation, commissioning, field evaluation trials, through-life support, and obsolescence management. These capabilities enable the business to maintain its market leadership position amongst the private sector defence industry and be future-ready, given the Government's push for higher indigenisation and autonomy through the 'Aatmanirbhar Bharat Abhiyan'.

L&T's participation in the defence sector stems from its ethos of being a builder of the Indian nation. Various sustainability and risk assessors of defence-related businesses do recognise the right of countries to defend themselves and the need to develop & produce defence-related products to fulfil security, peacekeeping, and humanitarian needs. This is well-acknowledged in the current era of multiple regional conflicts where nations have increased their spending on defence to be able to be equipped for self-defence and ensure national security.



### Offshore Patrol Vessel

It is noteworthy that the business' sole customer & regulator, the Indian Government, is committed to non-proliferation under the 'Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005'. India is also a signatory to the Missile Technology Control Regime (MTCR), a multilateral export control regime, and a party to the Wassenaar Arrangement – a voluntary export control regime that limits the destabilising proliferation of sensitive technologies. Further, India has voluntarily adopted a 'No First Use' (NFU) Policy (PIB notification dated January 4, 2003) that is enshrined in the commitments of the Cabinet Committee on Security (CCS). India's application to join the Nuclear Suppliers Group (NSG) in 2016 is also under discussion. The Company recognises the need to act responsibly in carrying out its business related to the defence sector, implement internal controls and stay committed to respecting human rights.

While maintaining its position as a leading player in the Indian Defence Sector, ***the business does not manufacture any explosives or ammunition of any kind, including cluster munitions or antipersonnel landmines or nuclear weapons or components for such munitions. The business also does not customise any delivery systems for such munitions.***

Leveraging its prowess in technology development for about four decades, the business is incubating the following new business segments in FY 2024-25:

- ▣ Precision Products: This segment will manufacture precision products that are characterised by their adherence to high reliability and critical specifications

- ▣ Electronics Products and Systems: This segment will design, develop, and realise critical hardware and application software that would have wide applications across industries

### Business Environment

With the Government of India initiating substantive policy reforms in the past years and allocating higher budgets for indigenous defence acquisition, the macro picture has improved for this sector. In FY 2023-24, Acceptance of Necessity (AoNs), which would trigger capital acquisition worth ~ ₹ 3.6 trillion, has been accorded, of which greater than 80% of this acquisition will be from Indian industries.

The defence supply chain ecosystem continues to witness challenges on account of geopolitical dynamics. The prevailing wars and increased NATO spending have caused the overloading of global OEM capacities, mainly in the European region. The volatile geopolitical situation has also provided a new perspective on the impact of emerging and disruptive technologies and their deployment in combat. However, in this segment, the company has developed a robust and resilient supply chain over the years, with self-reliance as the primary focus and in-house design capabilities. The business is also constantly developing and diversifying its supply chain with an emphasis on indigenisation to assure autonomy to the Indian Armed Forces.

On the Aerospace front, the opening of the sector in 2020 and the Indian Space Policy 2023 provide opportunities to the private sector for participation in end-to-end space





### *L&T's AMOGH - Autonomous Underwater Vehicle for surveillance*

activities, from building launch vehicles and satellites to downstream space data collection and dissemination. The launch services segment is also emerging as a business opportunity for the Indian Industry with the potential transfer of technology of ISRO's Small Satellite Launch Vehicle, which the company targets to operationalise on the back of industrialising the production of Polar Satellite Launch Vehicle (PSLV) for which the Company has teamed-up with Hindustan Aeronautics through a consortium. The launch of the first industry-built PSLV is expected in calendar year 2024. Today, the business is involved in the assembly and integration of launch vehicles for ISRO to build in-house capability to position and eventually begin to offer 'Launch on Demand' services as a business model.

## Major Achievements

During the year, the business has achieved multiple successes, uniquely reaffirming L&T's positioning as a 'nation-builder' through a series of Make-in-India programmes. These include:

- A breakthrough in securing a contract from MoD - IAF for High Power Radars (HPR) that would provide long-range threat detection capabilities for the Air Force
  - The signing of a previously negotiated contract for the supply of indigenously developed Close-in Weapon Systems (CIWS) to the Indian Air Force, which provides the last layer of air defence to vital assets and vital points across the country
  - Unveiling India's first light tank developed indigenously with DRDO at its Armoured System Complex in an unprecedented time frame of 18 months
- Award of a supply order to develop and trial evaluate Tactical Communication System to serve as a mobile communication backbone for the Indian Army under a 70% Government Funded Make-I scheme
- Develop and realise Air Independent Propulsion (AIP) energy modules for retro-fitment in the Indian Navy's Project P75 Kalvari class diesel-electric submarines
- Accord of Technical Evaluation Clearance for the bid for Indian Navy's Project P75-I for the acquisition of 6 diesel-electric submarines with AIP under the strategic partnership model, in association with Navantia of Spain
- Delivering mission-critical flight hardware for ISRO's Chandrayaan-3, Aditya-L1 Mission, and Human Spaceflight Gaganyaan Programme
- New benchmarks were established by all work centres in terms of accelerated realisation of systems and equipment (serial production category) by deploying Industry 4.0 techniques. Noteworthy ones include the supply of the first lot of Modular Bridging Systems in record time from bulk production clearance and the supply of Large Survey Vessels to Garden Research Shipbuilders & Engineers Ltd. (GRSE) from Kattuppalli Shipyard
- The Kattuppalli Shipyard created history by signing a Master Ship Repair Agreement with the US Navy and undertaking repairs of two US Military Sealift Command. It also enhanced the longstanding collaboration between the UK and India in the maritime domain by undertaking and supporting the maintenance of two Royal Fleet Auxiliary ships
- Conduct extensive development and validation trials of Autonomous Underwater Systems



Courtesy ISRO

*L&T has provided critical subsystems for most of India's space missions*

- Successful development and validation trials of medium- and high-speed unmanned aerial targets. This effort was also awarded the Society of Indian Defence Manufacturers (SIDM) Championship Award 2023 for import substitution
- Award of Green Channel Certificates for multiple land and marine systems and platforms by Quality Assurance agencies of the Indian MoD, based on the demonstrated levels of quality along with mature processes of quality assurance during the execution of major orders

## Significant Initiatives

R&D and innovation have been the backbone of the Precision Engineering and Systems business since its inception, and the business continues to invest in R&D to develop technologies and products. Various R&D initiatives in the development of high-precision sensors, directed energy beam combiners, unmanned and autonomous system technologies, and the deployment of AI-based solutions have been undertaken during the year.

The business has established its proficiency by leveraging Industry 4.0 practices across its operations. Focussed digital initiatives have accelerated productivity and business excellence.

While providing a safe working environment for men and materials, the business continues to focus on the triple bottom line, viz. Social, Environmental and Financial, as well as green initiatives. It has achieved a significant y-o-y reduction in water and energy consumption at its campuses, in line with L&T's sustainability focus and carbon & water neutrality targets.

## Outlook

The capital acquisition budget for Defence witnessed a moderate increase of ~5% y-o-y in the interim budget for FY 2024-25, resulting in an overall budget of ₹ 1.72 trillion, mainly for aircraft & aero engines, army vehicles, and naval fleet. The same is expected to be reset with the historical long-term average growth of 11-12% in the regular budget expected in July 2024. The budget for the FY 2024-25 has also proposed setting up a ₹ 1 trillion corpus fund in line with the country's aspiration to develop capabilities in the deep tech sector.

The indigenous defence production crossed ₹ 1 trillion in FY 2022-23. Additionally, the Government has set an ambitious target of ₹ 3 trillion of domestic production with ₹ 50,000 crore defence exports by FY 2028-29, coupled with over 150 programmes having been identified for acquisition under the 'Make' route of DAP 2020, which focusses on indigenous design, development and manufacturing, is all expected to gather steam over the next five years for the procurement of systems/platforms for domestic use with the government also facilitating exports of these products.

The business is well poised to leverage the Government's thrust on 'Aatmanirbharta' to gain strategic autonomy through domestic production and win new opportunities in shipbuilding, artillery equipment, combat engineering equipment, and long-range communication equipment in India as well as select regional markets.

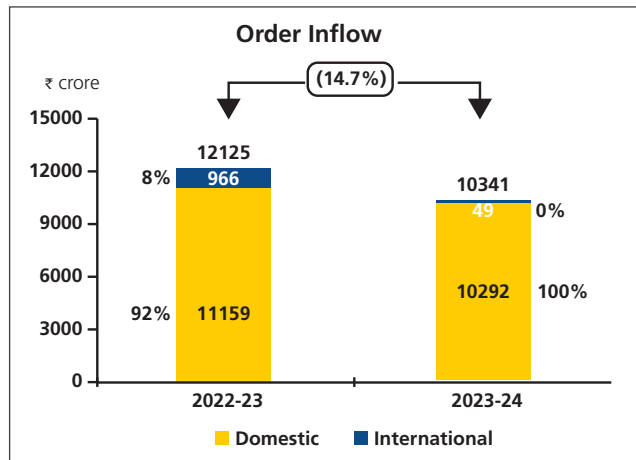
The Indian space sector is fast emerging as a sunshine sector and promises to see tremendous growth in the coming times. The business has been a trusted industry



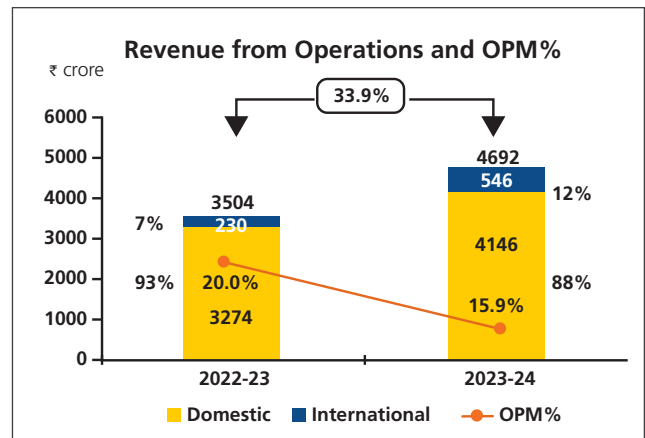
**Launch Tracking C&S Band Radar**

partner to ISRO and has contributed to the indigenous capability of the Indian space sector for over five decades. The reforms announced in the space sector will enable private sector companies – like L&T, to take on the complete manufacture and integration of launch vehicles as well as satellite bus manufacturing and provide associated services.

**Financial performance of the business**



The Precision Engineering & Systems business recorded an order inflow of ₹ 10,341 crore, registering a decline of 14.7% y-o-y, mainly due to the deferment of a few orders and due to a higher base. During the year, the business secured a large value order from the Ministry of Defence. No major international orders were received during the year.



Benefitting from a higher opening order book, the Precision Engineering & Systems business earned revenue of ₹ 4,692 crore during FY 2023-24, higher by 33.9% compared to the previous year. The share of international revenues increased to 12% from 7% in the previous year with the ramp-up in the execution of export orders.

The operating margin declined to 15.9% from 20.0% in the previous year, largely reflecting the stage of execution and job mix.



# IT & TECHNOLOGY SERVICES SEGMENT



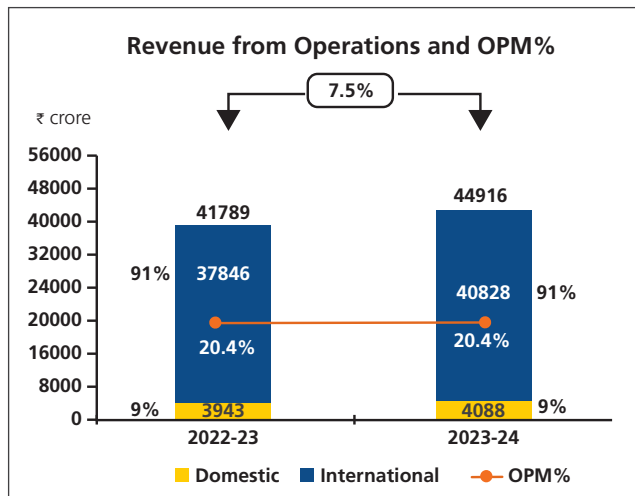
LTIMindtree campus, Bengaluru, Karnataka

## The IT & Technology Services Segment comprises:

- a) LTIMindtree Limited and its Subsidiaries
- b) L&T Technology Services Limited and its Subsidiaries
- c) E-commerce/Digital Platforms and Data Centers

The Group has forayed into fabless semiconductor chip design during FY 2023-24 by incorporating L&T Semiconductor Technologies Limited (LTST), a wholly-owned subsidiary. A fabless semiconductor company specialises in the design and creation of semiconductor chips without owning or operating semiconductor manufacturing facilities.

## Financial performance of the segment



The segment recorded revenue of ₹ 44,916 crore for the year ended March 31, 2024, registering a growth of 7.5% over the previous year, largely reflecting the overall challenging macro environment in the sector. International revenue continues to be at 91% of the total revenue of the segment.

The segment's operating margin, at 20.4%, is in line with the previous year.

The funds employed by the segment as on March 31, 2024, at ₹ 33,034 crore, increased by 12.4% compared to March 31, 2023, largely due to higher Cash & Cash equivalents on the Balance Sheet.

## LTIMindtree

### Overview

LTIMindtree (LTIM) is a global technology consulting and digital solutions company that enables enterprises across industries to reimagine business models, accelerate innovation, and maximise growth by harnessing digital technologies. As a digital transformation partner to more than 700 clients, LTIMindtree brings extensive domain and technology expertise to help drive superior competitive differentiation, customer experiences, and business outcomes in a converging world. Powered by nearly 81,000 talented professionals across more than 30 countries, the Company helps in solving the most complex business challenges and delivering transformation at scale.



*LTIMindtree's state-of-the-art campus at Mahape, Navi Mumbai, Maharashtra*

The business has a strong presence in each of the following business verticals:

### **Banking and Financial Services (BFS)**

LTIM's strong domain and technology capabilities, focussed sub-industry offerings, and a strong partner ecosystem across banking, financial services as well as enterprise partners enable true end-to-end transformation, helping BFS clients modernise their core, reimagine their go-to-market models, achieve their sustainability goals, enable cyber-resilience, transform using AI, data and insights, and better engage with their end consumers.

### **Insurance**

LTIM has been at the forefront of transforming leading Property & Casualty (P&C) insurers, life and annuity insurers, insurance brokers, employee benefits, and reinsurers, helping them lower costs, scale operations, personalise products, and thereby shape the future of insurance, faster. Using deep expertise with leading-edge technologies, including gen AI, ML, drones, digital twins, IoT, cloud, and advanced data analytics, LTIM has partnered with customers to develop unique solutions to some of the most complex industry issues, such as claim/fraud management, digital transformation, underwriting profitability, and distribution effectiveness.

### **Hi-Tech & Services**

LTIM powers innovation to leading Hi-Tech and Services enterprises across various sub-segments: semiconductors, software and platforms, hardware and OEMs, and professional services. LTIM combines domain, customer experience, and digital engineering prowess to deliver next-

generation technology solutions and products catering to the industry's needs.

### **Communications, Media, and Entertainment**

LTIM works with the world's leading broadcasters, studios, OTT/streaming, publishers, information services, education, music, gaming, AdTech, telcos, and multiple-system operators. LTIM is enabling them with product innovation to drive new revenue streams, modernise content supply chains, and personalise viewer/audience experiences.

### **Manufacturing and Resources**

LTIM is geared to address customers' priorities across the manufacturing value chain – across the front office (sales, marketing, commerce, commercial) & back office (procurement, manufacturing & supply chain). The Resources sub-vertical enables the domain-led digital transformation of manufacturing, mining, metals, building materials, utilities, oil & gas, oilfield, and renewable energy giants with technology solutions and services that help them achieve their goals of safety, reliability, efficiency, profitability, sustainability, and value chain transformation.

### **Energy**

LTIM delivers a comprehensive set of next-generation solutions that are designed for the complete energy value chain across upstream, midstream, and downstream oilfield services, as well as renewables segments. LTIM also helps monitor, track, account for, and report carbon footprint and assists in trading carbon credits through holistic emissions management, decarbonisation of operations, and expansion into renewables.



*LTIMindtree Headquarters, Powai, Mumbai, Maharashtra*

## Utilities

LTIM has experience in helping electric, gas and water utility firms reinvent themselves by delivering solutions and methodologies required to connect the physical and digital worlds through end-to-end IT/OT capabilities. LTIM's vision is aimed at addressing transformational challenges such as Distributed Energy Resources, Grid Modernisation, Production Asset Management, Transmission & Distribution Network Ops., expansion of EV Infrastructure, Customer Experience, and last but not least, Decarbonisation.

## Retail and Consumer Packaged Goods (CPG)

LTIM delivers hyper-personalised experiences at scale to the world's largest CPG and brands. The Company also helps CPG and retail clients to navigate increased competition and margin pressures from online retailers, ever-changing consumer behaviour, rising costs, supply chain disruptions, and ESG issues. With deep industry expertise, the Company's 6,500+ global associates lead by designing new 'Phygital' experiences, modernising legacy applications and infrastructure leveraging the cloud, helping automate, and reducing the time from data to decision.

## Travel, Transport, and Hospitality

LTIM is propelling its clients from 'post-pandemic recovery' to 'fast-track growth' with innovative technology solutions, which have been successfully implemented by some of the world's largest and fastest-growing airline, hotel, car rental, travel technology, travel management, logistics and real estate companies, to accelerate revenue growth and optimise costs. The Company develops modern mobile and web applications, enables digital marketing and

sales, provides actionable insights to enhance customer experience and loyalty as well as to improve employee productivity, modernises legacy infrastructure and applications by leveraging Hyperscale Clouds, and helps accelerate Sustainability initiatives.

## Healthcare

LTIM has delivered transformative consulting services and technology solutions to global healthcare giants across the payer, provider, healthcare product manufacturer, pharmacy, health insurance, and benefits manager landscape. The Company brings a unique healthcare platform operation approach to help clients adopt new processes and technologies quickly and easily.

## Life Sciences

LTIM is driving collaboration in the life sciences industry, making healthcare more affordable and accessible while accelerating personalised medicine and patient-centric treatment journeys. The Company's digital and technology-enabled solutions focus on faster drug discovery, lower R&D costs, diverse & comprehensive trials, adaptive manufacturing, a transparent supply chain, and meeting regulatory stipulations.

## Public Services

LTIM's Public Services sub-vertical enables federal, state, local, provincial, municipal, defence, and government healthcare organisations to unlock the true potential of technology and digital, helping them to transform their service delivery to meet citizens' evolving needs.





*LTIMindtree's state-of-the-art Delivery Center in Johannesburg, South Africa*

LTIM has offerings across the following service lines:

- ▣ Interactive
- ▣ Data and Analytics
- ▣ Enterprise AI
- ▣ Cloud and Digital Infrastructure
- ▣ Cybersecurity
- ▣ Digital Engineering
- ▣ iNXT
- ▣ Platform Operations
- ▣ iNXT Geospatial Engineering
- ▣ Enterprise Cloud Applications
- ▣ Salesforce
- ▣ SAP
- ▣ Oracle
- ▣ Consulting Services
- ▣ Hyper Automation
- ▣ Quality Engineering Services – Testing

## Alliances & Partnerships

The Business has built a strong ecosystem of partners that enables it to drive significant value for its clients in an ever-changing technology landscape. The Company's partner ecosystem comprises global tech majors in Cloud, Data & AI, Interactive, Digital Engineering, Low code and Integration, Enterprise Applications, Quality Engineering, Automation, Infrastructure and Security domains serving across multiple industry groups.

In the current year, LTIM has been able to deepen relationships with its partners and create combined value through the execution of joint Go-to-Market (GTM)

strategies, co-innovation, co-selling and global demand generation activities. It implemented multiple co-branding and co-marketing initiatives and signed up exclusive partner programmes with its key strategic partners. This helped the Company to augment its GTM strategy and co-investments across key priority areas.

## Business Environment

Despite the macroeconomic challenges throughout the year, the technology/IT Services industry demonstrated resilience as large-scale cost optimisation and automation deals helped maintain demand for enterprise software and IT services.

In the midst of significant business caution towards investments and delayed decision-making, India's technology industry revenue (including hardware) is still expected to hit USD 254 billion.

The Nasscom Annual Enterprise & Tech Services CXO Survey 2024 indicated an expectation of stronger growth momentum for the calendar year 2024, with the understressed sectors of BFSI, Telecom, Media & Entertainment and Hi-tech leading the digital spending. Generative AI remains a key priority for over 95% of the surveyed organisations over the next 6-12 months. Technology providers are also optimistic about growth expectations for FY 2024-25, with 79% expecting higher growth compared to last year. Hiring growth is also expected to improve, with 80% of the providers planning a higher level of hiring compared to FY 2023-24.



*LTIMindtree, Kalinga Campus, Bhubaneswar, Odisha*

## Key Deal Wins

- A global leader in the design, engineering, and delivery of customised facilities for high-tech industries has selected LTIM as their preferred strategic partner for their Digital Transformation journey over the next five years
- A US-based premier oil and gas producer selected LTIM as their strategic partner for end-to-end technology services
- A diversified multinational mass media corporation has chosen LTIM as its preferred ServiceNow transformation partner
- A global financial services technology company has chosen LTIM for its Product Development initiatives
- A utility company in the Middle East continues to strengthen its relationship with LTIM by signing another 3-year agreement where the Company will support their transformation journey by identifying areas of expansion and optimising the technology landscape
- One of the largest semiconductor manufacturers in the world has chosen LTIM as their key digital transformation partner to modernise its SAP application landscape, enrich user experience, streamline business processes, and deliver contemporary digital operations across both SAP S/4HANA and SAP Cloud Solutions
- One of the largest property & casualty insurance companies in the United States has chosen LTIM as a strategic partner for a multi-year application development and maintenance deal
- A prestigious regulatory body has chosen LTIM for its Next-Generation Data Warehouse implementation

## Significant Initiatives

At the forefront of Research & Development (R&D) efforts, the Company has curated a platform called LTIM Crystal that scouts 'Beyond-the-Horizon' technologies and empowers us with future-driven growth strategies and opportunities for research and incubation consideration.

Using the above approach, LTIM has evangelised emerging technologies like Generative AI, Explainable AI, Zero Trust Architecture, Platforms at Scale, and Quantum technologies to establish capabilities and their offerings.

As a part of incubating new technologies and demonstrating delivery success, LTIM is doing first-of-a-kind (FOAK) engagements that set up the capability for industrialisation. Additionally, the Company has a Technology Architecture Office with Unit Chief Technology Officers (CTOs) and Cluster CTOs, driven by the Global Technology Office (GTO), leading to forward-looking innovation and solution excellence in delivery with industries.

## Outlook

In this environment of restrained client spending, the Company continues to expand its value proposition to become a partner of choice for the clients. By focussing on cross-selling to existing accounts and prioritising Focus 100 clients, the Company is observing multiple deal conversations and wins.

With the completion of the merger integration, the Company is strategically placed to take advantage of the market recovery and further improve its position in the industry leaders' quadrant. A strong order



*L&T Technology Services - Module X Design Centre, Mysuru, Karnataka*

inflow and healthy deal pipeline have set the stage for medium-term growth.

As the Company continues to negotiate the dynamic terrain of shifting market priorities, rapid technological advancements, and evolving customer expectations, it remains confident of its ability to align clients' operational strategies with their technological ambitions and help them reach a future without limit.

The positive outcomes of LTIM's positioning as an organisation with scale-expanded capabilities and stronger partnerships continue to reflect in the order inflow and pipeline. Through the year, the Company has pivoted its portfolio to align with the current spending areas and is positioned well to capture the discretionary spend wave when it returns.

LTIM is stepping into the new financial year with renewed vigour and a stronger foundation to drive revenue synergies. As it reflects on its achievements and looks toward the future, the Company is confident that the insights gained and strategies implemented will enable it to execute better going forward. Finally, the Company is excited to see what the future holds and is committed to making the most of every opportunity that comes its way.

## **L&T TECHNOLOGY SERVICES**

### **Overview**

L&T Technology Services Limited (LTTS) is a leading global Engineering Research and Development (ER&D) services provider. LTTS specialises in delivering a comprehensive range of consultancy, design, development, and testing

services throughout the product and process development lifecycle. LTTS leverages its deep multi-domain expertise across software and digital engineering, embedded systems, engineering analytics, and plant engineering to create transformative value propositions for clients globally.

Headquartered in India, LTTS has over 23,800 employees spread across 22 global design centres, 28 global sales offices, and 104 innovation labs as of March 31, 2024. The Company's global footprint covers 20+ countries across all key geographies, catering to a global clientele of 69 Fortune 500 companies and 57 of the top ER&D firms.

LTTS offers its services to customers across five key segments. The Company delivers specialised **Transportation Engineering** services to global OEMs and Tier 1s, helping accelerate market entry, foster cutting-edge innovation, and drive sustained business excellence. For **Industrial Products**, LTTS capitalises on its extensive multi-domain expertise across software, hardware, and mechanical engineering to cater to an expanding global customer base. The Company's **Telecom & Hi-Tech** offerings include services across Telecom, Consumer Electronics, Semiconductors, Independent Software Vendors (ISVs), and Media & Entertainment (M&E). Leveraging its comprehensive chip-to-cloud capabilities – from design and engineering to project management – LTTS helps drive delivery, maintenance, and sustenance of bespoke solutions for a global **Plant Engineering** clientele. Leveraging over three decades of **Medical Device** industry presence in combination with cross-vertical engineering expertise, LTTS also works closely with the Top 10 global healthcare providers and device manufacturers.





*Wire Harness Center – Peoria, USA*

LTTs continues to be at the forefront of cutting-edge innovation, partnering with leading technology majors and hyperscalers to enable next-gen solutions and offerings across emerging domains, including AI, Software Defined Everything (SDx), and Cyber Security. These collaborations focus on streamlining new product development, enhancing remote asset management, enabling robust sustenance paradigms, and advancing virtual product design as well as prototyping.

With its cutting-edge technology capabilities, multi-geography presence, and customer-first approach, LTTs continues to reaffirm its leadership of the growing ER&D services segment.

At the start of the fiscal year, LTTs successfully closed the acquisition of the Smart World and Communication Business Unit from its parent L&T. The new capabilities unlocked from the merger, including industry-leading expertise in Sustainable Smart Spaces, NexGen Comms, and Cyber Security, have already registered considerable traction amongst LTTs' global customer base. The success was evident in the recent marquee USD 100 million deal win for the delivery of cutting-edge cyber security services.

## Business Environment

The rise in the intensity of Engineering Research and Development (ER&D) across sectors is driving new growth opportunities. Nasscom estimates that total global ER&D spending could well exceed USD 3 trillion by 2030. With the Automotive, Software, and Healthcare & Medical Devices sectors set to account for about half of this spending, high growth areas like Telecom, Semiconductors, and Software will continue to register double-digit CAGR

from 2023 to 2030 and drive the next frontiers of growth.

Stickier ER&D spending, led by continued investments in future products and a sustained rise in demand for digital engineering and offshoring services, is expected to drive the growth of the Indian ER&D sector as well. While current Nasscom estimates indicate the US to be the largest ER&D spender at about USD 550 billion, trends suggest a sustained rise of markets across the EU and Asia-Pacific regions.

Further, estimates from Zinnov corroborate this trend and predict a 2X rise in Digital Engineering spending by 2026, at over USD 1.6 trillion.

As the dynamics of the global ER&D landscape evolve, LTTs will continue to reassess its key drivers, including the availability of talent, new partnerships and alliances, and revitalised compliance with laws and regulations. This would help ensure continued business success in a dynamic ecosystem.

Driven by its key differentiators around multi-vertical domain expertise, value-maximising customer-centric innovations across major industry segments, and a robust network of alliances across emerging technologies, including AI and SDx, LTTs continues to be well-poised to navigate the evolving landscape.

## Major Achievements

During the year, LTTs had multiple major deal wins across all its verticals. Large deal bookings were led by a marquee USD 100 million win, a USD 50 million, and USD 40 million engagement, and more than twenty USD 10 million projects (including several in the range of over USD 15



*Engineering in action at LTTS, Mysuru, Karnataka*

million and USD 20 million).

### Competitive Positioning

During the fiscal year, LTTS demonstrated a robust competitive positioning within the global dynamics of the engineering and technology services sector. The Company's financial performance and strategic initiatives underscored its resilience, a scenario that was further reflected across the ratings by leading analysts and industry bodies and a growing patents portfolio.

- ▣ LTTS was rated as a Leader in Manufacturing Smart Industry Services 2023 RadarView by Avasant and was positioned as Leaders in Everest Group's ACES Automotive Engineering Services PEAK Matrix® Assessment 2023 – Electric
- ▣ ISG rated LTTS as Leaders in Manufacturing Industry Services and Solutions 2023 - Digital Factory/ Manufacturing Solutions, North America and Agile Product Development and Design Services
- ▣ Zinnov rated LTTS in the leadership zone across 14 Engineering domains as leaders in Overall 2023 ER&D Services and in the leadership zone across Automotive, Aerospace, Electrification, Industrial, Telecom, Semiconductors, and Telehealth

As of March 31, 2024, LTTS boasted an impressive patent portfolio comprising 1,296 patents, reflecting the Company's focus and commitment towards innovation and collaborative development. The scenario was complemented by a growing alliance ecosystem with leading technology majors and hyperscalers, especially in emerging areas like AI and Gen AI.

By continuing to cater to diverse industries and maintaining a steady growth trajectory, LTTS solidified its competitive edge in FY 2023-24, showcasing resilience, innovation, and a customer-at-the-core mindset in navigating the challenges and opportunities of the evolving market landscape.

### Significant Initiatives

LTTS has continued to invest considerable time and effort in strategic initiatives that will propel its technology footprint, engineering infrastructure, and human resources, with the objective of providing a differentiated experience to its customers. These include:

- ▣ Expanding presence with delivery centres across India, including Vadodara, Chennai, and Bengaluru (new campus inaugurated with a capacity to host 4,000 engineers)
- ▣ Becoming a Palo Alto Networks Managed Security Services Partner (MSSP) for delivering a suite of security services to end customers across industrial verticals
- ▣ Strategic partnership with Bharat Sanchar Nigam Limited (BSNL) to drive and enable global enterprises in their private 5G network deployments
- ▣ Collaboration with NVIDIA to unveil Gen AI and advanced Software-Defined Architecture for Medical Devices
- ▣ Partnership with Google Cloud to harness the power of its Gen AI technologies and tools for the development of DevX, LTTS' Developer Experience Platform
- ▣ Alliance with Amazon Web Services (AWS) to help global automotive manufacturers accelerate the transition towards SDV, leveraging Gen AI



*LTTS office, Airoli, Navi Mumbai, Maharashtra*

- Collaboration with the Nasscom Gen AI Foundry to stimulate the growth of Gen AI startups

## Outlook

During the year, LTTS has continued to strengthen its position as the nation's largest pure-play ER&D services provider. Having crossed the USD 1 billion mark annual run rate in the previous year, the Company has now set its sights on the next milestone of USD 1.5 billion.

The Company's journey ahead is being enabled by a focussed realignment with new opportunities around AI, SDx, and Cyber Security. The emerging paradigm is supported by subsuming new capabilities from the Smart World and Communication acquisition, which closed successfully at the start of the fiscal year. By leveraging the new synergies, LTTS has registered several multi-million deal wins across segments, with a marquee USD 100 million engagement reaffirming the positive impact of the decision on the Company's digital-focussed growth trajectory. The Company expects that this trend of scaling new capabilities across markets will continue to strengthen over the coming years.

As emerging technologies reshape the world, LTTS believes that the future will be defined by a twin-track approach to growth. This involves leveraging new partnerships and alliances while focussing on up-skilling and cross-skilling our talent pool to unlock new growth avenues. The Company is also working closely with leading global hyper scalers, including AWS, Google Cloud, Intel, Microsoft Azure, and NVIDIA, to develop new-age and future-proof technology solutions and offerings.

The forward momentum is further strengthened by the growing collaboration of the LTTS Global Engineering Academy (GEA) with leading centres of Learning and R&D, thereby driving depth and sustainability in its approach towards enabling a deep, reliable, and resilient talent paradigm. Its commitment to growth is further illustrated by an industry-leading portfolio of over 1300 patents across sectors and the focussed reskilling and upskilling of over 3000 engineers in AI and allied technologies during the year.

LTTS remains a committed enabler of deep transformative journeys for our global customer base through engineering new frontiers of business success and sustainable excellence across domains.

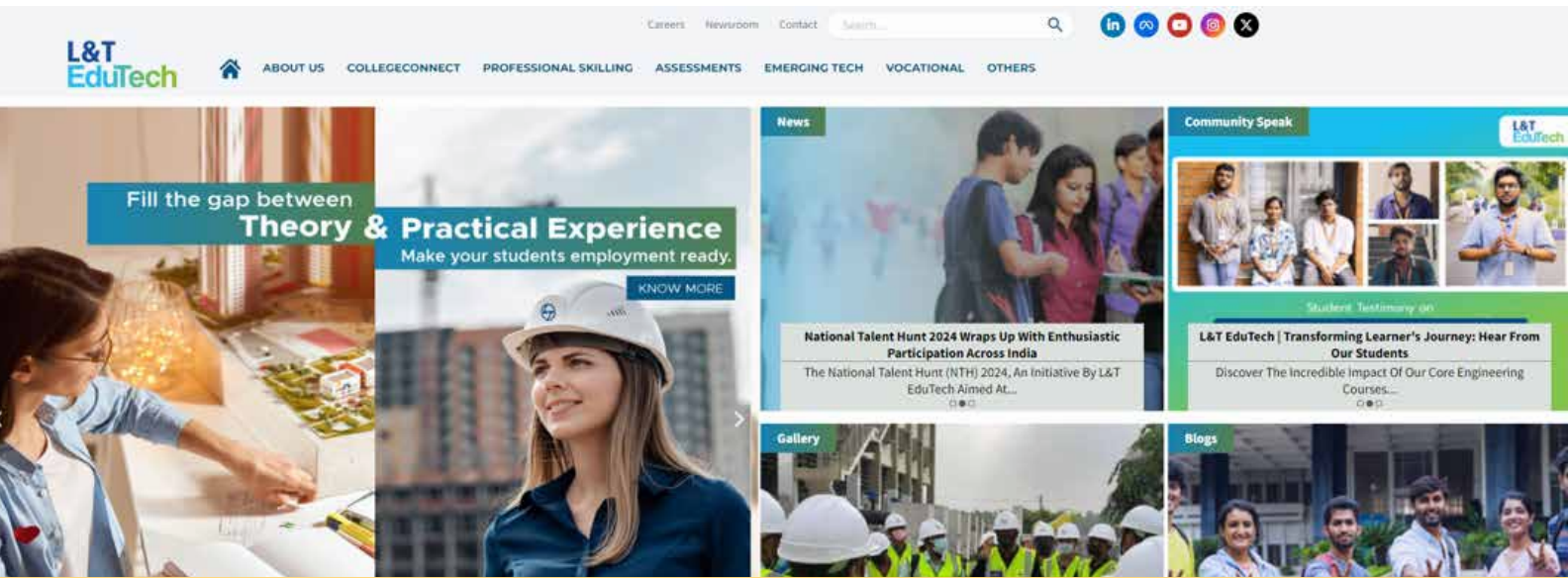
## Digital Platforms and Data Centers

This business mainly includes new-age businesses incubated by the Company namely L&T EduTech, L&T-SuFin and Data Centers. These ventures are a part of L&T's plan to leverage digital technologies in some of its core domains in order to future-proof them and tap future growth opportunities.

### L&T EduTech

L&T EduTech is an EdTech initiative of the Company, providing high-quality hybrid education for higher education students and working professionals. The Company partners with colleges, universities, corporations, channel partners, and government agencies to facilitate skills in niche core engineering and IT domains.





*L&T EduTech, building value for learners, academia and industry*

L&T EduTech has developed a robust Learning Management System, Assessment Engine, Recruitment Automation, and Skill Exchange platform with a wide bouquet of learning & assessment solutions with its learning programmes, assessments & certifications, virtual & hands-on labs, industry capstone projects, instructor-led training, and industry immersion.

L&T EduTech also provides a discussion forum, the National Engineers Ensemble Forum for Knowledge Sharing, and the Microlearning Platform (supported by the All India Council for Technical Education [AICTE]), with free courses for its learners. The forum optimises students' educational efforts and further enhances their continuous learning journey.

The two major verticals of L&T EduTech are as follows:

**College Connect:** This vertical aims to narrow the gap between academic learning and practical industrial experience. It offers courses in core engineering, information technology, arts, and science with industry-specific application-oriented knowledge. Aligning to the National Education Policy (NEP) 2020, College Connect offers multidisciplinary programmes which can be integrated into the college curriculum to replace/add on to the credits required for degree programmes. Further, this business vertical organises career guidance sessions, conducts regular faculty development programmes, and offers industry immersion programmes to deliver superior learning experiences to both teachers and students.

**Enterprise:** This vertical offers upskilling and reskilling opportunities for corporate employees with several

product packages, including .Net, Java, Data Analytics, Cybersecurity, and more. Along with industry-relevant courses, this vertical also focusses on assessments. Further, the robust auto-proctored assessment platform helps organisations in their recruitment process for fresh talent and workforce development. It measures workplace competency in multiple stages of a learner's life.

## Major Achievements

- Successfully onboarded over 40,000 students and faculty members in FY 2023-24, along with 9,600 working professionals, onto our platforms
- Conducted over 5,90,000 assessments, reflecting the efficacy and scalability of our educational offerings
- Secured major accounts, both domestically and internationally, including prominent institutions such as Manipal Group, University of Petroleum and Engineering Studies, Oman Education and Training Investments, Wolters Kluwer and work scope enhancements from Chitkara University
- Formed strategic partnerships with 17 institutions for integrated programmes, with over 20 more in the pipeline
- Witnessed rapid traction in enrollments in our Employability Skilling Programme
- Secured significant orders through government channels, with Naan Mudhalvan (Tamil Nadu Skill Development Corporation) and Additional Skills Acquisition Programme (Kerala), with further prospects being created in UP and Gujarat as well



*L&T-SuFin, India's first online business platform for industrial and construction products, integrated with finance and logistics options*

- Successfully facilitated the physical delivery of education to 15K+ students through the Naan Mudhalvan initiative
- Launched channel business initiatives with CADD Center (Chennai) and IITM Pravartak Technologies Foundation (Chennai). Similarly, the pilot course launched in Coursera has yielded positive feedback from global learners
- Initiated export order business for Enterprise business, with the first signup achieved with Vulcan Green Steel in Oman
- Integrated Gen AI into our assessment engine, enhancing the effectiveness and efficiency of our educational assessments

Over the past few years, India has emerged as the world's second-largest EdTech market. The dearth of industry-based education and the acute need for a skill upgrade among students and professionals in India will result in more industry-led curricula and cross-functional credits. Additionally, digitalisation has made it easier for people to learn at their own pace, anytime and anywhere. Such factors provide a positive outlook for the scalability of L&T EduTech in the medium-term.

## **L&T-SuFin**

L&T-SuFin is a B2B digital marketplace platform which was launched in March 2022 for buyers and sellers dealing in industrial and construction goods to connect in an efficient & transparent manner. The platform enables sellers to expand their sales reach and buyers to find the right products at an optimal cost and quality. The platform offers a wide product range in industrial supplies & consumables,

building & construction materials, electrical & electronics equipment, machinery tools & mechanical equipment, packaging, printing & office supplies, etc.

In 2023, B2B e-commerce GMV (Gross Merchandise Value) was USD 15 billion in India and is expected to reach USD 55 billion by 2027. Similarly, the total transaction value in the Digital Payments segment in India is projected to reach USD 150-200 billion in the next 3-4 years from the current USD 65 billion. L&T is playing a pioneering role by foraying into digital B2B e-commerce through this platform with the objective of bringing about scale and speed in supply chains, procurement processes, trade financing, and logistics, thereby helping the Indian MSME sector, which is expected to benefit through this transformation.

### **Major features offered by L&T-SuFin include:**

- Discovery of Industrial Products and Sellers through an efficient digital process
- Getting competitive prices through the Request for Quotation (RFQ) mechanism and online transaction fulfilment
- Financing support from partner banks and NBFCs
- Logistical support, including free transit insurance

The business has catalogued 5 lakh+ Stock Keeping Units (SKUs) in 49 categories. Further, the business has onboarded 42,000+ sellers on the platform and has crossed a Gross Merchandise Value (GMV) of ₹ 2,700 crore since inception.



*Hyperscale Data Center, Kancheepuram, Tamil Nadu*

The business has taken several new initiatives to catalyse growth and scale up further, such as:

- Launched the SuFin App for buyers, leading to greater ease of usage & convenience
- Original Equipment Manufacturers (OEMs)-led supply chain strategy for inducting reliable sellers with a good track record in business and ensuring the quality of goods
- Formulated a central RFQ team to aid the buyers
- Enabled WhatsApp-based RFQs to improve the response rate by Sellers
- Providing finance to the Buyer and/or Seller for doing transactions on the platform through Partner Banks or NBFCs. This has helped the MSMEs on the platform in getting liquidity to overcome the working capital gap and has increased their loyalty to the platform for repeat transactions
- Initiated steps to achieve ISO 27001 Compliance

In FY 2024-25, the business plans to scale up its GMV and revenue with a focus on subscription, market partnership, higher margin product offerings, and expanding financing solutions.

## Data Center & Cloud Services Business

### Overview

L&T's Data Center is a new business unit of L&T that will offer Colocation Services (space, power, CCTV monitoring, etc.), to MSME and other enterprises. In addition, it shall also offer Cloud Services in Infrastructure as a Service - IaaS (viz. application integration services) and Platform as a Service - PaaS (viz. operating systems and database management) models. The necessary ecosystems are in place to offer an integrated offering to customers, including Network and Monitoring services through the NOC. Specialised Colocation for AI/ML/GPU-based workloads for enterprises based on diverse cooling technologies will also be offered. The business, branded L&T-Cloudfiniti, has been launched to provide these services. The Company has committed investments to set up modern state-of-the-art Data Centers at multiple locations in India, starting with Mumbai and Chennai regions.

### Business Environment

India is witnessing a rapid adoption of digital technologies in the overall Governance and Business environment, thereby necessitating the need for a larger number of data centers. The country is experiencing exponential growth in Internet traffic fuelled by 5G, digital commerce, digital entertainment, and the use of social media. India



has over a billion mobile phones and more than 800 million internet subscribers. This is further fuelled by the demand for AI/ML, which requires high computational capability, such as GPUs.

Today, India is one of the fastest-growing data center markets globally, with about 130+ data centers and capacity of ~1000 MW by the end of FY 2023-24. Further, new data centers with 1200+ MW capacity are expected to come up by the end of 2026.

With the aim to achieve USD 1 trillion Digital Economy by 2025-26, the Government of India and the various state governments have come out with many schemes to support the ecosystem of the Telecommunication and Information Technology industries, thereby creating a conducive environment for data center business growth in India.

There are a few concerns, like the lack of a unified single window clearance across the country, rising input costs, unavailability of redundant infra such as network and power connectivity from utility providers, and scarcity of skilled manpower resources. Challenges also exist across states for sourcing renewables through Third-Party Open Access (TPOA) as, besides inadequate surplus capacity, it also comes with certain added charges from the States, while third-party group captives (TPGC) require substantial investments in SPV format with developers.

## Competitive Positioning

The Company is in a position to offer a complete range of IT, ITES, and Managed Services to its customers, including the hosting environment/colocation services.

Further, L&T will leverage the expertise of its group companies, such as LTTS and LTIM, in providing value-added services. The Company has the capability to create the complete value chain of Build, Operate, and Manage Data Centers with initial offerings in the form of providing Colocation and Managed services to customers.

## Strategic Business Plan

The Panvel Data Center of 2 MW is currently operational. The first Hyperscale Data Center at Sriperumbudur, Chennai, will be built in stages with a total capacity of 30 MW. Further investments in new Data Centers at Mahape, Navi Mumbai and Bengaluru, Karnataka, of 20 MW each, will be made over time. With these, a total of 72 MW of DC capacity is being built. Various specialised Colocation services for enterprises are also being explored as an offering through these Data Centers by adopting resilient hybrid Data Center designs catering to medium to high-density compute workloads.

## Outlook

The data center industry continues to grow at a fast pace due to technological advancements and market trends. Growing demand for computing and storage from enterprise customers, enhanced cloud adoption, rising rack densities (power consumption in KW), and competitive pricing dynamics present several challenges and opportunities as well. The emergence of use cases based on Generative AI and its applications across various business processes requires the setting up of next-gen Data Centers with resilient high compute workloads, enhanced power usage effectiveness, and blending renewable power in consumption. Such factors augur well for L&T to position itself as a reliable Data Center Service Provider with sustainable practices embedded across the entire life cycle of Data Centers from build to steady-state operations.

# FINANCIAL SERVICES SEGMENT



Rural business finance

## Overview

L&T Finance Limited ('LTF') (earlier known as L&T Finance Holdings Ltd (LTFH)) is a leading diversified Retail NBFC headquartered in Mumbai. A ₹ 80,000 crore+ strong pan-India Retail franchise built over the past 15 years, the Company is amongst a select cohort of NBFCs classified as Upper Layer (NBFC-UL) under the scale-based regulations of RBI. The business offers financing across the rural and urban ecosystem through Rural Business Finance, Farmer Finance, Urban Finance (which includes Two-Wheeler Finance, Personal Loans, Home Loans and Loan Against Property), and SME Finance. Over the years, LTF has created a 'Right to Win' and emerged as a leading player in Rural Group Loans and Micro Finance, Farm Equipment Finance, and Two-Wheeler Finance.

LTF is accorded the highest rating of 'AAA' by four credit rating agencies, viz. CRISIL, ICRA, CARE, and India Ratings and has also received leadership scores and ratings from global and national Environmental, Social, and Governance (ESG) agencies.

### LTF's Retail franchise and reach:

Retail Book	₹ 80,037 crore
Geo Footprint	Rural: 1,800+ branches servicing ~2,00,000 villages   Urban: ~150 branches servicing 100+ Cities/Towns
Customer Database	2.3 crore+

## RETAIL FINANCE

### ▣ Rural Business Finance

Rural Group Loans & Micro Finance (part of the product profile of Rural Business Finance) offers sustainable financing to women in rural India through the Joint Liability Group mechanism. The Rural Group Loans & Micro Finance business delivered a healthy growth of 32% y-o-y, achieving a book size of ₹ 24,716 crore while disbursing ₹ 21,495 crore during the year, reinforcing our position as a leading financier in this segment. Through this business, LTF added 15.4 lakh new customers during the year, empowering them to build sustainable livelihoods. LTF's 14K+ strong feet on the street through a wide network of 1,700+ meeting centres (branches) across 14 states help deliver doorstep banking services to these women entrepreneurs, thus fostering the formalisation of credit and financial inclusion in rural India. Over the past 15 years, the business has financed over 1.4 crore women.

Business momentum in the industry was also positive, with the industry size crossing ₹ 4 lakh crore, supported by tailwinds from a favourable macro environment and stable rural demand.

Going forward, the business will continue to leverage its deep rural network, digital customer value proposition and strong data-driven analytics to grow this business vertical further while maintaining superior asset quality vis-à-vis the industry.



## Farmer finance

### Farmer Finance

LTF, through its Farmer Finance vertical, is one of the dominant farm equipment/tractor financiers in the country, having financed close to one lakh tractors in FY 2023-24. Even in a year when the domestic tractor industry remained subdued, LTF leveraged its strong dealer and OEM network coupled with a best-in-class digital & data-driven platform to grow the book by 8% to ₹ 13,892 crore with disbursements of ₹ 6,848 crore in FY 2023-24. The business increased its focus on customer retention by leveraging its 11 lakh+ farmer database, resulting in a growth in 'upsell' disbursements.

With its deep granular network and a 19-year legacy in the tractor financing business, going forward, LTF aims to leverage its strengths in order to gain market share in this business while also targeting the farmer ecosystem through launching new products addressing financing requirements at each stage of the Agri Value chain.

## URBAN FINANCE

### Two-Wheeler Finance

The two-wheeler industry made a strong comeback in FY 2023-24, recording an impressive growth rate of 9% in two-wheeler sales, buoyed by a sustained revival in demand in both urban and rural markets. LTF, an urban and semi-urban player, leveraged the tailwinds of this increased demand through higher finance penetration and grew the Two-Wheeler Finance book to ₹ 11,205 crore, a growth of 25% y-o-y. LTF financed around 9 lakh units of two-wheelers during the year

with disbursements of ₹ 8,586 crore, reflecting its strong position and market share in the two-wheeler financing space. The strength of the business lies in its tie-ups with leading OEMs, its 10,500+ strong sourcing network across 109 locations in urban areas, coupled with our superior customer value proposition. The digital proposition backed by algorithm-driven centralised underwriting enables the company to deliver industry-leading TAT.

LTF expects to continue growing this business through both horizontal and vertical deepening of its distribution network. LTF is strategically shifting its focus towards increasing its share of prime consumers and also gaining market share in the financing of electric Two-Wheelers.

### Home Loans and Loan Against Property (LAP)

LTF's Home Loans and LAP financing business gained momentum during the year with ₹ 7,545 crore in disbursements. Supported by a growth in the mortgage market, its book grew 38% to ₹ 18,443 crore, with Home Loans and LAP at ₹ 14,550 crore and ₹ 3,893 crore, respectively. The target customer segment is salaried individuals as well as self-employed non-professionals in major cities in India.

In FY 2023-24, LTF did significant work towards redesigning the digital journeys with an aim to provide best-in-class customer experience. This will strengthen its customer value proposition coupled with expanding its product offerings and deepening its channel partnerships, which will enable the portfolio to deliver strong growth in the future.





### SME finance

#### ▣ Personal Loans

This business was started three years ago with the aim of leveraging its strong Two-Wheeler customer database. Over the years, LTF built a book size of ₹ 6,440 crore as of FY 2023-24 and disbursed ₹ 4,285 crore with a share of repeat customers at 51%. The average ticket size for our Personal Loans portfolio is ~₹ 1.5 lakh. Our D2C PLANET app (rated 4.4 on Playstore and 4.3 on App Store) acts as an important customer acquisition channel, providing digital geo-agnostic Do-It-Yourself (DIY) journeys to enhance customer experience.

During FY 2023-24, LTF calibrated its growth in the portfolio to focus on revamping the digital journeys to provide best-in-class customer offerings. Going forward, LTF will further scale this business through 'cross sell' to its existing customers and large strategic partnerships to enhance customer acquisition while further sharpening our credit underwriting.

#### ▣ SME Finance

The SME sector continued its robust growth momentum in FY 2023-24. This augured well for LTF's SME Finance business (pilot launched in FY 2021-22), which grew to ₹ 3,905 crore with a customer base of 20,000+. During FY 2023-24, the Company disbursed ₹ 3,657 crore. LTF added new locations during the year, taking the total geo presence to 109. LTF also has strong channel partnerships, which it will leverage to grow this business while strengthening its digital journeys and product offerings going forward.

### WHOLESALE FINANCE

The Wholesale Finance portfolio comprises Real Estate Finance and Infrastructure Finance. In line with the Lakshya 2026 strategy of Retailisation, LTF was able to accomplish an accelerated reduction of its Wholesale Finance portfolio. The book now stands at ₹ 5,528 crore, which includes the Real Estate book of ₹ 2,337 crore and the Infrastructure Finance book of ₹ 3,191 crore as of FY 2023-24, a steep reduction of 87% over the past two years. LTF expects this book to come down further over the near to medium-term.

### Business Environment

Notwithstanding the uncertain global economic growth paradigm, the Indian economy continued its growth momentum in FY 2023-24 through:

- (a) Macro-financial stability
- (b) Strong twin balance sheets of banks and corporates
- (c) Front-loading of public CapEx

Despite the growth momentum, RBI targeted persistent high food inflation by remaining firm and maintaining the policy repo rate at 6.50% through FY 2023-24. Additionally, the average liquidity in the banking system was deep in the deficit zone between September 2023 and the end of March 2024, partly due to a sharp cut in government spending and partly due to a slower pace of banks' deposit growth vis-à-vis credit growth.

However, the NBFC sector remained resilient due to substantial capital buffers, improving asset quality and



## Housing finance

robust earnings. NBFC-ULs recorded healthy growth in H1-FY 2023-24, and their GNPA ratio gradually improved while their capital position remained robust. During H1-FY 2023-24, NBFC loan growth (y-o-y) was highest for housing (58.9%), followed by MSME (57.4%), agriculture (52.0%), and microloans (50.7%). This reflects the NBFC sector's thrust on 'financial inclusion'. According to RBI, the increase in risk weights (on personal & NBFC loans) in November 2023 is pre-emptive in nature and in the interest of macro-financial sustainability.

## Major Achievements

### ▣ Achieved Lakshya 2026 goals Two Years in Advance

In May 2022, LTF had, in line with parent L&T's Lakshya strategy, outlined the following Lakshya 2026 goals:

- Retailisation >80%
- Retail Growth >25% CAGR
- Retail Asset Quality with Gross Stage 3 <3% and Net Stage 3 <1%
- Retail RoA 2.8% - 3%

In FY 2023-24, LTF achieved all its Lakshya 2026 goals two years in advance, thereby transitioning to become a Retail NBFC.

Thus, as of March 31, 2024, it stands at a Retail portfolio mix (i.e. Retailisation) of 94% with Retail book size crossing a milestone of ₹ 80,000 crore. Going

forward, the aim is to make the achieved Lakshya goals sustainable through the convergence of Lakshya goals at the LTF consolidated level.

### ▣ LTF becomes a Single Lending Entity Structure

Simplification of corporate structure has been at the core of LTF's strategy since 2016. In FY 2023-24, LTF completed the merger of L&T Finance Holdings Ltd. and its wholly owned lending subsidiaries, L&T Finance Ltd. and L&T Infra Credit Ltd., resulting in the creation of a single lending entity – L&T Finance Holdings Ltd. Furthermore, the name L&T Finance Holdings Ltd. has been changed to L&T Finance Ltd.

### ▣ PLANET App crosses 91 Lakh Downloads

In FY 2023-24, the PLANET app (rated 4.4 in Playstore & 4.3 in Appstore) crossed 91 lakh downloads, thereby achieving an important milestone within two years of its launch. Of this, over 11 lakh customers are rural. Through PLANET, LTF has sourced ₹ 5,700+ crore and collected ₹ 1,100+ crore. 75% of servicing is handled by PLANET, thereby providing a seamless servicing experience to its customers.

### ▣ Digital Finance Delivery in Rural India

100% of disbursements in Rural businesses are made through digital channels. The increased focus on enhancing collections through digital channels in Rural businesses has resulted in 25% of the Rural collections being made digitally in Q4 FY 2023-24 compared to 14% in Q1 FY 2023-24.



## Personal finance

### ▣ Combining Growth with Sustainability

- LTF as a business is aligned with Sustainability goals, with ~50% of the loan book financing sustainable livelihoods and 67% of the LTF workforce employed from Rural areas.
- On the ESG front, LTF has, through the 'Environment' goals, shifted to green power, covering 39% of green usage in its operations, achieved 'Social' goals through increase in the number of women Micro Loan borrowers to 64.20 lakh+ in FY 2023-24 and created One Single Lending Entity through the 'Governance' goals.

## Significant Initiatives

Having achieved Lakshya 2026 goals at the Retail level, going forward, the focus would be on reaching 2.8%-3% RoA by FY 2025-26 at a Consolidated level and building a sustainable & predictable Retail franchise. Towards this, LTF defined five pillars as below:

### ▣ Enhancing Customer Acquisition

LTF leverages the strengths of its presence, distribution franchise, digital delivery & TAT to grow its fulcrum businesses of Rural Group Loans & Micro Finance, Farmer Finance and Two-Wheeler Finance. This has led to a sustainable customer base of over 2.3 crore sourced through the rural and urban funnels.

### ▣ Sharpening Credit Underwriting

LTF endeavours to create a next-gen integrated underwriting platform leveraging multi-axes underwriting through best-in-class technology with a

combination of scorecards comprising credit bureau, account aggregator framework, and alternate data signals.

### ▣ Implementing Futuristic Digital Architecture

LTF is re-architecting its tech stack to build a solid, future-ready digital backbone across the domains of customer experience, process engineering, IT infrastructure, and information security. This will enable LTF to provide innovative financial solutions, seamless customer journeys, a faster go-to-market for new products, and faster collaboration with partner ecosystems.

### ▣ Heightened Brand Visibility

With an aim to establish the L&T Finance brand, the Company launched several branding campaigns across rural and urban areas through various initiatives, viz. print media, outdoor media including billboards, airport advertising, rural wall branding, digital media by sponsoring global sporting events, participation in leading industry forums & fests, etc. LTF also launched its sonic identity during the year to increase its brand recall & capture customer mindshare.

### ▣ Capability Building

LTF strengthened leadership in critical functions by appointing seasoned industry professionals for the position of Chief Digital Officer. Further, the Company created two new positions and recruited a Chief AI & Data Officer and Chief Marketing Officer. LTF has strengthened its internal talent pool through the





### Two-wheeler loans

recruitment of a second line of leadership comprising national sales heads in growth businesses of Rural Group Loans & Micro Finance, Farm Equipment Finance, Two-Wheeler Finance, and Personal Loans.

During the year, LTF received a sanction of USD 125 million each from multi-lateral institutions – the Asian Development Bank (ADB) and Japan International Co-operation Agency (JICA) for social and sustainable financing.

### Risk Management Framework

LTF has a robust framework in place to effectively manage risks. The Risk Management Committee, which is constituted by the Board, is responsible for overseeing the Risk Management Framework. The Framework covers the Company's risk appetite statement, risk limits, risk dashboards, and early warning signals.

With the changing business landscape and the emergence of new risks such as digital and data privacy risks, reputational risks, and climate-related risks, LTF is building newer risk frameworks to pre-empt and manage such new and emerging risks.

### Credit Risk

Credit risk constitutes the most significant risk for the company. To demonstrate strength in credit risk management, a new age underwriting architecture has been put in place which focusses on the creation of a robust and resilient portfolio. The customer-centric underwriting engine of LTF is equipped to effectively identify different customer segments and tailor the risk assessment and underwriting processes to each segment.

LTF has also invested in improved digital analytics as well as new-age credit underwriting in order to ensure that multiple variables/parameters are considered to arrive at the optimal credit decision.

Further, the company uses advanced dashboards, which provide real-time identification of trends and breaches, empowering it to manage risks proactively and take immediate action to mitigate any potential threat. By analysing behavioural patterns, alternative data sources, geopolitical data, and macroeconomic factors, LTF can make informed decisions and prevent customers from being delinquent in the future. Steps in this regard have been taken to build a new-age underwriting architecture, stringent adherence to the prudent risk norms, and diligently follow the institutionalised processes. All these measures have led to improved asset quality amid volatile times.

### Market/Liquidity Risk

Adoption of a prudent approach helps protect the Company from market and liquidity risk. LTF maintains a positive liquidity gap on a cumulative basis in all the time buckets up to 1 year. A Contingency Funding Plan (CFP) has also been implemented by regular monitoring to respond to severe disruptions that might affect the ability to fund some or all activities in a timely manner and at a reasonable cost. A governance structure is defined within the CFP to invoke Crisis Management measures in case the need arises. LTF ensures a positive interest rate sensitivity gap over a one-year horizon. This acts as a mitigant against interest rate risk in the Balance Sheet.



*Tree Plantation drive under Project Prakruti, Tumkur, Karnataka*

**IT Security Risk**

LTF has set up an Information Security Management System (ISMS) for effective management & operations. The company is also certified as ISO 27001 compliant.

The Company’s Digital Platform has a 3-Tier Security Architecture with inbuilt disaster recovery along with multiple-layer security, protecting IT networks, websites & applications, databases, and end-user laptops/desktops for data leakage, Denial-of-Service attacks, and ransomware and malware. Further, access control and system health and availability monitoring are undertaken 24X7.

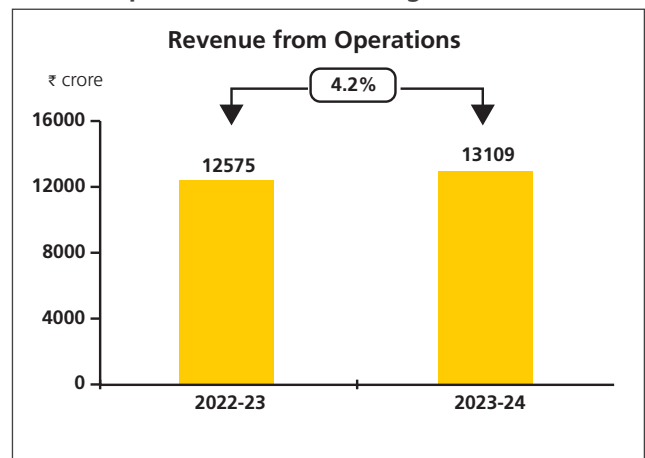
The Company’s security team conducts Vulnerability Assessments on all critical applications, system and network devices, and mobile applications to proactively find any security bugs, misconfiguration, or missing critical security patches that can be exploited. LTF also engages with third parties to conduct vulnerability assessments and penetration testing to ensure security against cyberattacks.

**Outlook**

As per CRISIL Ratings, India’s GDP growth is likely to moderate to 6.8% in FY 2024-25. It sees greater transmission of policy rate hikes, impact of regulatory actions on unsecured lending, reduced fiscal impulse to growth, and uneven economic growth for key trade partners as likely factors which may weigh in on the GDP growth for FY 2024-25. On the other hand, a gradual pick-up in private CapEx and the government’s continued support towards infrastructure will be some of the positive factors.

As per India Ratings, the growth rate in AUM of NBFCs to moderate in FY 2024-25 compared to FY 2023-24. Following the increase in risk weights by the RBI, the cost of funds for NBFCs from banks has increased, and it is likely to remain elevated in FY 2024-25. The incremental funding requirement for the NBFC sector is expected to be ₹ 4.5 trillion in FY 2024-25, and the volume of public NCDs might go up in FY 2024-25.

**Financial performance of the segment**

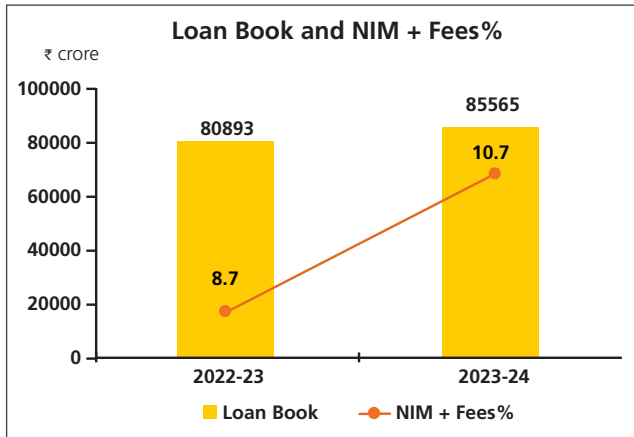


The segment’s revenue improved by a modest 4.2% y-o-y at ₹ 13,109 crore for FY 2023-24 due to the sell-down of the wholesale loan book while scaling-up retail disbursements. The core strategy for the Financial Services



*'Digital Sakhi' - Flagship CSR project to promote women entrepreneurship*

business in the Lakshya 2026 strategic plan revolves around its transformation into a full-scale retail-oriented, digitally-enabled business. Several initiatives have been completed to exit the wholesale exposure, resulting in 94% of its loan book being retail credit as of March 31, 2024.



Disbursements of loans and advances at ₹ 56,293 crore for the year registered a growth of 20% on a y-o-y basis, reflecting higher credit demand in the various retail

segments due to the overall improvement in economic activity. The Loan Book stood at ₹ 85,565 crore as of March 31, 2024, registering a growth of 6% over the previous year, consequent to higher retail disbursements. The Net Interest Margin (NIM), including fee income, improved from 8.7% to 10.7%, mainly due to the increase in the share of the retail portfolio coupled with higher fee income, partly offset by a marginal increase in the borrowing rates.

The Gross Non-Performing Asset (GNPA) ratio improved to 3.15% as on March 31, 2024, from 4.74% as on March 31, 2023. The net NPA ratio has improved to 0.79% as on March 31, 2024, against 1.51% as on March 31, 2023.



# DEVELOPMENT PROJECTS SEGMENT



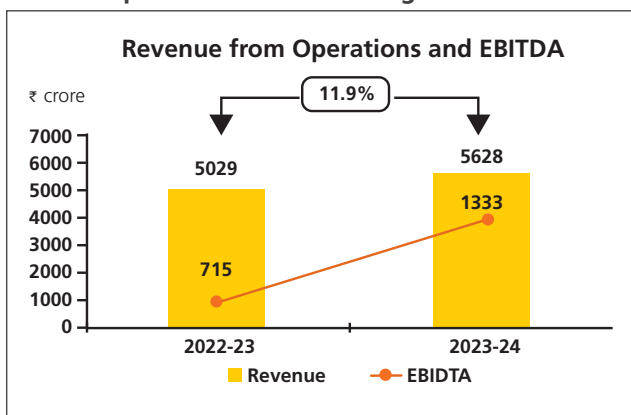
*Hyderabad Metro extends ~70 km across three lines, easing commuting woes, Telangana*

### The Development Projects Segment comprises:

- a) The Hyderabad Metro Rail project, executed through a wholly-owned subsidiary, L&T Metro Rail (Hyderabad) Limited
- b) The Thermal Power Plant project, executed through Nabha Power Limited, a subsidiary of L&T Power Development Limited

The Company, on April 10, 2024, concluded the sale of its entire stake in L&T Infrastructure Development Projects Limited (L&T IDPL), a joint venture primarily engaged in the development and operation of toll roads and power transmission assets, to Epic Concesiones Private Limited, an investee company of Edelweiss Infrastructure Yield Plus Strategy, managed by Edelweiss Alternative Asset Advisors Limited.

### Financial performance of the segment



The segment recorded revenue of ₹ 5,628 crore for the year ended March 31, 2024, higher by 11.9% over the previous year. The growth in revenue is mainly due to increased Metro ridership in Hyderabad coupled with the monetisation of commercial property during the year.

The segment reported an operating profit of ₹ 1,333 crore for FY 2023-24, higher than the ₹ 715 crore reported in FY 2022-23. The increase is mainly on account of the monetisation of commercial property in Hyderabad Metro SPV.

The funds employed by the segment as on March 31, 2024, at ₹ 19,192 crore, was lower by 2.8% compared to March 31, 2023, mainly due to the annual amortisation of intangible assets and sale of commercial property.

## L&T METRO RAIL (HYDERABAD) LIMITED

### Overview

L&T Metro Rail (Hyderabad) Limited (L&TMRHL) is a special purpose vehicle (SPV) created to undertake the business of constructing, operating and maintaining a Metro Rail System, including Transit Oriented Development (TOD) in Hyderabad on Design, Build, Finance, Operate and Transfer (DBFOT) basis under a Concession Agreement signed between the SPV and the Government of Telangana. The remaining period in the concession is approximately 48 years, with further extensions available as per the conditions set out in the Concession Agreement signed with the Government of Telangana.



### *Hyderabad Metro Rail Project – the world's largest PPP project in the Metro Sector, Telangana*

The Hyderabad Metro Rail system consists of three elevated corridors from Miyapur to L.B. Nagar, Jubilee Bus Station to Mahatma Gandhi Bus Station, and Nagole to Raidurg, covering a network of 69.2 km. The metro rail system was commissioned in phases, with the final stretch being put into commercial operation in February 2020.

The Concession Agreement also includes real estate development rights of 18.5 million sq. ft. in the form of Transit Oriented Development (TOD), of which 3.625 million sq. ft. has been monetised to a third-party investor. In addition, L&TMRHL has developed and operationalised 1.20 million sq. ft. of leasable area across four retail malls. The occupancy in these malls is more than 80% at the end of FY 2023-24. L&TMRHL is targeting the maximisation of upfront revenues from its TOD rights by monetising these rights to third-party investors. A new business model of upfront revenues from TOD is being worked upon with all the stakeholders involved.

### **Business Environment**

Hyderabad Metro is the safest, cleanest, fastest, and most reliable urban transport system in the city of Hyderabad. Additional benefits like reserved seats for senior citizens and ladies, WhatsApp complaint services, and various promotional schemes are introduced regularly to incentivise commuters to shift their transport preferences to Metro rail. In addition to reduced noise pollution, the project is also facilitating a reduction in carbon footprint, being a non-fossil fuel mode of transport.

The average daily ridership in FY 2023-24 was 4,42,000 as against 3,61,000 in FY 2022-23, with all-time peak traffic of 5,47,000 achieved in one of the days. This increase in average ridership at Hyderabad Metro is the best among all Indian Metro Rail Projects post-COVID.

With a view to enhancing the vibrancy of L&TMRHL's commercial spaces in the post-COVID scenario, the business has improved ambience and aesthetics at all four malls, viz. wall panelling, public seating, horticulture, convenient entry & exit areas, toilets, etc.

### **Major Achievements**

QR ticketing (Digital & Paper), introduced first by L&TMRHL, has made travel contactless, easy, and hassle-free for commuters. Further, L&TMRHL was India's first metro rail to roll out WhatsApp E-Ticketing System. Most of the Metro tickets are now issued in a paperless format, thereby reducing paper consumption.

The repositioning of two malls – Erramanzil Mall as a premium mall and HITEC City Mall as an electronic and entertainment destination – has attracted important retail brands.

Advertisement space on the project assets offers good revenue potential by launching various innovative products and services, including digital advertisements.

Non-fare revenue generation through cross-selling of products to commuters is being actively pursued. Telecom (i.e., Optical fibre & towers) requirements are a major contribution to revenue in this segment.



### *Next Galleria Punjagutta, Hyderabad, Telangana*

The business has also created 3.5 lakh sq. ft. of retail/commercial spaces across all its 57 stations for earning rental incomes from these areas. Station retail occupancy levels have crossed 60%, a significant jump from the below 20% levels during the COVID-19-affected years.

With a view to increasing the use of green energy, the business has replaced 11% of its grid power requirements for Metro operations with captive solar power of 9.0 MWp. Solar panels have been installed on the rooftops of Metro stations and in the depot areas. Another 3 MWp of Solar capacity is expected to be commissioned by December 2024. Further, the SPV has also created 155 rainwater harvesting pits at various stations & depots, in which approximately 58 million litres of water are harvested per year.

### **Significant Initiatives**

As a next-level upgrade of its ticketing system, L&TMRHL is working towards introducing the Open-Loop Ticketing System (OTS) in FY 2024-25. This will aid digital payments by commuters.

Robust and affordable last-mile connectivity for commuters clearly helps in enhancing ridership on the Metro system. In this regard, L&TMRHL has added exclusive shuttle services to and from metro stations to corporate offices. Also, it has enhanced its partnership with Telangana State Road Transport Corporation (TSRTC) for feeder services. The focus also remains on enhancing parking areas across the Metro network and enhancing the commuter experience by way of facilities such as escalators, elevators, feeder bays, etc.

The business is exploring additional non-fare revenue opportunities through various measures such as consultancy services to other metros, leasing out Optical Fiber networks, letting out spaces for erecting mobile towers and setting up EV charging stations (55 charging points already available), Royalty earnings from QR Ticketing and OTS partners, etc.

L&TMRHL strongly believes in safety and has put mechanisms in place to achieve this objective. The Automatic Train Protection (ATP) system, the station equipment viz., the Computer-Based Interlocking (CBI) and wayside ATP are arranged to ensure safe and uninterrupted train operations. Further, Passenger Emergency Stop Plungers are provided on each platform and in station control rooms (SCR) to stop a train immediately in case of emergency.

### **Outlook**

The sustained focus on bringing employees back to work, as well as an increase in workforce at most corporates, is expected to support increased ridership in FY 2024-25. Implementation of OTS is expected to make Metro travel effortless and thereby enhance the passenger experience.

The use of Business Intelligence tools for the analysis of business & passenger data is expected to drive improved decision-making and optimisation of operations.

Further, attracting the desired brands for the remaining space in the malls, in line with the updated positioning, remains a focus area for FY 2024-25. After the successful monetisation of the Raidurg TOD undertaking, other monetisation transactions are being proposed.





### *2x700 MW Supercritical Thermal Power Plant, Rajpura, Punjab*

The transaction documents for these deals have been submitted for approval by the Government.

The Hyderabad Metro Rail is recognised as an environment-friendly, safe, fast, and reliable mode of transport, incorporating the best industry practices. With the proposed Phase-2 expansion of Hyderabad Metro by the Government of Telangana in the medium-term, the reach of the metro rail system will increase across the city and significantly enhance the average ridership in the medium to long-term.

## **Nabha Power Limited (NPL)**

### **Overview**

NPL owns and operates a 2 X 700 MW supercritical thermal power plant at Rajpura, Punjab. The entire power generated from this plant is sold to Punjab State Power Corporation Limited (PSPCL) under a 25-year Power Purchase Agreement (PPA), which is effective till the year 2039.

The plant sources its fuel from the subsidiaries of Coal India Limited (CIL) under a 20-year Fuel Supply Agreement (FSA). The FSAs are for a total annual contracted quantity of 52.4 Lakh MT. The Company has secured approvals to arrange coal from alternate sources to make up for any shortfall in the supply of coal. The Bhakra-Nangal distributary is a perennial source of water for the plant

under an allocation from the State Government. The plant is operated by an in-house team of experienced operations and maintenance professionals.

The power plant has been running successfully for over ten years with an availability of over 85%. The plant has been the most reliable source of power for the State of Punjab and has supported its requirements with uninterrupted supply during peak season. NPL also happens to be the lowest cost coal-based power producer within Punjab with the best operational efficiency.

### **Business Environment**

The electricity demand in Punjab remained stagnant during the year, largely on account of unprecedented rains in the state in Q1, during which the demand had dropped substantially. The average demand growth in Punjab has remained sluggish at ~1% in FY 2023-24 (~8040 MW- FY 2023-24 vs ~7978 MW- FY 2022-23).

Despite multiple challenges, NPL made every possible effort to secure coal from various CIL subsidiaries while minimising the reliance on costly imported coal, thereby ensuring adequate coal supply, further resulting in uninterrupted power supply at an affordable cost to the State of Punjab during the year.



*Nabha Power Plant - Control Room, Rajpura, Punjab*

## Major Achievements

- Annual PAF: 94%, highest ever in the NPL history and ~99% during the critical paddy season
- Annual PLF: 84% vs all India thermal average: 69%
- Further, the highest ever monthly PLF of 97.6% was achieved in August 2023
- NPL railway siding connected with the Dedicated Freight Corridor Corporation of India (DFCCIL) network

## Outlook

In FY 2024-25, the average power demand in Punjab is expected to rise to ~8800 MW (Peak 16,000 MW), and as a result, NPL is expected to operate at a high PLF of ~86% and remain at the top of the merit order among the thermal power producers within the state.

On the fuel side, coal supply may continue to pose challenges. Anticipating the high demand, the Ministry of Power (MoP) extended the mandatory 6% blending of imported coal till June 2024 for all thermal power plants.

The Ministry of Environment, Forest and Climate Change (MoEF&CC) has notified the Agro Residue Utilisation by

Thermal Power Plants (TPPs) Rules, 2023, on mandatory co-firing of crop residue pellets with coal in TPPs in the National Capital Region (NCR) and adjoining areas, with environmental compensation provision for non-compliance applicable from FY 2024-25 onwards.

Recently, the Ministry of Power (MoP) has notified the Late Payment Surcharge Amendment Rules 2024, under which Generators will have to mandatorily offer un-requisitioned surplus power in exchange. This has been done to ensure that any unused surplus power is fed into the grid to meet shortages, especially during the high demand periods.

NPL expects to commission Flue-Gas Desulphurisation (FGD) for both units during FY 2024-25, thereby complying with the new environmental norms ahead of the revised mandated deadline.

Major focus areas for NPL during the coming year would be Health, Safety and Environment (HSE) compliance, maximising plant availability, improving operational efficiency, commissioning of FGD, securing adequate and the right coal, resolution of pending litigations, and digitalisation initiatives for higher productivity.

# 'OTHERS' SEGMENT



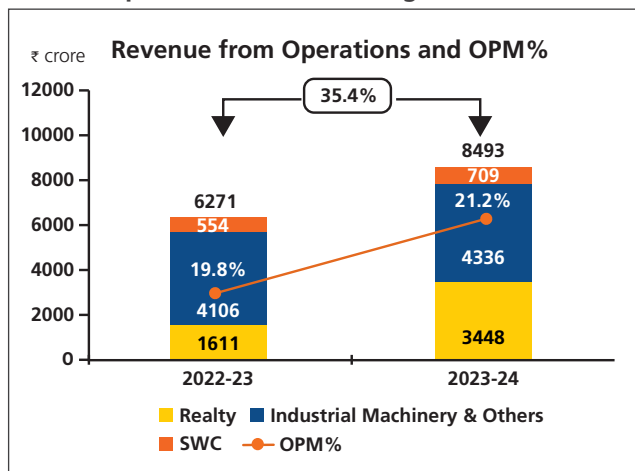
The Gateway, Sewri, Mumbai, Maharashtra

## The 'Others' Segment comprises:

- a) Realty Business
- b) Industrial Machinery, Products & Others comprising Construction & Mining Equipment, Rubber Processing Machinery, and Industrial Valves
- c) Smart World & Communication (Residual portion)

L&T completed the divestment of the carved-out portion of Smart World & Communication business to L&T Technology Services Limited (LTTS) on April 01, 2023.

## Financial performance of the segment



Revenue for the segment registered a growth of 35.4%, from ₹ 6,271 crore in FY 2022-23 to ₹ 8,493 crore in FY 2023-24. The growth was largely in the Realty business due to the higher handover of flats. Additionally, there was

an improvement in the Valves business revenues given the higher demand and in the Smart World & Communication business due to better execution. Lower consumer spending in the global automotive industry impacted the revenue of the Rubber Processing Machinery business.

The operating margin for FY 2023-24 improved to 21.2% from 19.8% for the previous year, mainly due to higher revenue in the Realty business.

The funds employed by the segment as on March 31, 2024, at ₹ 7,975 crore, have increased by 1.7% over the previous year, largely in line with the previous year.

## Realty Business

### Overview

L&T Realty is positioned amongst the top real estate developers in India, with a development potential of 70 million sq. ft. across the residential, commercial, and retail segments in Mumbai, Navi Mumbai, Bengaluru, NCR, and Chennai. The business model includes the development of own land, partnership with land/development right owners, and the sale & leasing of commercial spaces.

### Residential Segment

#### 1. The Gateway, Mumbai

The Gateway, Sewri, Mumbai, is a premium residential project launched during the year. It is the epitome of luxury, standing tall amidst the grandiose skyline of South Mumbai. The residence offers uninterrupted views of the Arabian Sea as well as the world-renowned Sewri mudflats.




*Artist's Impression*
**Elixir Reserve, Powai, Mumbai, Maharashtra**
**2. Island Cove, Mumbai**

A residential project, Island Cove, Mahim, launched during the year, is positioned as a gateway to the City of Dreams, adorned with a timeless charm. In the midst of the bustles of the Mahim suburb, Island Cove will be an aspirational destination for home buyers with the design of a sanctuary - an intersection of luxury, comfort, and connectivity.

**3. Emerald Isle, Mumbai**

Nestled in the sprawling serenity of Powai, L&T Realty Emerald Isle is an oasis of luxury, offering its residents spacious and elegant homes spread over 90 acres and being developed in phases. It is a planning masterpiece – built on three levels of parking to afford a traffic-free podium and a host of amenities amidst its central greens.

**4. Elixir Reserve, Mumbai**

This is a premium residential project in Powai that is enveloped in a picturesque setting. This project is replete with state-of-the-art amenities, including an ICSE school, commercial offices, and retail spaces within close proximity. The project is nestled amidst lush greenery, a serene lake, and a picturesque hillock, positioned as a fusion of man's quest for the highest luxury and nature's bounty.

**5. Crescent Bay, Mumbai**

With the Arabian Sea as the backdrop, Crescent Bay is a six-tower residential complex at Parel with the perfect setting for an exclusive lifestyle. The highlight of this project is a sky deck and other lifestyle amenities on level 21. The project is completed and occupied by 1300+ families.

**6. Seawoods Residences, Navi Mumbai**

Part of India's first Transit-Oriented Mixed-Use Development, the Seawoods Development is spread across over 40 acres. Seawoods Residences offers unmatched connectivity and is surrounded by breathtaking views. The project has garnered sufficient interest from consumers. Nearly 75% of Phase I and II were handed over in the current financial year. Phase III launch has brought in new customers to the large resident community and cemented L&T's name in the Navi Mumbai region.

**7. Rejuve 360, Mumbai**

Designed on the wellness thought, this residential complex is focussed on the theme - rejuvenation of mind, body, and soul. Conveniently located in Mulund West, the project has sustained its position among premium developments in this micro-market.



Artist's Impression

### L&T's Innovation Campus, Powai, Mumbai, Maharashtra

#### 8. 77 Crossroads, Mumbai

It is a gated community situated in Ghatkopar and has functional residences with unmatched comforts and conveniences. The location provides easy access to every corner of the city.

#### 9. Raintree Boulevard, Bengaluru

Conceptualised on the live-work-play theme, Raintree Boulevard is a 65-acre mixed-use development project located in the high-growth micro-market of Hebbal, Bengaluru. Situated just 20 minutes away from the airport, the project offers fine living and best-in-class amenities. Further, L&T Tech Park and a large format mall are within walking distance from the project.

#### 10. Avinya Enclave, Chennai

Launched during the year, this project is spread over a 40-acre mixed-use development in Manapakkam, Chennai, and is located opposite the main L&T campus. From exceptional amenities on the premises to the best retail outlets, commercial hubs, and top social infrastructure in proximity, the residences are crafted to grant a timeless living experience in every sense.

### Commercial Segment

#### 1. Seawoods Grand Central, Navi Mumbai

The Seawoods Grand Central offers 2.6 million sq. ft. of Grade A development with a unique combination of commercial and retail business spaces. It is one of the most successful transit-oriented developments in the country.

#### 2. Commercial Towers at Powai, Mumbai

Designed to provide superior workspaces, it is part of a larger integrated development promoting the 'Walk to Work' concept. It is one of the coveted corporate addresses in Powai, Mumbai with proximity to excellent social infrastructure. Much of this development has already been completed, and some of it has been divested as well.

#### 3. Technology Park, Bengaluru

Located in the rapidly growing micro market of Hebbal, the project has the scope of development of 3.4 million sq. ft. of commercial office spaces. Tech Park-1 (Phase 1) office space, having an area of 1.2 million sq. ft., is completed. The offices with unmatched connectivity and well-designed spaces are set to become the most favoured address for many technology companies.

#### 4. L&T Innovation Campus, Chennai

The 6.5 million sq. ft. L&T Innovation Campus, a mixed-use development sprawled over 40-acre located at Manapakkam, Chennai (IT Hub). Phase 1 comprises two towers, 'Ananda I' and 'Ananda II', with a built-up area of 1.7 million sq. ft., which was recently launched in March 2024. It brings together a world-class innovation business/IT hub and an eclectic mix of leisure and lifestyle amenities, with a lush central parkland at its core. The development offers the convenience of Walk to Work.



*Seawoods Grand Central, Navi Mumbai, Maharashtra*

## 5. Other Commercial Developments

Other commercial developments of L&T Realty include those in Faridabad, which is the only LEED gold-rated building in the entire Faridabad region, serving several multinational marquee clients. The other is in Mahape, Navi Mumbai, which, besides being LEED gold-certified, offers a range of premium amenities. Another development is the upcoming state-of-the-art office space in Whitefield – the entertainment hub of Bengaluru.

## New Growth Opportunities

### Residential

L&T Realty and Housing Development Finance Corporation's (HDFC) real estate arm, HDFC Capital Advisors, will be entering into an agreement to set up a residential development and investment platform. The joint platform shall be structured as an Alternative Investment Fund (AIF) and will invest in mid-market residential projects. Both L&T Realty and HDFC Capital Advisors will make sponsorship investments into this platform, and L&T Realty will be responsible for the execution of the projects.

### Commercial

L&T Realty and the Singapore-listed CapitaLand India Trust Management Pvt. Ltd., trustee-manager of CapitaLand India Trust (CLINT), have entered into a non-binding agreement for a commercial platform to develop ~6 million sq. ft. of prime office spaces across Bengaluru, Chennai, and Mumbai.

Under this platform, L&T will build and develop office spaces, while CLINT will market the office spaces. CLINT will gradually acquire the ownership of these properties in a phased manner from FY 2024-25 onwards.

## Business Environment

The business environment continues to remain robust as residential sales surged across the top 7 cities by 30%+ in 2023 despite the rise in both interest rates and housing prices. Affluent housing (Premium and Luxury properties priced above ₹ 4 crore) has grown 75% in 2023 over the previous year. The shift was also witnessed towards Tier 2 cities, which was not only spurred by aspirational living but also due to infrastructure upgradation and seamless connectivity, indicating fundamental swings that will navigate the sector towards new horizons.

Industry reports indicate that a total of 59.6 million sq. ft. was transacted across the leading eight markets in the country, constituting a 15% y-o-y growth in the year 2023. Further, the office market witnessed 42.9 million sq. ft. of new office space additions in 2023.

Office leasing volumes were marginally lower than the all-time high of 60.6 million sq. ft. achieved in 2019. Bengaluru was the leader in the leasing market with a volume of 12 million sq. ft.+ in 2023, followed by Chennai and NCR as the top three markets. Similarly, Chennai also recorded strong growth during the year. Further, the vacancy levels decreased by 94 basis points over last year to 16% in 2023.





*Raintree Boulevard, Bengaluru, Karnataka*

Back-to-office policies of corporates and demand for Global Capability Centres (GCC) are expected to keep the momentum intact. This year's improved investor and developer sentiments have made the commercial and retail real estate categories more vibrant. The increasing number of Real Estate Investment Trusts (REITs) is an encouraging sign, further facilitating faster recycling of capital in an otherwise capital-intensive sector.

## Major Achievements

- ▣ Launched three new residential projects: The Gateway (Sewri), Island Cove (Mahim), and Avinya Enclave (Chennai Innovation Campus)
- ▣ Inauguration of Phase 1 comprising two towers, 'Ananda I' and 'Ananda II' in Chennai Innovation Campus
- ▣ Hand over of Residential spaces:
  - Around 0.88 million sq. ft. in Seawoods, Navi Mumbai
  - Approx 0.55 million sq. ft. in Raintree Boulevard, Bengaluru
- ▣ Leasing and Sale of Commercial Office spaces:
  - Leased Tech Park 1 at Bengaluru with an area of 1.13 million sq. ft.
  - In Seawoods, a commercial tower with an area of 1.02 million sq. ft. sold in March 2024

## Outlook

Strong sales momentum witnessed in FY 2023-24 is likely to be sustained during FY 2024-25 as well. Residential inventories are low, and mortgages have remained flat. Going forward, interest rate cuts will further add tailwinds to the momentum.

Despite price hikes, affordability is improving across markets as income growth outstrips price changes. A fear of increased rates in future is tempting home buyers to lock in the price today. Further, changing demographics, viz. rapid urbanisation, family nuclearisation, rising income levels, and renewed need for home ownership, are expected to drive growth in residential real estate.

Homebuyers' preferences for bigger homes, large-gated communities, better amenities, and attractive pricing will sustain the demand for premium housing.

The reintroduction of back-to-office and redundancy of remote working have positively affected the residential real estate industry widely. Also, many corporates and offices that adopted the remote working model earlier will now be required to expand their employee accommodation base, leading to a surge in property demand.

India's commercial real estate is set for strong growth, driven by robust macroeconomic fundamentals, domestic consumption resilience, and cost-effective business operations that attract corporate offices. The emerging markets viz. Data Centers, Industrial Parks, and Flex Spaces (a hybrid of industrial and office spaces) are gaining traction and are likely to witness rapid growth.

Environment, Sustainability, and Governance are the key variables for achieving success in the Indian real estate industry. Transparency and stakeholder interaction are becoming increasingly important. Such growing awareness places developers like L&T Realty in a strong position.



*GD 705 Motor Grader*

## Construction Equipment & Others

### Overview

The Construction Equipment & Others (CE&O) business includes the manufacture and marketing of construction and mining equipment and equipment for the tyre manufacturing industry, broadly segregated into Construction & Mining Machinery (CMM) and Rubber Processing Machinery (RPM). CMM further comprises the Construction & Mining Equipment business unit (CMB) within L&T and L&T Construction Equipment Limited (LTCEL), a wholly owned subsidiary of L&T.

The CMM division is engaged in the business of distribution and after-sales support for hydraulic excavators and dump trucks manufactured by Komatsu India Private Limited (KIPL) and other mining and construction equipment manufactured by Komatsu worldwide. It also handles the distribution and after-sales support for a range of construction equipment, including wheel loaders, vibratory compactors, and hydraulic excavators manufactured by LTCEL. In addition, the business handles distribution and after-sales support for other mining equipment, viz., surface miners, sand plants, crushing solutions, and apron feeders manufactured by L&T's Minerals & Metals business in Odisha.

LTCEL, located in Doddaballapura, near Bengaluru, Karnataka, manufactures vibratory compactors, wheel loaders, hydraulic excavators, asphalt paver finishers, pneumatic tyred rollers, skid steer loaders, hydraulic power packs, cylinders, pumps, motors, and other components.

The RPM business, located in Kancheepuram near Chennai, is engaged in building rubber processing machines and tyre automation systems for the global tyre industry and has supplied equipment to various tyre majors in over 46 countries across the globe. The division also supports certain customers in the tyre industry with 'build to print' products and customised machinery as well.

The Product Development Centre (PDC), based in Coimbatore, with its highly skilled design team, renders engineering and product development support for CMM and RPM businesses.

### Business Environment

#### Construction & Mining Machinery Business (CMM)

The investment in the construction and mining sectors is one of the key demand drivers of the CMM business.

In FY 2023-24, the Government's continued thrust on infrastructure building was evident from higher budgetary allocations for highway construction. However, due to factors such as state elections, erratic monsoons, and floods in parts of Northeast India, the road construction industry witnessed subdued activity during the year.





*PC 2000 Hydraulic Excavator and HD 785 Dump Truck*

In the mining sector, coal and iron ore production registered a growth of 11% and 7% respectively over the previous year. In the cement sector, the installed capacity increased from 590 MT to 620 MT, with overall production moving higher to 435 MT in FY 2023-24.

The market demand for wheel loaders and vibratory compactors grew by 3% and 33% respectively whereas the demand for premium excavators dropped by 3% in FY 2023-24.

The business team created awareness amongst its customers and helped them evaluate equipment with regard to benefits of overall life cycle costs. This aided in warding off stiff competition from cheaper mining equipment manufacturers, especially in the dump truck, tipper, and wheel loader segments.

### **Rubber Processing Machinery Business (RPM)**

The demand for tyre-making machinery is directly correlated to the growth momentum in the automobile, agriculture, and mining sectors.

The global automotive industry has been weighed down by slow consumer spending, high interest rates, and supply chain disruption. Technological shifts, changes in consumer behaviour, and disruptions in the global supply chain have prompted many automobile manufacturers to use innovation and technology to meet these emerging challenges.

The Indian automobile industry has an enormous demand potential, supported by a large consumer base. Further, India is on track to become the largest EV market by 2030, with a total investment opportunity of more than USD 200 billion over the next ten years.

Government measures such as imposing anti-dumping and countervailing duties, as well as promoting domestic manufacturing, have substantially reduced tyre imports from Southeast Asia and China. On the flip side, the increasing cost of raw materials is impacting profit margin, while dependence on imports for certain raw materials continues.

As per the ATMA (Automotive Tyre Manufacturer's Association) report, the domestic tyre industry has made investments of over ₹ 35,000 crore in the last three years, aided by improved efficiency via debottlenecking and fresh capacity creation.

## **Major Achievements**

### **Construction & Mining Machinery Business (CMM)**

- Received the largest order from the Aditya Birla Group in the cement space for the supply of equipment along with a parts maintenance contract for ten years
- Supplied 7000<sup>th</sup> PC 130 excavator and 11000<sup>th</sup> PC 210 excavator from Komatsu India Private Ltd (KIPL)
- Reached the milestone of completing 25 years of partnering with KIPL





*Off The Road Mechanical Tyre Curing Press*



*Truck Bus Hydraulic Tyre Curing Press*

- ▣ Supply of 1000<sup>th</sup> apron feeder during the year
- ▣ The largest limestone crusher, 2000 TPH, was commissioned at JK Cement, Panna
- ▣ Received the Best Service Partner of the Year award from Tata Steel

#### **Rubber Processing Machinery Business (RPM)**

- ▣ Developed and exported the biggest Off The Road (OTR) Hydro Mechanical Tyre Curing Press (HMTCP) to Continental Tyres, Portugal
- ▣ Developed and supplied tyre Building Machines to Yokohama, India
- ▣ Successfully commissioned the first-ever Hydraulic Tyre Curing Press for Bridgestone, USA

#### **Product Development Centre (PDC)**

- ▣ The PDC, along with LTCEL, designed and developed a solar-powered mobile cart (solar E-cart), which is environmentally friendly uses an alternate power source
- ▣ PDC, along with LTCEL, designed and developed Cam Injection Car for the Mumbai–Ahmedabad High-Speed Rail project
- ▣ Developed and rolled out prototype of wheel loader, vibratory compactor, excavator, pneumatic tyre roller, and skid steer loader as required under the new CEV-V emission norms

### **Significant Initiatives**

#### **Construction & Mining Machinery Business (CMM)**

- ▣ Launch of new variants of Komatsu excavators PC81 and PC136
- ▣ Introduction of a long-term Machine Care Programme (MCP) of 5 years/12,500 hours for various Komatsu excavator models
- ▣ Launch of new Komatsu 3-ton excavator PC35MR 3T and entry into mini excavator segment
- ▣ Collaborated with Komatsu India to increase localisation content to a minimum of 50% in their 60T dump trucks
- ▣ Introduction of equipment performance system in mining equipment to help customers monitor their entire fleet performance on a daily basis

#### **Rubber Processing Machinery Business (RPM)**

- ▣ Formation of Manufacturing Engineering & Systems (MES) to achieve uniform processes/practices on the shop floor and enhance safe working conditions
- ▣ Model Vendor concept, which ensures the process improvements through structured training programmes on planning, procurement, quality, inventory, tooling, safety, etc., is being extended to vendors



*Single Stage Tyre Building Machine*

## Outlook

### Construction & Mining Machinery Business (CMM)

With the Government's continued thrust on investments in infrastructure, the construction activity is expected to pick up pace during the coming year and the construction equipment market is expected to grow by 6%. The development of roads, railways, ports, metro rail projects, airports, irrigation infrastructure, etc., is expected to drive demand in the cement and metal sectors, which, in turn, will create sustained demand for excavators, dump trucks, dozers, and other road construction and mining equipment. The business plans to strengthen its position in the premium segment by increasing its focus on large contractors, large irrigation projects, and coal OB (overburden) removal contractors.

In the Parts and Services segment, the business plans to capture a higher market share by providing long-term service contracts to its customers. Further, various sales promotion activities are being organised to improve the sale of parts.

### Rubber Processing Machinery Business (RPM)

The global tyre demand is likely to be robust, and tyre companies are poised for investments in selected segments.

New raw materials and design technologies will enable tyre makers to increase revenue despite challenging market conditions. According to Smithers' 'The Future of Global Tyres to 2028', the tyre market is expected to record a CAGR growth of 5.2% over the next five years to reach USD 337 billion in 2028.

For India, ICRA has forecasted a CAGR growth of 6-9% across automotive segments over the medium to long-term. Supporting underlying factors such as rising per capita income, moderate interest rates, favourable policy environment, and improving infrastructure are factors expected to aid demand.

The business has a great advantage as compared to the European competitors due to its wide product range across all segments and also being a market leader in machinery for the Off-The-Road, Agriculture, and Mining sectors. In addition, the wide acceptance of new-generation Hydraulic Curing Presses by the global tyre majors has further strengthened the business position with a continued focus on maintenance contracts, value-added programming services, and upgradation kits as per customer requirements.



*Special Projects Cell at L&T Valves Kancheepuram, Tamil Nadu*

## L&T Valves Limited

### Overview

L&T Valves (LTVL), a wholly-owned subsidiary of L&T, is a leader in flow control solutions with a global customer base. The business leverages sixty-plus years of manufacturing excellence to serve key sectors such as oil & gas, defence, nuclear & aerospace, power, petrochemicals, chemicals, water, and pharmaceuticals across the globe. LTVL manufactures a wide range of products such as Gate, Globe, Check, Ball, Butterfly, Double Block Bleed Valves, and automation solutions. The portfolio includes products monogrammed API600, API594, API6D, API609 & API603, valves with CE, ATEX, and Safety integrity level (SIL) certifications, as well as IoT-ready digital solutions. With a large installed base across countries, L&T Valves also runs a global aftermarket business to support its customers in valve repair and rectification services, onsite training, project management consulting, and maintenance contracts.

The business has a global manufacturing presence with a state-of-the-art facility in Kancheepuram (Tamil Nadu, India) and two facilities set up in the USA and Saudi Arabia through its wholly-owned subsidiaries. In addition, the business has its own internal engineering department and a research and development centre staffed with a technically empowered team. LTVL's products demonstrate safety, reliability, and quality for diverse industries.

### Business Environment

Investments continued in the oil and gas sector in the International and Indian markets, which led to higher demand for valves. This demand growth was mainly driven by rising global energy consumption and geopolitical tensions, leading to higher spending in oil & gas exploration and production activities. The shift towards cleaner energy sources like Liquefied Natural Gas (LNG) created additional demand for valves used in its transportation, storage, and regasification. The rapidly evolving Green Hydrogen market aids the demand for specialised valves.

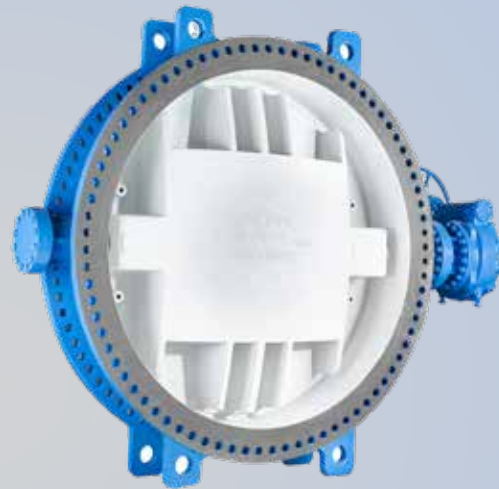
During the financial year, the business witnessed challenges in terms of the Red Sea shipping crisis, which has disrupted global trade and supply chains. Stringent environmental and safety regulations also posed challenges for the manufacturers in meeting compliance standards.

The market for industrial valves is characterised by significant fragmentation. With an increased focus by customers on faster deliveries and lower costs, the market environment is highly competitive. However, given the geographical spread of its demand base, channel and product expansion strategies, the company has established a good reputation amongst its peers.





*Large-size Triple-offset Butterfly Valve supplied to a greenfield refinery project*



*One of the 40 large-size valves installed at a major lift irrigation system*

## Outlook

The business is closely monitoring key demand indicators such as crude oil prices, capacity additions across industries, client leverage and liquidity, project CapEx spending, GDP trends, and environmental regulations in the relevant geographies.

The global valve industry in oil & gas and petrochemicals faces a dynamic future shaped by a mix of challenges. These include the introduction of the Inflation Reduction Act (IRA) by the US government, 'Panchamrit' by the Indian government to increase the non-fossil fuel capacity, and targets undertaken by various other countries towards Net Zero emission, impact investments in exploration and production, and oil prices, leading to demand volatility for valves. The oil & gas sector is responding to these regulations by way of enhanced investments in LNG and Carbon Capture and Storage (CCS). While renewable energy is key, it might not be able to completely replace fossil fuels in every sector in the medium-term.

Green Hydrogen generation emerges as a viable alternative to reduce emissions where significant investments are currently being made. The Green Hydrogen revolution presents exciting opportunities for the valve industry.

In the Indian market, the business outlook is positive for petrochemicals, water treatment, speciality chemicals, iron & steel plants, and power sectors, in which major investments are expected.

Within the given business environment, the targeted market share gains through a diverse portfolio of products and industries, initiatives focussing on geographical expansion, supply chain resilience, digitisation, operational excellence, and a strengthened aftermarket team. These would help the business build a strong order book whilst delivering higher customer satisfaction in the years to come.

# INFORMATION TECHNOLOGY

## Empowering Growth Through Technology Innovation

At L&T, the Information Technology (IT) function has made strategic investments in information technology and infrastructural improvements throughout the year, reflecting the Company's dedication to operational excellence and preparedness for the future. In FY 2023-24, the IT function played a critical role in supporting the organisation's strategic goals. The focus was on the following key areas:

### 1. Modernisation & Efficiency and Enabling User Productivity:

Systems were rolled out to empower employees with the tools they need to be more productive and collaborative, leading to streamlined operations and improved benefits for internal stakeholders. The Company has just launched an advanced Integrated Logistics Management System, which offers a unified view of the logistics landscape across the entire L&T group. This unique approach fosters transparency and paves the way for improved decision-making capabilities. Multiple business processes have been enhanced to take a leap forward by incorporating Robotics Process Automation (RPA), effectively automating the Company's backend financial operations, consequently resulting in reduced manual intervention, increased processing speed, and minimising errors.

### 2. Embracing Cutting-Edge Technology for Business Benefits:

Marking a first step towards embracing generative AI, the L&T IT team has successfully worked on building a native Enterprise GPT Platform. This platform has been working towards revolutionising the way our business units interact with vast amounts of data and has unlocked new potential in knowledge generation besides facilitating decision-making processes.

### 3. Marching on Digital Enablement Journey:

The digital landscape continues to evolve at an accelerated pace, marked by rapid advancements in technologies and a shifting regulatory environment. The Information Technology (IT) team at the Company has remained vigilant and responsive to these changes,

ensuring that the Company is not only aligned with industry standards but also driving innovation. 50+ Digital solutions in multiple domains are implemented across the Company and deliver positive outcomes.

### 4. Compliance and Governance:

To augment the Company's compliance posture, a comprehensive Compliance Portal was launched, which in addition to serving as a central repository for regulatory documents, also acts as a hub for tracking and streamlining compliance management in the vast regulatory landscape. A portal has been developed to automate the internal disclosure process, ensuring timely and accurate public dissemination of information to ensure compliance with the comprehensive disclosure requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 5. Enhanced Cyber Vigilance:

The Company implemented multiple solutions to enhance cyber security and created online training programmes to increase user awareness since it is the employees who are the first layer of defence against cyber-attacks. The journey towards creating a cyber-safe organisation where businesses can operate with confidence is progressing well.

## Outlook and Investments

At L&T, IT is poised to continue its trajectory of growth and innovation, with a sharp focus on the following areas:

- Periodic enhancements to its own Generative AI Platform over time, besides advancing its capabilities to keep up with the enhanced demands of artificial intelligence in business
- With Environmental, Social, and Governance (ESG) considerations becoming central to business strategy, a central ESG Platform will be developed that will align with stakeholders' expectations and forthcoming regulations

These endeavours of the Company in the domains of AI, logistics, compliance, and security are emblematic of digital innovation and strategic foresight. The Company will continue to reinforce its industry-leading position across businesses, besides ensuring that the IT function remains at the vanguard of technological advancements and continues to deliver exceptional value to all its stakeholders.

# HUMAN RESOURCES

L&T's commitment to fostering a culture of innovation, inclusion, and talent development shines through its comprehensive array of initiatives. The Company takes pride in having a multi-generational workforce drawn from diverse ethnic and cultural backgrounds, who contribute to a vibrant and dynamic work environment. By fostering a fair, performance-driven, and collaborative culture, the Company ensures that every employee feels valued and empowered to contribute their best. By nurturing a pipeline of talent that reflects this diversity and is equipped with the necessary skills and competencies, the Company has positioned itself to meet the evolving needs of its businesses.

## Learning & Development Initiatives

The unveiling of 'The People Leadership Excellence Framework' in FY 2023-24 marks a significant milestone in the Company's journey towards reinforcing a culture of performance and excellence. This strategic framework, built upon thorough diagnostics and extensive data collection, reflects the commitment to promoting growth and enhancing efficiency through effective leadership. By identifying five key dimensions of People Leadership—Personal Excellence, Relationship Excellence, Performance Excellence, Developmental Excellence, and Leadership Excellence—the Company has created a blueprint for cultivating leadership capabilities at all levels of the organisation. These dimensions encompass essential aspects such as promoting individual growth, fostering positive relationships, driving performance, nurturing talent development, and embodying exemplary leadership qualities. The Company continues to implement various initiatives to create a better employee experience, people leadership development, diversity, equity and inclusion (DEI), and an alternate talent model.

The Seven-Step Leadership Pipeline Programme is designed to cultivate leadership qualities at every stage of an individual's career journey within the organisation. Emerging leaders are mentored by senior leaders, thereby ensuring the continuity of leadership thought processes and value systems. The 'ASCENT Series' and 'People Leadership Programmes' delve deeper, offering competency development tailored to the complex challenges of leadership roles.

Launched in FY 2023-24, the Essentials of Project Planning & Control (EPPC 2.0) Programme is specifically designed to elevate the project execution capabilities of our engineers, aligning with our theme: 'Year of Project Controls'.

This programme consists of three independent modules, each focussing on key aspects of project planning, cost management, monitoring, and the practical application of tools such as Primavera/MSP. Since launch, we have had 4057 learners undergo different modules under the EPPC programme as of March 31, 2024.

L&T's innovative Any Time Learning (ATL) platform, now renamed ATLVarsity, revolutionises the way employees engage with professional development. With on-the-go learning as its USP, the platform boasts a wealth of easily accessible resources in the form of videos, e-books, and journals. Partnerships with vendors like Percipio, Coursera, and Harvard Manage Mentor enable the Company to present a wide array of certification courses, addressing the diverse upskilling needs of its workforce.

The AI/ML technology-based coaching programme at ATLVarsity provides a cutting-edge learning experience. To address role-specific needs, niche academies with blended learning have been created. Notable among these are the Academy of Digital Transformation, the Academy of ESG, the Academy of Quality Excellence, the Academy of Safety, and the newly introduced Academy of GenAI. In FY 2023-24, ATLVarsity witnessed an impressive milestone, with 5.2 lakh training hours logged by 38,500 L&T employees utilising digital learning modes.

## L&T Business Excellence Model

During FY 2023-24, the Company launched the L&T Business Excellence Model (LTBEM). The development of LTBEM draws inspiration and adoption of the globally recognised framework, the EFQM (European Foundation for Quality Management), to suit the Company's unique organisational context. The launch of the LTBEM heralds a new era of organisational excellence, underlining the Company's commitment to continuous improvement and innovation.

With 89 active Certified Assessors, the objective is to strengthen the management systems, practices, and capabilities to enhance the competitiveness of ICs/ Businesses to become world-class in their own sectors.

## Project NEEV

In a push to cultivate a high-performing work environment, the Company implemented Project NEEV (Nurture, Educate, and Empower to Create Value), which focusses on equipping leaders and managers with the skills to drive goal-setting and provide continuous feedback. Through workshops and training programmes, 500 leaders honed



their performance management techniques, resulting in an impressive 95% on-time employee goal completion rate this year. Furthermore, the 'People Leadership - Art & Science of Leading People in Organisation' programme empowered 75 managers to become internal catalysts and share their insights and techniques with their teams. Additionally, the 'Let's Talk' e-campaign promoted open communication through one-on-one conversations between managers and team members, with the 'Any Time Conversation' and 'Continuous Feedback' modules strengthening the continuous dialogue culture.

### **Diversity, Equity, and Inclusion (DEI) Initiatives and New Policies for Women**

One key initiative established to promote the DEI culture was the establishment of a community of 36 DEI Champions tasked with driving DEI efforts across the organisation. These champions play a crucial role in fostering awareness, understanding, and action around DEI-related issues within their respective business units. The launch of the DEI Academy on the digital learning platform provides access to training modules & certification opportunities. Today, there are over 100 employees certified as DEI allies. In addition, the first-ever virtual DEI Showcase has been an active enabler in spreading the DEI initiatives to more than 17,000 employees.

By handpicking 495 women employees to undergo the WINSPIRE series of Leadership Development Programmes over the last 2.5 years, the Company has demonstrated its dedication to nurturing talent and promoting gender equality. The effectiveness of these programmes, coupled with strategic hiring efforts, has resulted in a record Gender Diversity rate of 8.1% in the FY 2023-24. The remarkable 142% rise in participation rates in the WINSPIRE series of programmes in FY 2023-24 underscores the growing interest and engagement among women employees in leadership development opportunities.

L&T's initiatives to support working mothers and create an enabling work environment demonstrate a commitment to fostering work-life balance and inclusivity within the organisation. By introducing maternity leave policies for adoption and surrogacy, as well as providing additional leave for mothers of twins, the Company acknowledges the diverse circumstances and needs of its employees during the transition to parenthood. The option for women to work from home or adopt a hybrid roster post-pregnancy for up to six months reflects an understanding of the importance of flexibility in accommodating the evolving needs of working mothers. The flexibility in work arrangements, travel allowances, creche facility and allowance, further enhance the support system for women employees.

The DEI Awards Ceremony was organised for the first time to recognise the efforts of businesses to support and promote a diverse and inclusive work culture.

The introduction of the Allyship Awards provided a platform for 1,600+ women employees to recognise their Allies at work.

### **Employee Engagement**

L&T Radio serves as a valuable tool for keeping employees connected and informed, with over 90 podcasts providing a platform for communication, updates, and knowledge sharing. Initiatives like Appreciation Week further contribute to a culture of recognition and gratitude, with 8,000 messages exchanged on the Hi5 Wall Page across 6 locations, fostering a sense of appreciation and camaraderie among employees. Annual health check-ups and financial planning address physical and financial aspects of well-being. Fun and frolic through regular contests add a competitive element to the workplace.

The HR conclave this year, based on the theme 'HR Transformation - Navigating the Future,' provided powerful insights from both external & internal speakers.

### **Young Professional Talent Acquisition**

The Company remains committed to nurturing talent through its Young Professional Talent Acquisition. In FY 2023-24, we stayed anchored to our core philosophy of 'Growing our own Timber,' by attracting, recruiting, and onboarding over 2600 young engineering professionals in the GET (Graduate Engineer Trainee) and PGET (Post-Graduate Engineer Trainee) categories across various Business Verticals, of which 30% have been women. In addition, we have also onboarded more than 1600 young professionals comprising MBA Graduates, Chartered Accountants, Cost Accountants, Diploma Engineers, and other trainees.

At L&T, we nurture candidate engagement through our programme GRACE (Get Ready for an Awesome Career in Engineering), which encompasses pre-joining initiatives such as radio podcasts, gamified content on our business achievements, with leader boards, quizzes, webinars, micro-learning platforms, and competitions. These efforts not only prepare candidates for their careers at L&T but also foster a sense of community and excitement among our future employees.

### **Employer Branding & Accolades**

Our impressive social media followership on LinkedIn, reaching 4 million in FY 2023-24, highlights our strong presence and influence in the digital sphere.

Besides our continued efforts in employer branding on social media, we have reinforced our position as an employer of choice by participating in various industry forums and awards. This year's accomplishments include re-certification by 'Great Place to Work<sup>®</sup>', recognition as the Company with Great Managers Award for the third consecutive time, CII HR Excellence Award, Golden Peacock Awards 2023, ET HR Awards 2023, and prestigious international awards such as Brandon Hall HCM Excellence Awards and Gold Stevie Best Employer 2023.

# AWARDS AND ACCOLADES



*CII National Award for 'Excellence in Water Management' in the 'Beyond the Fence' category*



*'Great Place to Work®' Certified*

During the year, multiple projects across multiple businesses received awards for Environment, Health and Safety from RoSPA (The Royal Society for the Prevention of Accidents), the British Safety Council, the National Safety Council of India (NSCI), and many other reputed organisations.

L&T's businesses have also won many awards and accolades. Some noteworthy awards and accolades are mentioned below:

## Corporate

- Ranked 3<sup>rd</sup>, for the second year in a row, in the global 'Top 200 Environmental Firms' 2023 list by Engineering News-Record (ENR), New York – L&T was the only Indian firm to feature in this list
- Received the CII National Award for 'Excellence in Water Management' in 2023 in the 'Beyond the Fence' category for integrated community development CSR programme
- Certified 'Great Place to Work®' in FY 2023-24
- Received Gold in 'Best Advance Leadership Development for Women' and Bronze in 'Best Advance in Creating Learning Strategy' from the Brandon Hall Group
- Received the 'ATD BEST Award 2024' in Talent Development
- Recognised in Forbes' list of 'World's Best Employers 2023'
- Featured as one of 'India's Leading Listed ESG Entities 2024' in Dun & Bradstreet's 'ESG Champions of India 2024'
- Ranked No. 1 in the 'Capital Goods Sector' and No. 17 in the 'Top 50 Most Sustainable Companies' in India by Business World

## Transportation Infrastructure

- Mumbai-Ahmedabad High-Speed Rail (Package C6) - MAHSR C6 received the International HSE Award-2023 from the World Safety Forum - UK
- Mumbai-Ahmedabad High-Speed Rail (Package C6) - MAHSR C6 received the Green Feather Award from Green Maple Foundation
- Meerut Aligarh Ghaziabad Road Project received the Global Sustainability Award 2023 from the Environment and Energy Foundation, India

## Heavy Civil Infrastructure

- Two projects were recognised at the Excellence in Bridge Engineering Awards: The Durgam Cheruvu Bridge was declared winner for the 'Innovation in Bridge Engineering' category, and the Mandovi River bridge was declared runner-up for 'Best Special Bridge (Cable supported)' category
- The business was bestowed with the Gold Prize of the 1<sup>st</sup> FICCI Awards for Excellence in Plant Maintenance Systems – the only company in the construction sector to be awarded this recognition
- The business was honoured with the prestigious CII AI Award 2023, recognising Outstanding Achievement in the 'Best Use of AI Technology/Products/Solution' category in EHS management



*EPC Company of the Year at FIPI Awards 2023*



*10<sup>th</sup> edition of Global EPC Company of the Year by EPC World*

**Hydrocarbon**

- 10<sup>th</sup> edition of Global EPC Company of the Year by EPC World
- EPC Company of the Year at FIPI Awards 2023
- '21<sup>st</sup> Annual National Greentech Safety Award 2023' under the category 'Safety Excellence'

**Power**

- Boiler Manufacturing received NSCI Suraksha Puraskar for NUPPL 3x660 MW Ghatampur TPP
- Boiler Manufacturing received Gold in the construction sector at the 10<sup>th</sup> FICCI Awards for Excellence in Safety Systems

**Construction Equipment**

- Won Gold Award from IRIM in the India Green Manufacturing Challenges - 2023 Assessment and won Diamond Trophy for Sustainable Business Growth enabled through Green Manufacturing
- Received special recognition in Diversity, Equity and Inclusion (DEI) Awards (Induct Category) for the 'All-Women Panel shop' for manufacturing Electrical Panels in-house on March 8, 2024

**Hyderabad Metro**

- UITP (International Association of Public Transportation) – Special Recognition in Elevating Multimodal Transit Experience in Hyderabad for 2023



*Ranked No. 1 in the 'Capital Goods Sector' and No. 17 in the 'Top 50 Most Sustainable Companies' in India by Business World*





SAP Ace Award



LTIMindtree team with the Golden Peacock Award for Sustainability in 2023

### Nabha Power

- Twin awards from The Council of Enviro Excellence:
  - Winner of the 'Best Performing Unit' under the category IPP Coal above 500 MW
  - Winner of 'National Environment Excellence Awards 2023' for excellence in utilisation of fly ash
- Multiple Awards from CII:
  - Best Innovation in Energy Efficiency Award by CII for 'Energy Saving by Innovation and Process Optimisation for CW & ACW System'
  - 1<sup>st</sup> runner-up in Best Energy Efficient Case Study for the 'RAPH Basket Replacement' project
- Received the 'Certificate of Merit' for achievements in Energy Conservation in the TPP Sector for the year 2023 during the 'National Energy Conservation Awards' organised by the Bureau of Energy Efficiency (BEE), Ministry of Power (MoP), Government of India

### LTIMindtree

- Won 'Golden Peacock Award for Sustainability' in 2023
- Received Top Honors for 'Sustainable Reporting Practices' at the ICAI Sustainability Reporting Awards 2023 – honoured 'Silver' award in Sustainability Reporting under the Sustainability Reporting Leadership (Service Sector) category and special recognition for Gender Equality
- Awarded the 'Best Supply Chain Solution in APAC' at Triple A Asset Awards under the Supply Chain Solutions E-Commerce - Media - Technology category
- Recognised as the 'Fastest Growing Indian IT brand in 2023' by Brand Finance



Received Top Honors for 'Sustainable Reporting Practices' at the ICAI Sustainability Reporting Awards 2023

# INTEGRATED REPORT

Sustainability  
Vision

For a  
**Better  
World!**

L&T shall pursue eco-friendly growth, promoting a culture of sustainability and innovation, and thereby contribute towards a better world.



## About the Report

The Company has been making concerted efforts towards achieving resource efficiency, decarbonising its businesses and sharpened its focus on improving performance across Environmental, Social and Governance (ESG) parameters. This Integrated Report includes the financial and non-financial performance of L&T Limited (Standalone entity) and is aligned to the principles developed by the International Integrated Reporting Council. The Report expands the target audience from the primary provider of financial capital to include employees, customers, suppliers, local communities, regulators, and policy-makers.



### NATURAL CAPITAL

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### MANUFACTURED CAPITAL

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### HUMAN CAPITAL

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### INTELLECTUAL CAPITAL

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### SOCIAL AND RELATIONSHIP CAPITAL

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### FINANCIAL CAPITAL

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## Other Chapters

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# VALUE CREATION PROCESS

## STRATEGY

### VISION AND VALUES



### MATERIAL TOPICS

### STAKEHOLDER ENGAGEMENT

### GOVERNANCE: POLICIES, PROCESSES, RISK MANAGEMENT

# VALUE

## VALUE CREATION

-  **NATURAL CAPITAL**
-  **MANUFACTURED CAPITAL**
-  **HUMAN CAPITAL**
-  **INTELLECTUAL CAPITAL**
-  **SOCIAL AND RELATIONSHIP CAPITAL**
-  **FINANCIAL CAPITAL**

### Business Models

#### EPC Projects



#### Hi-Tech Manufacturing

The six Capitals are utilised through business processes and models to create assets and products linked to infrastructure, energy, oil & gas, metals, process plants and other sectors, and create value for the stakeholders.

### Creating Value for



## VALUE CREATED



Productive Assets for Clients



Dividends and Buyback



Employee Benefits and Capability Development



Business for Suppliers










Payment to Exchequer



Community Assets and Livelihoods

# VALUE CREATION MODEL

## Input

 <p><b>Natural Capital</b></p>	<p>Water Consumption: <b>12.9 Mn kL</b>                  Energy from Non-renewable Sources: <b>10.3 Mn GJ</b>                  Energy from Renewable Sources: <b>0.19 Mn GJ</b>                  Spend on Environment<sup>1</sup>: <b>₹ 369 Mn</b>                  Material Consumed (Mn tonnes):                  - Cement: <b>4.4</b>                  - Sand: <b>7.4</b>                  - Ferrous: <b>2.3</b></p>
 <p><b>Manufactured Capital</b></p>	<p>Active Project Sites: <b>716</b>                  Manufacturing Facilities: <b>18</b></p> 
 <p><b>Human Capital</b></p>	<p>Employees: <b>59,344</b>                  Workmen: <b>3,48,094</b>                  Women covered in Leadership Journey Programmes: <b>495</b></p>
 <p><b>Intellectual Capital</b></p>	<p>R&amp;D Spend (cumulative of 3 years): <b>₹ 3,905 Mn</b>                  Patents Filed: <b>13</b>                  R&amp;D Engineers and Scientists: <b>321</b>                  Active Collaborations and Partnerships<sup>2</sup>: <b>21</b></p>
 <p><b>Social &amp; Relationship Capital</b></p>	<p>CSR Spend: <b>₹ 1.5 Bn</b>                  CSR Partners: <b>61</b>                  Memberships of Industry Chambers: <b>75</b></p>
 <p><b>Financial Capital</b></p>	<p>Order Book: <b>₹ 3,713.8 Bn</b>                  Net Current Assets: <b>₹ 254.6 Bn</b>                  Net Fixed Assets: <b>₹ 124.6 Bn</b></p>

## Business Processes and

**L&T BUSINESS EXCELLENCE MODEL**

VALUE ENGINEERING




Residential Spaces



Mass Transit and Railways

LEAN OPERATIONS



Data Centers



Hydro Power Plants


INTEGRATED ENGINEERING



Water Treatment Plants



Oil & Gas Facilities



Process Plant Equipment

<sup>1</sup> Spend on environmental management: pollution control, environmental monitoring, waste management, wastewater treatment cost, etc.

<sup>2</sup> Partnerships with universities, educational and research institutes, start-ups.

<sup>3</sup> Also includes Green Building (14.8 Mn sq. ft.).

<sup>4</sup> Mobility Infra created includes Roads (809 lane km), Electrification (3,432 track km), Track construction (710 track km) and Mass Transit-viaducts (86 km).

<sup>5</sup> Also includes Irrigation Capacity (0.87 lakh ha) and Water Pipelines (61,130 km).



## Offerings

### SPEED & SCALE



Commercial Spaces



Airports



Solar Power Plants



Nuclear Power Plants



Refining and Petchem Plants



Ferrous and Non-ferrous Plants



Launch Vehicles

DIGITALISATION

INNOVATION

GLOBAL SOURCING

## Output

GHG Emissions: **0.99 Mn tCO<sub>2</sub>e**  
 GHG Emission Intensity: **7.8 tCO<sub>2</sub>e/₹ Cr**  
 Eco-Friendly and Recycled Material Used (tonnes):  
 - Steel: **2,526**  
 - Zinc: **71**  
 - Crushed Sand: **4 Mn**

Building Infra Created<sup>3</sup>: **20.2 Mn sq. ft.**  
 Mobility Infra Created<sup>4</sup>: **5,037**  
 Bridges & Tunnels: **35 km**  
 Power Infra Created:  
 - Transmission Lines: **3,010 ckm**  
 - Solar Power Capacity: **2,192 MWp**  
 Water & Sanitation Infra Created<sup>5</sup>:  
 - Water Storage Capacity: **228 Mn ltr**  
 - Treatment Capacity: **2,239 MLD**  
 Factory Output<sup>6</sup>: **3,75,452 tonnes**  
 Green Business (Revenue): **₹ 63,426 Cr**

Revenue per Employee: **₹ 21.5 Mn**  
 Attrition Rate: **10%**  
 Average Training Days per Employee: **7.9**  
 Accident-free Man Hours: **1,262 Mn**

Patents Granted: **19**  
 Value Engineering Projects<sup>7</sup>: **296**  
 Revenue from Emerging Businesses<sup>8</sup>:  
**₹ 1,27,018 Mn**

CSR Beneficiaries: **1.6 Mn**  
 Contribution to Exchequer: **₹ 89.7 Bn**  
 Complaints Received<sup>9</sup>: **653**  
 Complaints Resolved<sup>9</sup>: **597**

Turnover: **₹ 1,262.4 Bn**  
 PBIT: **₹ 132.7 Bn**  
 Dividend Payout: **₹ 46.9 Bn**  
 Return on Net Worth: **13.7%**

### SDG Linkage



<sup>6</sup> Total production for businesses: Buildings & Factories, Power Transmission & Distribution, Minerals & Metals, Heavy Engineering, Precision Engineering & Systems, L&T Energy-Hydrocarbon.

<sup>7</sup> Initiatives for improving processes, products and services to reduce cost, improve project delivery and increase customer satisfaction.

<sup>8</sup> Revenue in FY 2023-24 from businesses started in the preceding three financial years.

<sup>9</sup> Across all stakeholders, for breakup refer to Section A in Business Responsibility and Sustainability Reporting (BRSR).

# STAKEHOLDER ENGAGEMENT

L&T's businesses are primarily EPC projects (Engineering, Procurement, Construction) and Hi-Tech Manufacturing. Aligned with the activities of the businesses, the Company has identified the following key stakeholders and channels of communication:



## Government

Governments (sovereign, sub-national, local) and related entities (public sector enterprises) are the largest clients of the Company, comprising ~78% of the total Order Book. They are the key determinants of policies (sectoral as well as cross-cutting), long and short-term plans for various sectors, and the country at large. The Government is the most crucial driver in policy development, which ultimately impacts the ease of doing business and shapes the business environment.

- Press releases
  - Quarterly results
  - Integrated Annual Report
  - Stock Exchange filings
  - Issue-specific meetings
  - Representations
- 
- As and when required
  - Project Review Meetings
- 
- Address concerns related to project execution
  - Regulatory compliances and reporting requirements
  - Seek support to enable on-time completion and delivery according to agreed parameters
  - Working with the Government to develop/provide inputs for policies and legislations
  - Advocating for relevant policy issues at the central and state level



## Employees and Workforce

Human Capital is key to project management and execution for the Company. Around 59,000 employees and 3,50,000 workers across the Company's project sites, offices, manufacturing plants, and different locations are contributing towards sustained growth and performance. Hence, the management, development, and well-being of the workforce are vital for the Company to continue its value creation journey.

- Employee satisfaction and engagement surveys
  - Circulars and messages from corporate and line management
  - Welfare initiatives for employees and their families and Employee Assistance Programme (EAP)
  - News bulletins to convey topical developments, print and online in-house magazines, and newsletters
  - HEERA
  - Various engagement platforms and events: Hi5, L&T Radio, Art Beats and so on
- 
- As and when required
- 
- Support the growth, learning, development and well-being of employees
  - Transparent and timely communication of organisational updates
  - Feedback on Company's policies and actions, and address concerns linked to them

### Legend

- █ Channels of communication
- █ Frequency of Engagement
- █ Purpose and scope of engagement, including key topics and concerns raised during such engagement



## Customers

Other key customers are private sector clients, which comprise ~22% of the total Order Book. While the Company actively seeks new clients, it also enjoys a long-term relationship with many of them. These lead to repeat business and also create the conditions encouraging development of new solutions and technologies.

- Website, L&T Infodesk, toll-free number
  - Meetings and interactions
  - Client satisfaction surveys and feedback
  - Grievance redressal
- 
- As and when required, satisfaction surveys carried out biannually
- 
- Transparent and timely communication to provide updates on the status of contracts/supplies
  - Address issues related to the delivery of agreed contracts
  - Partnerships for innovation



## Supply Chain Partners

Businesses have a high dependence on supply chain partners for sourcing key input materials (commodities, fabricated items, sub-components, and other raw materials), logistics and services. At L&T, the supply chain is vast and complex, registered partners across and outside the country. These supply chain partners are assessed on a regular basis to enable performance-based tiering and aid in vendor development. The Company believes that supply chain partners play a crucial role in responsible sourcing, upholding quality and standards, adhering to human rights standards, and maintaining ethical business practices.

- Regular vendor and supplier meet
  - Grievance redressal mechanism
  - Contract related meetings
- 
- As and when required for large suppliers, fortnightly for MSMEs
- 
- Payment, vendor management platform related queries, deliveries, and technical discussions
  - MSME: Exchange of information, vendor deliverables and payment issues, and partner portal-related queries
  - Awareness sessions for supply chain partners and assessment of top 200 partners on ESG parameters

### Legend

▫ Channels of communication

▫ Frequency of Engagement

▫ Purpose and scope of engagement, including key topics and concerns raised during such engagement





## Shareholders and Investors

Shareholders and investors enable the Company's growth by providing the requisite financial resources as well as guiding the Company through their approval/disapproval of the Company's plans (through voting, voicing concerns, feedback). The Company actively engages with them to communicate its plans, design the way forward, as well as address their concerns.

- ▣ Website
  - ▣ Press releases
  - ▣ Dedicated email ID and toll-free number
  - ▣ Quarterly results
  - ▣ Integrated Annual Report (Integrated Report, BRSR, Financial disclosure)
  - ▣ Annual General Meeting (Shareholders' Interaction)
  - ▣ Investor presentation
  - ▣ Investor meets
  - ▣ Stock Exchange filings
- 
- ▣ As and when required, quarterly investor meets
- 
- ▣ Showcase sustained value creation through Company's performance
  - ▣ Seek feedback on Company's plans and strategy
  - ▣ Address concerns (if any) with respect to Company's policies and actions



## Communities and NGO Partners

L&T strives to promote socio-economic development in the communities around its operations and other underserved regions. The approach involves need assessment, development, and execution and handover of projects to the local community in most cases. The Company prioritises supporting the vulnerable, underprivileged and marginalised sections of society to empower them and improve their standard of living.

- ▣ Direct engagement and/or through NGO partners implementing CSR projects
  - ▣ Grievance redressal
  - ▣ Need Assessments
  - ▣ Community visits
  - ▣ Meetings with community representatives
  - ▣ Impact Assessment Studies
- 
- ▣ Quarterly meet with NGO Partners
- 
- ▣ Facilitate in providing infrastructure, health, and education services and skill-building opportunities based on need assessment
  - ▣ Improving the quality of life of underprivileged and vulnerable communities

### Legend

- ▣ Channels of communication
- ▣ Frequency of Engagement
- ▣ Purpose and scope of engagement, including key topics and concerns raised during such engagement



## Regulatory Bodies

Various businesses fall under the purview of specific regulatory bodies, not only sectoral but also in some common areas, e.g., environment and labour. It is pertinent to understand the priorities and concerns of these agencies to enable the Company to ensure compliance with mandated levels.

- Briefings and direct meetings
  - Quarterly results
  - Integrated Annual Report
  - Through industry associations and business chambers
  - Multi-stakeholder forums
- 
- As and when required
- 
- Issue specific
  - Compliance with laws and regulation
  - Inputs on new policies and regulations



## Media

Media is one of the important channels of communication for the Company's reputation capital (a sum of other people's perception), share price performance, brand and pricing power, plans, and policies. It helps engage with a larger audience and provides a critical link in the feedback loop on issues related to the Company and the Brand. This stakeholder group also plays an instrumental role in providing insights into the Company, business, and industry performance. Additionally, the Company engages with the media to share management's perspectives and encourage healthy discussions on various topics.

- Website
  - Press releases
  - Quarterly results
  - Integrated Annual Report (Integrated Report, BRSR, Financial disclosure)
  - Annual General Meeting
  - Media interactions
- 
- Event-based
- 
- Wider dissemination of plans, achievements and initiatives
  - Create awareness of the Company's businesses, offerings and initiatives
  - Enhance brand value
  - Engaging with media to increase awareness of sustainability issues and promote business practices



### Legend

▫ Channels of communication

▫ Frequency of Engagement

▫ Purpose and scope of engagement, including key topics and concerns raised during such engagement

# UNDERSTANDING MATERIALITY

The Company is committed to proactively identifying and responding to the concerns of stakeholders and its business to create long-term value for all. Materiality is one of the inputs to the Company’s sustainability strategy, which enables prioritising

of the key focus areas. The Company has been constantly working on improving and delivering on ESG dimensions, identified through the findings of the materiality assessment conducted in FY 2022. The sensitivity of a topic to stakeholders and to the

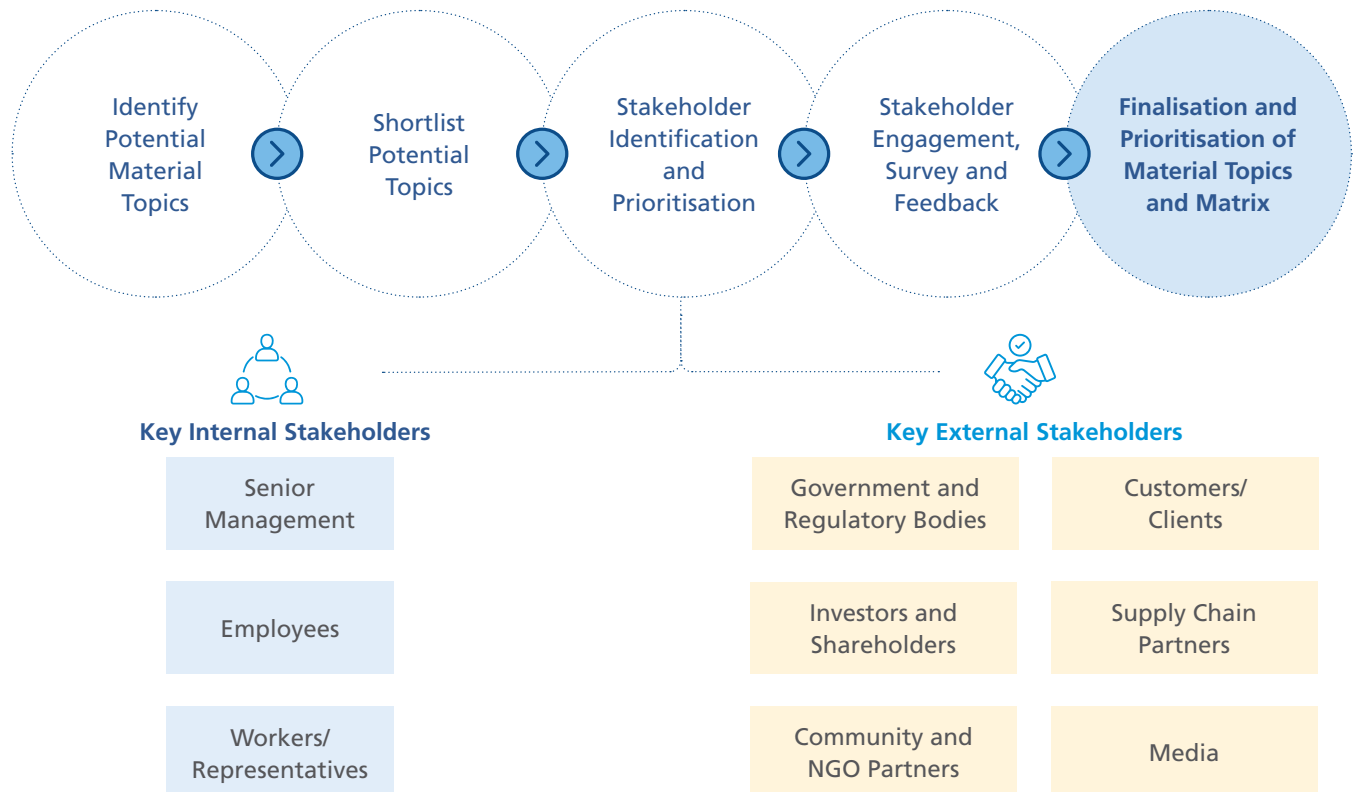
Company, in terms of importance, forms the basis of a materiality assessment. It considers both the impact of the Company’s activities on ESG dimensions and the way in which these dimensions can impact the Company.

## Methodology

Reporting Frameworks	Peer Benchmarking	Internal Stakeholders’ views	External Stakeholders’ views
GRI, <IR> Framework, SASB Material topics, UN SDGs, BRSR, CDP	Indian and international companies	Surveys administered; inputs/ feedback received from senior management during the year	Surveys administered; concerns/ feedback received through periodic interactions

*GRI: Global Reporting Initiative, SASB: Sustainability Accounting Standards Board, CDP: Carbon Disclosure Project*

## Assessment Process







Thirty-two potential material topics that directly or indirectly impacted the business were identified initially. Out of these, 14 material topics, which are more pertinent for short-term, medium-term, and long-term value creation from both internal and external stakeholders' perspectives, were finalised. During the year, these material topics, their relevance, and their progress are monitored and reviewed at various levels across the Company. The material topics are as follows (not ranked):

<b>Environment</b>	<b>Social</b>	<b>Economic</b>	<b>Governance</b>
Climate Action	Employee and Workforce Engagement, Well-Being, Health, and Safety	Customer Experience and Satisfaction	Business Ethics
Water, Waste, and Hazardous Materials Management	Human Rights and Labour Conditions	Quality of Products and Project Delivery	Brand Management
	Skilled Manpower		Data Security, Privacy, and Cyber Security
	Talent Management – Attraction, Retention, and Development		
	Diversity, Inclusion, and Equal Opportunity		
	Social Engagement and Impact		
Sustainable Supply Chain			

## Overview of the Material Topics

The material topics, if addressed and strengthened, can become opportunities, and if not, can pose a risk. For certain material topics, the focus is more on the potential risk and the approach taken by the Company to ensure that the risk does not materialise.

**Legend**

- Material topic identified
- Description and rationale for identifying risk/opportunity
- In case of risk, approach to adapt or mitigate

- Natural Capital**
- Manufactured Capital**
- Human Capital**
- Intellectual Capital**
- Social and Relationship Capital**
- Financial Capital**

**Financial Implications**

- + Positive
- Negative
- ± Both

**Risk or Opportunity**

- Risk
- Opportunity

**Climate Action**

Physical and transition risks related to Climate Change have the potential to cause challenges for the Company. Concerns are primarily related to GHG emissions reduction, decarbonising energy use, water sourcing security, natural materials sourcing, ambient operating conditions, and extreme weather events.

On the other side, initiatives being undertaken to address emission reduction and water use efficiency may have a direct impact on cost and improve overall productivity.

Climate risk management is integrated into the Company's Enterprise Risk Management. The Company has set ambitious targets for Carbon and Water Neutrality and devised a strategy to achieve them. Other areas are also being addressed through specific initiatives.

*Refer to 'Natural Capital' for more details.*

SO-III

SO-IV

±
!
+

**Water, Waste, and Hazardous Materials Management**

Encompasses increased resource efficiency, recycling and reuse of material and waste, and minimising resource consumption wherever feasible.

Waste generated from business operations, if not managed properly, can negatively impact the environment as well as communities around the work locations. The risk is higher in the case of hazardous materials and wastes.

However, in the past few years, the approach has been shifting as waste is being looked at from the perspective of generating value instead of burden.

Water consumption reduction is a key focus area for the Company to achieve Water Neutrality status, and various initiatives linked to it are being operationalised. Waste management is an integral part of the EHS Management System. The Company adheres to the laws and regulations in the areas of operation.

*Refer to 'Natural Capital' for more details.*

SO-I

SO-V

±
!
+

## Employee and Workforce Engagement, Well-being, Health, and Safety

Human Resources is a critical capital for the Company. Ensuring their health, safety, and well-being is key to optimal productivity and sustained growth of the Company.

The nature of operations often exposes the workforce to occupational risks and hazards which impact health, safety, and productivity.

Along with physical well-being, mental well-being has also emerged as a health-related risk that can impact productivity.

Implementation of health and safety management systems adhering to known standards, e.g., ISO 45001:2018 (Health and Safety Management Standard), is a key focus area. This is enabled through SOPs, right processes, procedures, and digital applications. The Company focusses on improving preventive measures related to better risk management.

The Company encourages its workforce to prioritise stress management techniques such as mindfulness, exercise, and seeking support when needed. Counselling, coaching, and sensitisation workshops are also being organised for employees to enable them to handle challenging situations.

Furthermore, keeping in mind the importance of maintaining a healthy work-life balance and enhancing the employee experience, a mandatory leave of 10 days in a year has been introduced to ensure employees have dedicated time to rejuvenate and recharge.

Refer to 'Human Capital' for more details.

SO-V



### Legend



-  Material topic identified
-  Description and rationale for identifying risk/opportunity
-  In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

### Financial Implications

-  Positive
-  Negative
-  Both

### Risk or Opportunity

-  Risk
-  Opportunity



**Legend**

- Material topic identified
- Description and rationale for identifying risk/opportunity
- In case of risk, approach to adapt or mitigate

**Natural Capital**

**Manufactured Capital**

**Human Capital**

**Intellectual Capital**

**Social and Relationship Capital**

**Financial Capital**

**Financial Implications**

- Positive
- Negative
- Both

**Risk or Opportunity**

- Risk
- Opportunity

### Human Rights and Labour Conditions

Human and labour rights mean protecting, respecting, upholding, and promoting the basic rights and freedom of the workforce.

Owing to the nature of operations and the large number of contractual workmen, human rights violations pose a risk despite complying with all applicable regulations and putting systems in place to avoid such violations. Non-adherence to labour regulations and any kind of violation, even in the supply chain, might lead to a loss of reputation and increased compliance costs.

The Company aims to proactively address and manage such risks by strengthening policies, systems, procedures, and grievance mechanisms. Human Rights Due Diligence of own locations is also conducted to understand the risks and gaps in the existing processes. The key manufacturing facilities are SA8000 certified. The Company's operations adhere to local and national regulations.

As part of awareness sessions, the supply chain partners are also being sensitised to human rights-related risks and violations to ensure adherence across the supply chain. During the year, the grievance redressal mechanism for the contractual workmen has been strengthened.

*Refer to 'Human Capital' for more details.*

SO-V

Manufactured Capital, Human Capital, Social and Relationship Capital

Negative, Risk

### Skilled Manpower

EPC Projects segment of the Company highly relies on contract workmen due to temporary shifting and the distributed nature of the business. Achieving contract completion as per agreed timelines and ensuring high-quality work require skilled workmen. Skillsets in focus are bar bending, formwork, electrical work, tiling, masonry, welding, carpentry, and solar electrical work, among others.

With increasing competition for skilled manpower and industry-wide labour shortage, getting the right skill set is a challenge. At the same time, retention may be relatively easy for permanent workmen. However, for contract workmen, the high churn is a risk.

The Company tries to overcome the hurdles through onsite training to upskill workers based on the project sites' requirements, a database to capture and track skilled workmen, and continuous engagement with the contracting agencies to ensure the right manpower is available at the site.

SO-V

Manufactured Capital, Human Capital

Both, Risk, Opportunity

## Talent Management – Attraction, Retention, and Development

Talent drives the success of the Company, and ensuring the right talent within the Company requires attracting, developing, and retaining the talent. Key aspects with respect to talent management are hiring right, reducing attrition, improving productivity, developing industry-specific capabilities/skills, and enhancing leadership pipeline.

With Human Capital at the core of the business, the inability to attract, manage, develop, and retain talent may adversely impact the business. Historically, the sector has a reputation for lacking workforce diversity and the right talent.

The Company has customised learning and development programmes that cater to various skill requirements and organisation levels. The Company also leverages various digital applications for training delivery, capturing feedback, and driving engagement with the employees.

*Refer to 'Human Capital' for more details*

## Diversity, Inclusion, and Equal Opportunity

A diverse workplace means a wider range of ideas, perspectives, and experiences, which, therefore, leads to better innovation and effective problem-solving – ultimately improving productivity and performance. Diversity is complemented by inclusivity, which means that each one feels that they are heard and that they matter, thus instilling a sense of belongingness and trust. This includes not only hiring without any prejudice or discrimination, but also inculcating the right set of attitudes and behaviours within the employees through awareness and training and building a culture of trust and commitment.

### Legend



-  Material topic identified
-  Description and rationale for identifying risk/opportunity
-  In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

### Financial Implications

-  Positive
-  Negative
-  Both

### Risk or Opportunity

-  Risk
-  Opportunity

SO-I SO-III SO-IV SO-V



SO-V



**Legend**

- Material topic identified
- Description and rationale for identifying risk/opportunity
- In case of risk, approach to adapt or mitigate

---

-  **Natural Capital**
-  **Manufactured Capital**
-  **Human Capital**
-  **Intellectual Capital**
-  **Social and Relationship Capital**
-  **Financial Capital**

---

**Financial Implications**

-  **Positive**
-  **Negative**
-  **Both**

---

**Risk or Opportunity**

-  **Risk**
-  **Opportunity**

**Social Engagement and Impact**

Social engagement for the Company means initiatives that focus on social welfare, community development, and environmental sustainability, as well as creating an impact on society at large.

Effective social engagement and initiatives not only bolster the brand but also create goodwill among the stakeholders. CSR can act as a differentiator, as well as a means of attracting and retaining talent by instilling a sense of purpose and pride among the employees at the workplace.

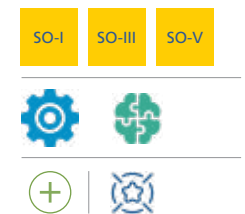
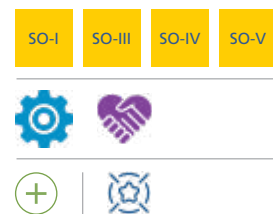
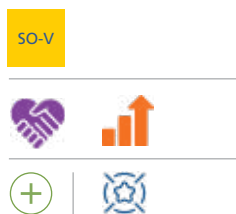
**Customer Experience and Satisfaction**

In an increasingly competitive environment, delivering great customer experience and satisfaction is essential, not only for project success but also for securing long-term growth and relationships. Hence, it is important for the Company to strengthen and maintain its customer-centric approach by focussing on timely execution, first-time-right quality, and adherence to all applicable norms across all business segments.

Optimal customer experience has a significant material impact on the brand, reputation, and financial performance of the Company.

**Quality of Products and Project Delivery**

For the Company's businesses in EPC Projects and Hi-Tech Manufacturing, high-quality projects executed, products manufactured, and on-time delivery are critical, not only for meeting the contractual commitments but also for creating customer delight through differentiation from competitors.





## Business Ethics

Ethics and integrity are the key values that have enabled the Company to acquire trust and build a strong brand. These values are important to ensure that the organisation conducts business in an ethical and transparent manner. Upholding L&T's core values requires crafting, implementing, and strengthening the policies and procedures.

The Company has strong and robust policies, processes, and SOPs in place. However, driving compliance can be a challenge due to the nature and wide expanse of the businesses, large workforce, and frequent changes to regulatory requirements.

Clear rules, policies, and procedures have been enforced across the Company. For example, the Code of Conduct defines the behaviour expected from all the employees and stakeholders and lays down the policies and systems for effective implementation. The Company has mandatory courses to help employees understand the norms required to work in a safe, compliant, and ethical manner.

The Company has formulated a Whistle Blowing Policy and mechanism and constituted the Whistle Blowing Investigation Committee. The objective is to establish a vigil mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Audit Committee is responsible for reviewing the functioning of the Whistle Blower mechanism. From time to time, the Company's systems of internal controls, covering financial, operational, compliance, IT applications, etc., are also reviewed by external experts.

The governance is led by the Board and supported by the Board Committees. Policies, Code of Conduct, and Management Systems have been developed and deployed across all businesses and functions to ensure adherence and implementation. These are also reviewed on a periodic basis and updated as required. Details available at <https://investors.larsentoubro.com/corporate-governance.aspx>

Please refer to Annexure 'B' – Report on Corporate Governance for further details.

### Legend



-  Material topic identified
-  Description and rationale for identifying risk/opportunity
-  In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

### Financial Implications

-  Positive
-  Negative
-  Both

### Risk or Opportunity

-  Risk
-  Opportunity

---

SO-I

SO-II

SO-III

SO-IV

SO-V

---







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**Legend**



- Material topic identified
- Description and rationale for identifying risk/opportunity
- In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

**Financial Implications**

- + Positive
- Negative
- + Both

**Risk or Opportunity**

-  Risk
-  Opportunity

**Brand Management**

The Company's brand management is important to build equity, loyalty, and confidence among the stakeholders. This enables customer engagement and business growth, helps attract talent, instils respect in shareholders and investors, and builds a positive image of the Company.



**Data Security, Privacy, and Cyber Security**

Protecting the Company's own workforce as well as customer data is a highly sensitive and critical area to ensure reliable and incident-free business operations.

While the focus of the Company continues to be on digitisation, there are concerns around cyber security with the use of new technologies, software, and cloud services, and makes the Company susceptible to attacks and leaks. Any such incident can jeopardise the credibility of the Company and may impact reputation and lead to financial damage.

The Company has developed a multi-year cyber security and resiliency roadmap and invested in state-of-the-art security platforms. Policies and practices have been put in place to meet the requirements of ISO/IEC 27001:2022. The Company has one of the most advanced Security Operations Centres to monitor developments 24X7 and respond effectively to any cyber incidents.

- SO-I
- SO-II
- SO-III
- SO-IV
- SO-V



- +
- 

- SO-IV



- 
- 

## Sustainable Supply Chain

A sustainable supply chain includes responsible behaviour of the supply chain partners in accordance with the highest standards of ethics and integrity, respect for the law, human and labour rights, and environmental protection.

A sustainable supply chain not only reduces environmental and adverse social impact but also builds resilience, supports business continuity, and increases competitiveness.

However, the risk of HSE incidents, human rights violations, and unethical business practices may lead to disruption in business activities and reputation loss as well. Other events, such as natural disasters, extreme weather, and geopolitical incidents, can also adversely impact the deliverables and timely project execution.

The supplier base of the Company has grown substantially over the years across the globe. To ensure adherence and compliance, the Company has put in place a set of policies, processes, and a Code of Conduct for the supply chain partners. Signing the Code of Conduct is a mandatory requirement in the onboarding process of any supply chain partner. Also, the Company has initiated an assessment of suppliers on ESG parameters to understand their performance. Additionally, the Company is organising awareness sessions to apprise them of requirements and new developments in ESG and expectations of the Company.

Refer to 'Social and Relationship Capital' for more details.

### Legend



-  Material topic identified
-  Description and rationale for identifying risk/opportunity
-  In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

### Financial Implications

-  Positive
-  Negative
-  Both

### Risk or Opportunity

-  Risk
-  Opportunity

SO-I SO-V





# SUSTAINABILITY GOVERNANCE

## Strategy

As part of the Lakshya 2026 plan, the Company re-evaluated shareholder value creation, defined social obligations, and framed sustainability goals. The outcome of this assessment was the re-articulation of its Strategic Objectives (SOs), which drive value creation over a long-term horizon. The sustainability agenda is guided by the CSR & Sustainability Committee and driven by Executive Committee members across the businesses.

*The scope and membership of the Committee have been detailed in Annexure 'B' to the Board Report of this Report.*

## Policy

The policies of the Company demonstrate commitment towards sustainability, and guide in framing as well as implementing long-term strategy and action plans. The key focus areas are articulated in the Sustainability Policy, which is complemented by other policies such as Corporate Social Responsibility, EHS, Anti-Bribery and Anti-Corruption, Green Supply Chain, Human Resources, and Code of Conduct. These policies strengthen integrated thinking by aligning ESG with business goals and support value creation through the six capitals, viz. Natural, Manufactured, Intellectual, Human, Social and Relationship, and Financial. Most of these policies are reviewed and updated based on evolving and emerging trends, regulatory

changes, global standards, and stakeholder concerns. At the business level, SOPs, guidelines, and procedures translate these policies into standard processes and action plans, e.g., waste management, health and safety, and risk management, among others.

The working of the policies is evaluated by third-party agencies on various standards such as ISO 9001:2015, ISO 14001:2018, ISO 45001:2018, and SA8000. During the process, these agencies also check policy elements, procedures, action plans, review processes, monitoring and reporting. In addition to the above, relevant third-party certifications and assessments are also conducted across business units periodically.

## Sustainability Framework



### #LnTCares

Restore and Rejuvenate the Environment

- ▣ Carbon Neutrality
- ▣ Water Neutrality
- ▣ Biodiversity
- ▣ Material Recycling and Reuse
- ▣ Waste Management
- ▣ Green Supply Chain
- ▣ Green Business



### #WeAreLnT

Social Value Creation

- ▣ Workforce Safety
- ▣ Training and Development
- ▣ Diversity and Inclusion
- ▣ Human Rights
- ▣ Community Welfare
- ▣ Supply Chain



### #BuildingTheNation

Towards Future-Ready and Resilient Business

- ▣ Board Structure, Diversity, and Remuneration
- ▣ Governance Mechanism
- ▣ Ethical Behaviour
- ▣ Stakeholder Engagement
- ▣ Risk Management

## Implementation

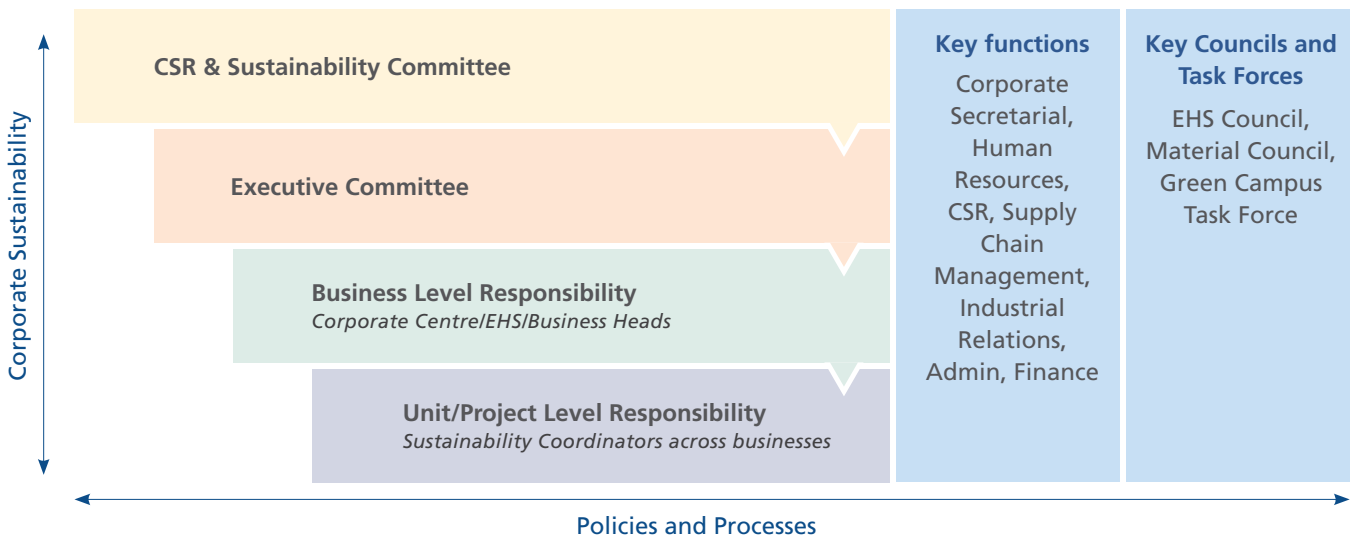
With the evolving landscape and regulatory requirements, the Company has put the necessary tools, systems, processes, and resources in place to incorporate ESG in business strategy and operations. The Company also conducts materiality assessment, which is a process to capture stakeholder concerns on ESG and its importance to the Company. Materiality is one

of the inputs to the Company's Sustainability Strategy, which enables prioritising key focus areas. The material issues and related ESG KPIs are reviewed through various stakeholder engagement processes, and by senior leadership.

The overall responsibility for ensuring the implementation resides with the Corporate

Sustainability Function and Business Unit Heads, and Heads of various Corporate Functions supported by Corporate Sustainability. Various Councils, Committees and Task Forces designated with specific responsibilities have also been constituted for operationalising sustainability across the Company.

## Sustainability Governance Structure



## Sustainability Data Assurance

In July 2023, the Securities and Exchange Board of India (SEBI) introduced mandatory disclosure under 'BRSR Core' for certain listed companies in India. The Business Responsibility and Sustainability Report (BRSR) format was initially introduced in May 2021, which included reporting of more than 100 KPIs across Environmental,

Social, and Governance (ESG). SEBI has also mandated that the top 150 listed entities undergo reasonable assurance by a third party. BRSR Core parameters comprise environmental, social, and financial KPIs. Reasonable assurance involves understanding systems and controls in place for capturing sustainability performance data used

in the preparation of the disclosures, testing of data, records and relevant documentation, analysis and review of key data management systems, processes, and procedures relating to collation, aggregation, validation and reporting of the sustainability information.

*For details, please refer to the Assurance Statement in BRSR.*

# SUSTAINABILITY HIGHLIGHTS OF FY 2023-24

The Company conducts materiality assessment (refer to Materiality Assessment section) to identify and prioritise the key material topics pertaining to ESG, based on the relative importance of these topics to the stakeholders and in the context of L&T's business imperatives. The assessment identified 14 important material topics, and detailed performance is stated in the respective chapters on the six capitals.

To report sustainability highlights at an overall level, at least one KPI has been selected for each material topic based on the importance attached by investors, rating agencies and regulators and these are given below.



## ENVIRONMENT



Energy

**83.1** GJ/₹ Cr  
Energy consumption intensity

-16%\*

**9.2** %  
Electricity from renewables

+20%\*



Emissions

**7.8** tCO<sub>2</sub>e/₹ Cr  
GHG emission intensity

-12%\*

**~4** Mn  
Saplings planted

+200%\*



Water

**102** kL/₹ Cr  
Water consumption intensity



Materials

**32** %  
Recycled and eco-friendly material used

+31%\*



Green Business

**50** %  
Revenue from Green Business

+54%\*



\* Improvement over FY 2022-23





## SOCIAL



Health and Safety

**6.9 Mn**

Safety training man hours

**0.07**

LTIFR



Human Rights

**2**

Key facilities SA8000 certified

**100 %**

Own facilities and offices assessed



Workforce Skilling and  
Talent Management

**24,000+**

Employees covered

**90,000+**

Workers covered



Diversity and  
Inclusion

**8.1 %**

Diversity ratio

**99**

Women in senior management



Social Impact

**1.6 Mn**

CSR beneficiaries



## GOVERNANCE



Governance &  
Ethics

**100 %**

New joinees trained on CoC

Brand Management  
& ESG Ratings



Ranked 3<sup>rd</sup> in 'Top 200  
Environmental Firms' in 2023



Customer  
Centricity

**9**

Customer Satisfaction Score out of 10



Data Privacy &  
Cyber Security

**Zero**

Cases of data breaches



Rated 'B-' for Climate  
Change 2023



Sustainable  
Supply Chain

**32 %**

Sustainable sourcing  
by value

**100 %**

of top 200 supply chain  
partners assessed on ESG

# NATURAL CAPITAL



The impact of climate change has exacerbated over the years, as evident in recent heat waves, forest fires, and extreme rainfall events across the world. The Company has been taking steps consistently towards decarbonisation, resource efficiency, biodiversity protection, sustainable supply chain.

### Key Highlights of FY 2023-24

**1,55,046 GJ**

Renewable Electricity consumption

**16 %**

Energy Consumption Intensity Reduction

**12 %**

Emission Intensity Reduction

**32 %**

Recycled and Eco-Friendly Material used of Total Material

**~4 Mn**

Saplings Planted

### Strategy Linkage<sup>1</sup>



### SDGs Impacted



### Material Topics

- Climate Action
- Business Ethics
- Water, Waste and Hazardous Material Management
- Brand Management
- Sustainable Supply Chain

<sup>1</sup> For details, refer to 'Business Model and Strategy' section.

Note: For KPIs related to intensity, the denominator considered is standalone revenue in ₹ crore.

## Net Zero Strategy

The Company has committed to achieve Carbon Neutrality by 2040 and Water Neutrality by 2035. The road map to help achieve these targets is based on the FY 2020-21 baseline of emissions and water consumption and business growth assumptions. This road map has been divided into short-term, medium-term, and long-term and aligns with the Company's 5-year strategy plan.

### Carbon Neutrality

The Company's carbon footprint (Scope 1+2) is primarily due to diesel and electricity consumption. Diesel has a high share in the overall energy mix (>75%), while electricity comprises ~16% of the energy mix. Diesel is significantly consumed in powering construction machinery used for EPC projects and partially for electricity generation. Further, plants, equipment, offices, and campuses consume electricity. As the Company keeps expanding and growing, energy consumption and related emissions are also expected to rise.

Based on the current projections, GHG emissions are expected to peak around FY 2025-26 and decline thereafter. The slower pace of increase in the short term would be primarily driven by the improvement in energy efficiency and the reduction in fossil fuel consumption intensity. For the long term, a shift to renewable electricity and fuels would be the primary driver in reducing GHG emissions. Technically, it may not be feasible to reduce emissions to zero, and therefore, offsets incurred from plantations will be considered for achieving carbon neutrality. The Company targets to plant 1.5 – 2 Mn saplings each year to create the stock, which will enable carbon sequestration.

The Company's strategy for achieving carbon neutrality is based on two levers:

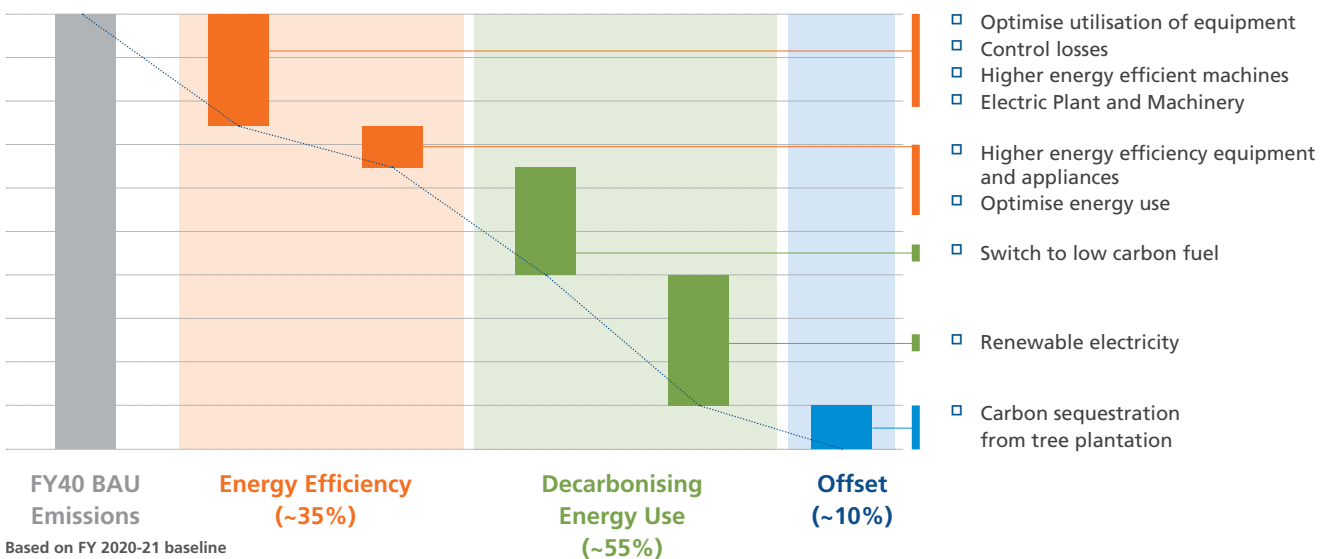


Improving Energy Efficiency



Decarbonising Energy Consumption

### Net Zero Path



Bars indicate approximate % range for emission reduction from different levers



## Green Campus Task Force

The Company's target for Carbon Neutrality has cascaded to all businesses. While each business has identified and undertaken a set of initiatives for the short-term, there were challenges in achieving the targets. The Company has formed two task forces in FY 2023-24 to counter these roadblocks. These task forces have been formed as cross-functional teams with representation from various business units and are aimed at proposing solutions that could be implemented across all the locations of the Company.

One of the task forces has been working on identifying initiatives to increase renewable electricity sourcing. Through the task force actions, the Company has been able to sign a Hybrid Power Purchase Agreement (PPA) for renewable power and has been able to source renewable power through open access for a few project

site locations. While there are many options available for sourcing renewable electricity, there are significant challenges in getting renewable power through the grid at project site locations due to issues related to local regulations as well as concerns of renewable energy service providers. The options identified for increasing renewable electricity sourcing are PPAs, on site solar through third-party, group captive open access, green open access, and green tariff.

The other task force is implementing options for reducing diesel consumption. Based on the analysis of current initiatives, scaling up and replication of these initiatives across different businesses was undertaken. Further, these initiatives were prioritised based on the impact and feasibility of implementation.

Key initiatives identified for reducing diesel consumption:

**Switching from Diesel Generator (DG) set to grid electricity**

**Diesel consumption optimisation through digitisation, sensors, and other actions**

**Diesel budgeting and control, including reducing losses**

**Switching from diesel-powered equipment to low carbon fuel, e.g., CNG and electricity powered equipment**

**Use of renewable fuel, e.g., biodiesel**

## Water Neutrality

The Company's water footprint is driven by industrial consumption, primarily due to the use of water in civil work for EPC projects. The consumption pattern is determined by the type of structures or works and technical requirements of the project. Further, numerous standards and codes prescribe the water quality required in such works. The Company is focussing on reducing water consumption intensity, emphasising the following:

**Improving water use efficiency through reducing losses in the equipment and processes and adopting methods e.g., curing compounds and plasticisers for concrete curing works and admixtures for concrete production**

**Increasing wastewater recycling and use for non-potable purposes, e.g., toilet flushing, gardening, dust suppression, landscaping**

**Increasing water harvesting**

In addition to the above, various business units are implementing initiatives relevant to their context. For EPC projects, some businesses are focussing on sourcing treated wastewater from municipal corporations. In a few cases, the quality obtained is at par with freshwater and has been utilised even in concrete mixes. In addition to chemicals, one of the businesses has also experimented with innovative solutions, e.g., steam curing for concrete.

While the Company is focussing on reducing water consumption intensity, the Company's CSR programmes also significantly contribute to positive impact through water conservation and groundwater recharge. The Company has partnered with an independent third party to assess CSR initiatives for water recharge and their impact on achieving Water Neutrality status at the Company level.

## Lakshya 2026 Targets on Natural Capital

The Company has set interim targets for carbon, water neutrality and other areas, which are a part of the current Lakshya 2026 strategy plan. These are:

**25 %**

Emissions Intensity Reduction

**50 %**

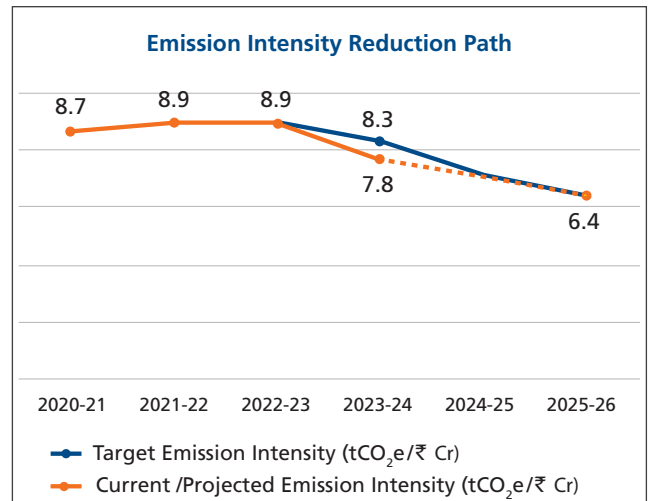
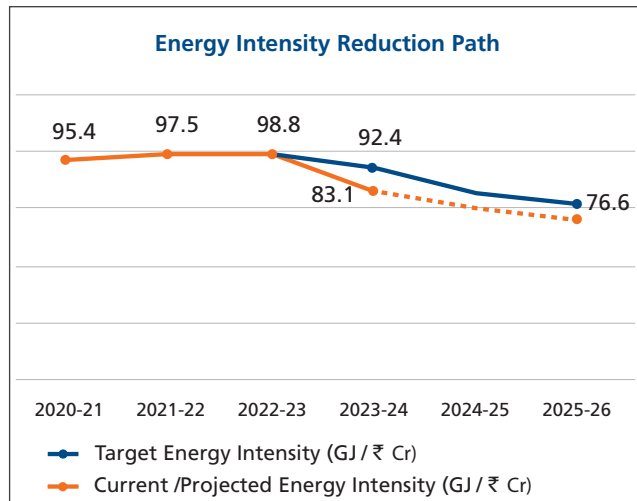
Renewable (% of Electricity Consumption)

**11 %**

Energy Intensity Reduction



Emission and energy intensity reduction target w.r.t baseline FY 2020-21



## Energy

In FY 2023-24, the Company's total energy consumption was 10.5 Mn GJ, comprising direct energy consumption of 8.8 Mn GJ and indirect energy consumption of 1.7 Mn GJ. Total energy intensity has decreased by 15.9% compared to FY 2022-23 and 13% compared to FY 2020-21 (baseline).

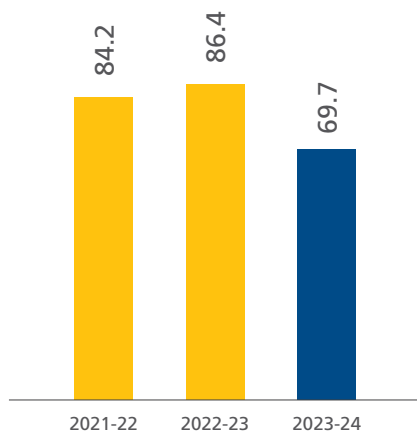
### Renewable Energy

The Company has utilised 43.1 Mn kWh of renewable electricity, which consists of 9.2% of its total electricity consumption (468 Mn kWh) in FY 2023-24.

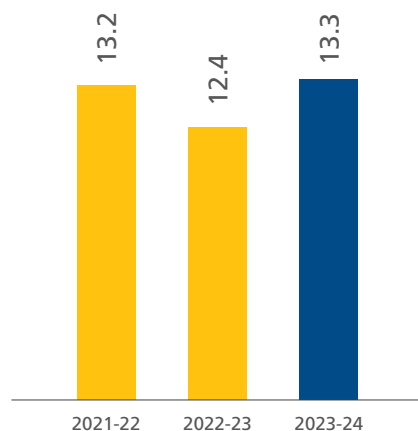
Energy (electricity) from renewable energy sources was 0.16 Mn GJ in FY 2023-24, which has increased around 20% compared to FY 2022-23. The total electricity consumption has increased from 1.3 Mn GJ in FY 2022-23 to 1.7 Mn GJ in FY 2023-24. Compared to FY 2022-23, renewable as a percentage of electricity has decreased slightly due to lower sourcing through PPA. The unavailability of adequate land for installing solar modules, challenges in obtaining green open access for temporary connections, developers' preference for long-term PPAs were the main hurdles faced at project site location.

Source	Quantity Sourced (Mn kWh)
Solar (Captive and PPA)	10.3
Wind (Captive and PPA)	20.1
Others (Hybrid PPA and open access)	12.7

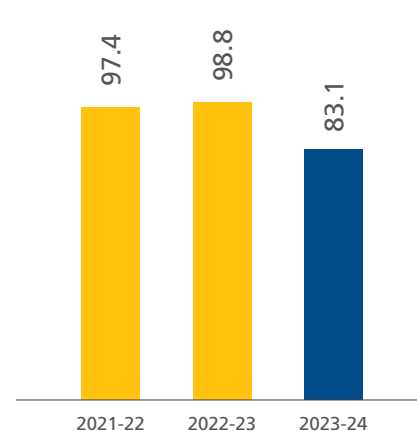
**Direct Energy Intensity**  
(GJ/₹ Cr)



**Indirect Energy Intensity**  
(GJ/₹ Cr)



**Total Energy Intensity**  
(GJ/₹ Cr)



Total energy intensity decreased by 15.9% in FY 2023-24 compared to FY 2022-23, primarily due to a reduction in direct energy intensity by 19.3%. Many project sites, e.g., Rail Vikas Nigam Limited (RVNL) Package 02 and 04 and Chennai Metro Rail Ltd. (CMRL) ECV02, have switched to grid electricity from DG. New project sites have begun with electricity connections from the initial stage.

Additionally, closure or tapering down of certain projects, e.g., Mumbai Trans Harbour Link (MTHL), Mumbai Coastal Road Project (MCRP) Package 01, Delhi International Airport Ltd. (DIAL) Runway, and Dwarka Expressway, and reduction in on site civil construction activities in a few projects, e.g., Mumbai Ahmedabad High-Speed Rail (MAHSR) C4 Package and Chennai Metro Rail Ltd. (CMRL) project, contributed to lower diesel consumption compared to FY 2022-23.

## GHG Emissions

Emissions attributed to the Company's operations arise primarily from the use of fuel, electricity, and material in its operations and processes. As part of its Net Zero strategy, the Company is working on reducing its GHG footprint across the three scopes.

### Scope 1

Emissions from consumption of fuels such as petrol, high-speed diesel, furnace oil, natural gas, LPG, CNG, and acetylene in various construction machinery, diesel generators, and furnaces.

**6,35,646 tCO<sub>2</sub>e**

### Scope 2

Emissions from consumption of grid electricity, sourced from DISCOMs, in various plants, machinery, manufacturing facilities, and offices.

**3,49,682 tCO<sub>2</sub>e**

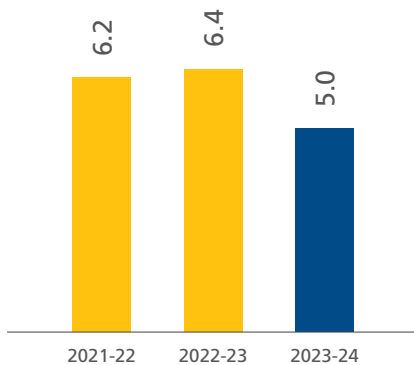
### Scope 3

Emissions from purchased goods, upstream transportation and distribution, employee commuting, and business travel.

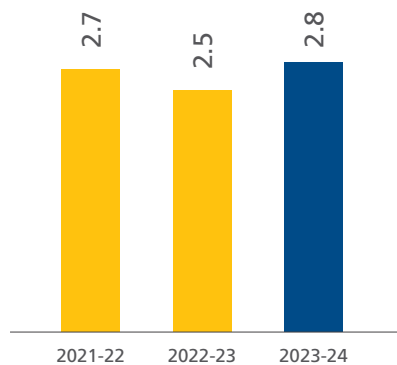
**70,73,536 tCO<sub>2</sub>e**

Scope 3 emissions has been estimated based on the GHG Protocol. More than 95% of Scope 3 emissions comes from purchase of goods and within that category, 90% is contributed by consumption of steel and cement used at project sites.

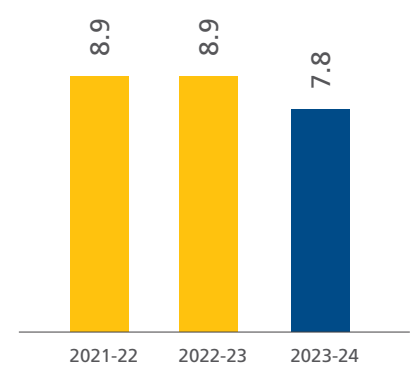
Scope 1 Emission Intensity<sup>2</sup>  
(tCO<sub>2</sub>e/₹ Cr)



Scope 2 Emission Intensity<sup>2</sup>  
(tCO<sub>2</sub>e/₹ Cr)



Scope 1+2 Emission Intensity<sup>2</sup>  
(tCO<sub>2</sub>e/₹ Cr)



Emissions (Scope 1+2) intensity has decreased by 12.2% in FY 2023-24 compared to FY 2022-23 mainly due to a reduction in direct energy consumption intensity.

Emissions avoided in FY 2023-24 due to reduction in emissions intensity of the Company.

**~1,37,000 tCO<sub>2</sub>e**

<sup>2</sup>Emission factor for diesel has been revised to 2.68 from 2.73 tCO<sub>2</sub>e/kL, aligned to latest emission factors in IPCC AR5. Emission factor for grid electricity revised from 0.00081 to 0.000823 tCO<sub>2</sub>e/kWh based on the latest report of CEA, the central authority for power sector in India; [https://cea.nic.in/wp-content/uploads/baseline/2024/01/User\\_Guide\\_Version\\_19.0.pdf](https://cea.nic.in/wp-content/uploads/baseline/2024/01/User_Guide_Version_19.0.pdf)



## Emissions Reduction Initiatives

The Company is implementing various initiatives across the project sites and manufacturing facilities to reduce emissions. Some initiatives and the benefits derived are:

### Fossil Fuel Consumption Reduction through Operational Improvements

Construction machinery used at project sites is typically powered by diesel. As part of cost optimisation initiatives, project teams constantly look for means to maximise the utilisation of such machinery as well as optimise the deployment. These initiatives are enabled using sensor-based technologies and digital tools.

---

**Emissions avoided in FY 2023-24:**  
22,207 tCO<sub>2</sub>e

### Switching from Diesel Generators to Grid Electricity for Power

Various construction project sites are powered by DG sets due to remote locations and hurdles in obtaining grid connections. The Company has taken initiatives across various project sites to obtain grid electricity connections and reduce reliance on DG set.

---

**Emissions avoided in FY 2023-24:**  
12,952 tCO<sub>2</sub>e

### Increasing Renewable Electricity Sourcing

Increasing the Company's renewable share of electricity is one of the areas of focus. In addition to the installation of rooftop solar and third-party PPAs, a few project sites were successfully able to source renewable electricity through Green Tariffs offered by the Distribution Company (DISCOM) during the year. This has enabled these sites to transition to 100% renewable electricity, and similar efforts are being explored and scaled up as much as possible.

---

**Emissions avoided in FY 2023-24:**  
1,675 tCO<sub>2</sub>e

*For other initiatives on energy conservation and renewable energy, please refer to Annexure 'A' to the Board Report.*

## Stack Emissions

The principal source of air emissions is chimney stacks at the manufacturing facilities. The Company ensures that these emissions stay within permissible limits and has been taking initiatives to reduce them. The table shows stack emissions across different manufacturing facilities of the Company.

### SO<sub>x</sub>, NO<sub>x</sub> and PM Emissions (mg/m<sup>3</sup>)

Location	FY 2022-23			FY 2023-24		
	SO <sub>x</sub>	NO <sub>x</sub>	PM	SO <sub>x</sub>	NO <sub>x</sub>	PM
Hazira	18	26	15	24	19	45
Pithampur	22	21	61	16	14	26
Kancheepuram	11	44	38	10	46	37

**Adopting Cleaner Fuels**

Hot Mix Plants (HMPs) are required for flexible pavement construction and typically use furnace oil or High Speed Diesel (HSD) as fuel in the burners. Project teams at the DIAL expansion project and Meerut Aligarh Road project explored options to decarbonise the energy consumed in HMPs and identified a solution to replace traditional burners with dual fuel burners which were powered with Compressed Natural Gas. CNG is a comparatively cleaner fuel than furnace oil or HSD and thereby, the teams were able to reduce the emissions from HMP operations.



Emissions avoided in FY 2023-24: 1,017 tCO<sub>2</sub>e

**Replacing LPG with CBG**



The Company's Pithampur factory (capacity ~1 lakh TPA) produces galvanised steel components for a range of power transmission line towers. The factory is equipped with the latest CNC lines for the fabrication of towers and microprocessor-based temperature-controlled systems for the galvanisation of tower members. Galvanising operations were powered by LPG, which itself is a relatively clean fuel compared to diesel. To further lower the carbon footprint, the team initiated replacing LPG with Compressed Biogas (CBG) and redesigned the production facility, along with the control systems. CBG was sourced from Indore Municipal Corporation, which has one of India's largest Bio-CNG plants. This plant generates CBG from the processing of municipal solid waste and agri waste and has almost zero carbon emissions due to feedstock being waste products.

Emissions avoided in FY 2023-24: 2,490 tCO<sub>2</sub>e.

**Piloting Biofuels**

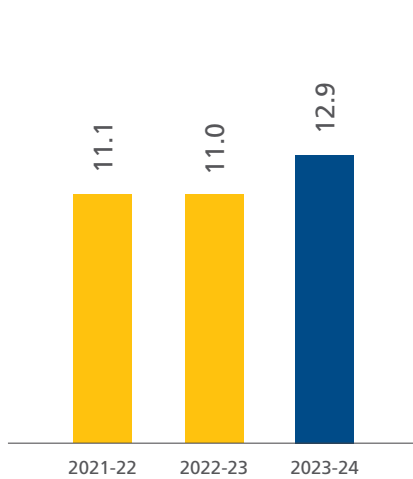
Under Carbon Neutrality initiatives, the Company has also started exploring options to replace fossil fuels with biofuels and identified an agency for sourcing renewable diesel. The key differentiator for this supplier is the use of agri and agro-industrial waste as feedstock compared to vegetable oils or animal fats typically used for generating biodiesel. The Company has successfully conducted pilot studies with up to 30% blending of this renewable diesel with traditional diesel and has started implementation at some project sites. This initiative would be gradually scaled up, both in terms of coverage across sites and increased blending.



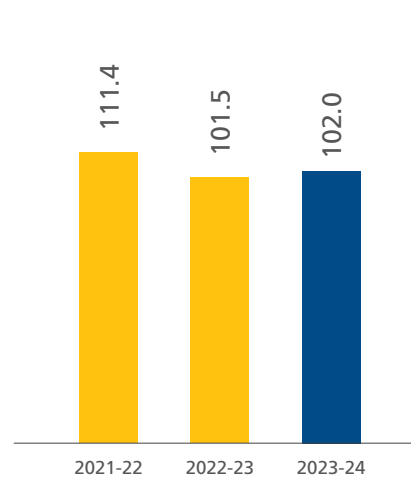
## Water

EPC projects and Hi-Tech Manufacturing do not have water intensive processes compared to other industries. Water consumption for the Company is primarily driven by water required in civil works in EPC projects. The Company has identified various initiatives to reduce water consumption and increase wastewater recycling at project sites and manufacturing facilities. The manufacturing facilities and even a few projects are Zero Liquid Discharge locations, mostly recycling and reusing the wastewater generated for various purpose. For example, gardening, toilet flushing, and ancillary activities in construction sites, such as dust suppression, equipment washing, and other areas.

Water Consumption (Mn kL)



Water Consumption Intensity (kL/₹ Cr)



The Company has made improvement in FY 2023-24 for capturing data related to water withdrawal, consumption, and discharge. However, the Company has more than 700 project sites in operation, and which are by definition temporary and with open boundaries. Water is taken from multiple sources, as per site conditions and discharged through multiple points. These issues create significant challenge in putting direct measurement systems and therefore, indirect estimation has to be made which presents difficulty in completeness and traceability of the data as required for reasonable assurance standards. To improve data collection and reporting, the Company is redesigning the Standard Operating Procedures (SOPs) which will based on reasonable assurance requirements, and this will be rolled out to all the sites/locations. Additionally, the Company is finalising the digital solutions which would enable direct measurement without manual intervention.

### Improving Rainwater Harvesting

In Mumbai Ahmedabad High-Speed Rail (MAHSR) project, one of the sections has implemented a rainwater harvesting system with a conservation capacity of ~6500 kL, conceptualised at the design stage itself. Water conserved is stored in a storage tank for use in site activities and provided to the community for irrigation and other uses. Additionally, the energy spent in sourcing water is also avoided.





**Using Steam Curing to Reduce Water Consumption**

Underground metro rail and main line rail tunnel projects require tunnel rings to provide stability and strength to the structure. Traditionally, the tunnel ring segments are pre-casted using a water curing process. However, the cycle time and water requirement are high in this process. The steam curing method was implemented at two projects - Chennai Metro Rail Ltd (CMRL) TU02 and Rail Vikas Nigam Limited (RVNL) 04 Project. This involved a special setup to apply high temperature steam to freshly casted segments in a controlled environment. This method accelerates the curing process, leading to faster strength development and reduced curing time and water consumption compared to the traditional method. Segment curing time was reduced by 50%, enabling faster tunnel construction and water requirement for the curing process was reduced by ~60%.

**Recharging Groundwater**

In some underground metro projects, dewatering is required to enable proper working conditions. Typically, the water extracted in the dewatering process is sent to a stormwater drain. In the Chennai Metro Rail Ltd (CMRL) TU02 Project, the project team came up with a design to process the water from the dewatering process and then recharge groundwater through borewells. This enabled not only safe discharge of the water but also helped replenish groundwater. Approximately 21 kL per day of dewatered quantity was sent to recharge wells. In FY 2023-24, the site was able to recharge ~3,520 kL of water.



**Recycling Wastewater**

Talegaon facility is an important manufacturing unit for the Company. The business team has been implementing initiatives over the years to improve the environment performance of the unit. In FY 2023-24, the unit implemented measures to reduce water consumption. Key measures taken were: digital meters installation to monitor consumption on a per-building basis, MBR technology-based STP (Sewage Treatment Plant) installed to replace the old STP, pipelines to segregate touch and non-touch water from the storage tank, and use of treated water for flushing, topping up cooling towers, and gardening purposes. As a result of the initiatives taken, the facility has been able to reduce freshwater consumption per capita by ~70%.





## Awards and Accolades



Green Leaf Award in Energy Efficiency category for MAHSHR C4 Project



CII National Award for Environmental Best Practices



CII DX Award for Best Practice in Digital Transformation - Equipment monitoring



National Environment Award - Industrial Construction Sector at Global Safety Summit



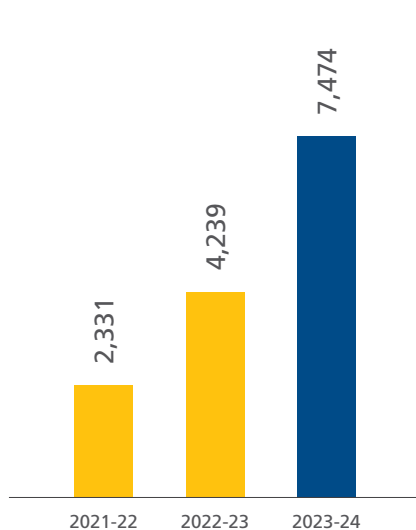
## Waste and Circular Economy

Waste management is a material topic and a key focus area for the Company due to the volume and type of material used in EPC projects and manufacturing. The strategy to manage waste is aligned with the principles of Circular Economy and focusses on the 3Rs, i.e., Reduce, Reuse, and Recycle. Waste management is integrated into the EHS management system with comprehensive guidelines and procedures to ensure proper waste management. Measures include waste identification, segregation, collection, recycling, and disposal. The Company has tied up with registered waste processors and waste handling agencies and ensures that all regulatory compliances are met.

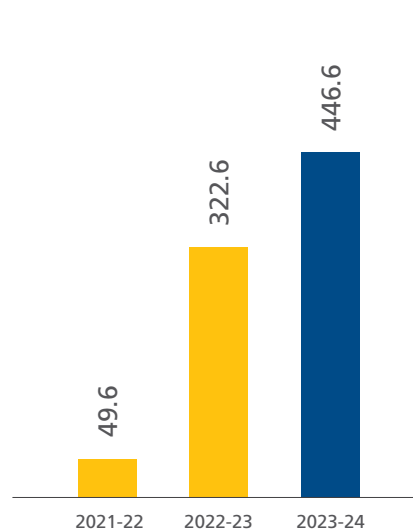
### Waste Management Measures

- Hazardous waste is stored and transported as per the statutory requirements
  - Hazardous waste, such as used oil, oil-soaked cotton waste, used chemical/paint/oil containers, batteries, paint residues, ETP sludge; Electronic waste (e-waste); and Biomedical Waste, are disposed of through Government-approved recyclers/re-refiners/re-processors and according to the statutory requirements
  - There is no import, export, transport, or treatment of any hazardous waste covered under the Basel Convention
- Non-hazardous waste is either reused, recycled, or disposed according to the relevant procedures

Hazardous waste (tonnes)



Non-hazardous waste ('000 tonnes)



**> 50%**  
Waste Recycled/Reused of

**2.4 lakh tonnes**  
Construction and Demolition  
waste generated

The significant increase in waste generation is due to enhancement in waste data capturing/reporting across different businesses and on account of higher material consumption linked to significantly higher execution.

## Recycling and Reusing the Waste

Concrete waste is generated in civil works related to infrastructure projects. Typically, this is disposed through authorised agencies or sent to landfills. The concrete waste also consumes space at the

project site. In the Kudankulam Nuclear Power Project, the project team established a crusher plant to process this concrete waste. Concrete waste of ~160 tonnes was crushed and processed into aggregates of

different sizes. This was reused in making solid blocks and aggregates for use in construction and infrastructure works in workmen colony at the site.



Approach road using steel slag



Paver Blocks from concrete waste



Benches and chairs for labour colony from wooden waste



Support structure using steel scrap



Reuse of Concrete Waste - structure pedestal, building floor, canteen benches



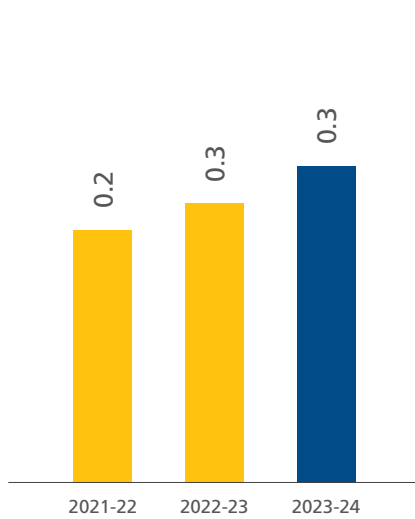
## Extended Producers Responsibility (EPR)

In 2022, the Ministry of Environment, Forest, and Climate Change (MoEFCC) made amendments to EPR Rules related to plastic waste, e-waste, and battery waste. As a result, the coverage of the Rules was extended to importers, who could generate plastic waste from packaging of imported materials; e-waste, which could be generated from imported electronic or electrical items; and battery waste, which could be generated from imported batteries or equipment containing batteries. The Company has obtained registration as an importer under the EPR Rules for all three waste categories. To comply with EPR Rules and improve the waste management systems, the Company has created processes and undertaken awareness sessions for the concerned departments.

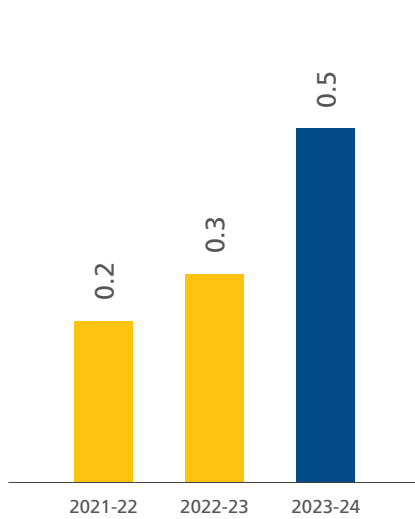
## Material Management

Steel, cement, aggregates, and sand are major materials used in the operation. The Company is striving to increase the use of sustainable and eco-friendly materials as well as the recycling of materials within its production facilities. At the Company’s transmission tower production facility, sustained efforts are being made to recycle steel and zinc that are consumed in the operations. However, design standards and customer specifications are limiting factors in increasing the use of non-virgin or waste materials, e.g., fly ash and GGBS. The Company actively promotes and tries to maximise the use of such materials for various applications across construction projects.

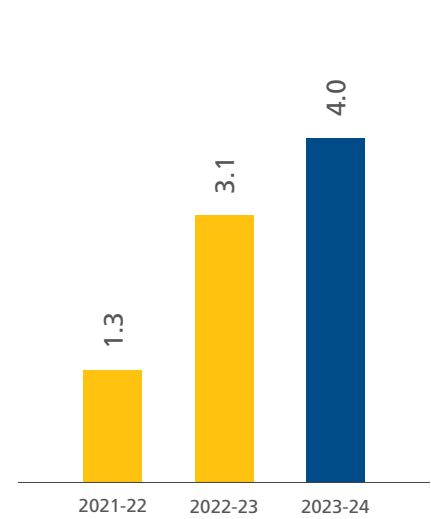
**Fly ash (Mn tonnes)**



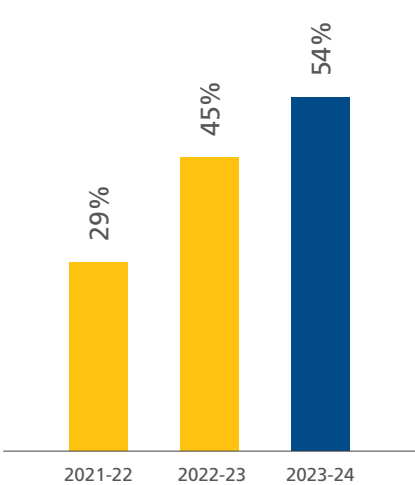
**GGBS (Mn tonnes)**



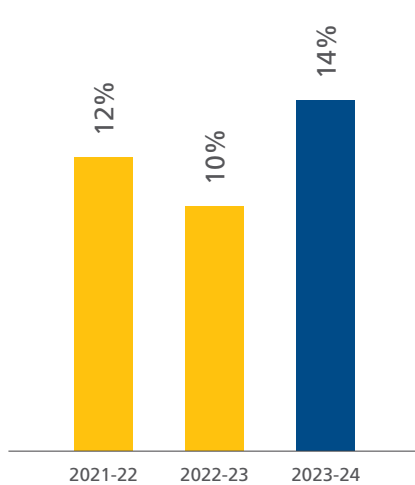
**Manufactured Sand (Mn tonnes)**



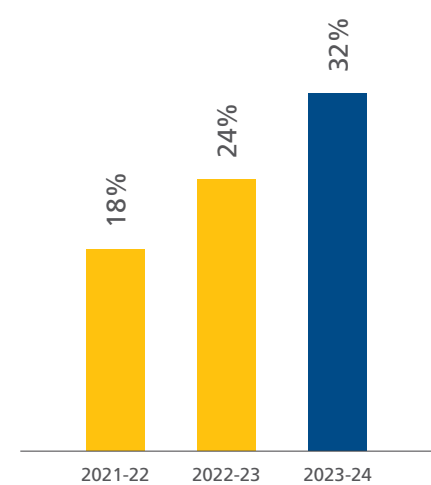
**% of Manufactured Sand used in place of sand**



**Share of Fly ash and GGBS in cementitious materials**



**% of Eco-Friendly and Recycled materials of total bulk materials**





### Presence in Eco-Sensitive Areas

The Company has operations in a few eco-sensitive areas (such as national parks, coastal regulation zones) that are subject to the nature of the business. The Company complies with all applicable rules and regulations for such locations and ensures that 'Do No Harm' approach is followed during the operations. Further, the Company has taken additional steps to mitigate the impact on the environment. A list of projects in these eco-sensitive locations is provided in Essential Indicator No. 11, and prevention and remediation measures taken are indicated in Leadership Indicator No. 3 in Principle 6 of the BRSR.



### Green Buildings of the Company

The Company has been at the forefront of promoting and creating Green Buildings both for itself as well as its clients. In FY 2023-24, L&T Data Center-1 in Kancheepuram, received Indian Green Building Council (IGBC) Platinum rating while one of the buildings in Chennai campus received IGBC Net Zero rating for design. Leadership Development Academy (LDA), Lonavala, was re-certified as IGBC Platinum in FY 2021-22, and A. M. Naik Tower, Mumbai, was certified as Leadership in Energy and Environmental Design (LEED) Platinum in FY 2020-21. There are 12 other buildings across various locations certified at different periods.



## Biodiversity

### Tree Plantation

L&T planted ~4 million saplings in FY 2023-24, with over 99% planted by Water & Effluent Treatment (WET) business. Over the years (2008-2024), L&T has planted around 13 million saplings. During 15-17 August 2023, a massive plantation drive 'Project GreenHands' was undertaken with more than 2.5 million saplings planted across 559 project sites.



Chennai HQ



Boudh and Kandhamal project, Odisha



Ad Dakhiliyah project, Oman



Lower Sutkel project, Odisha



24x7 water project, Pune



Indore water project, Indore



Water Technology Centre, Kancheepuram



Bargarh project, Odisha



### Blue Carbon Initiatives

Mangroves are salt-tolerant plants growing in the coastal zone in the tidal areas and estuaries of rivers. Mangroves play a very significant role in maintaining the coastal environment, reducing the impact of wave action and erosion in the coastal areas, preventing salinity and seawater ingress into the inland agricultural areas, and protecting the coastline from the impact of cyclones. Apart from these ecological functions, mangroves play a very significant economic role in the lives of the coastal village communities. The villagers are dependent on mangroves for fodder, fuelwood, and fishing.

L&T's A. M. Naik Heavy Engineering Complex is located near the coastal region of Hazira (Surat), Gujarat. The Company has undertaken initiatives

to maintain coastal environmental integrity and compensatory eco-restoration in a time-phased mangrove plantation programme over 150 hectares at Katpor village in Hansot block of Bharuch district. The plantation activities were completed in 2014-15 with community participation. The plantation is maintained by the village-level community-based organisation in association with Gujarat Ecology Commission (GEC) through gap-filling activities and protecting the plantation through social fencing. To improve the biodiversity of the area, and particularly, Bharuch coast, new species like *Rhizophora mucronata* and *Ceriops tagai* were also planted on an experimental basis. The Company is working towards planting mangroves in other locations along coastal area.



Before Plantation



Current state

## Strategy for Climate Change Mitigation and Adaptation

As the effects of climate change intensify, establishing a pre-emptive strategy to respond to the risks and opportunities has become a significant factor for a company’s long-term competitiveness and business growth. Based on the international framework<sup>1</sup>, climate change risks can be classified into transition and physical risk. Transition risk represents the risk that may arise during the transition to a low-carbon economy – categorised into risks resulting from law and policy, technology, market, and reputation. Physical risk represents the risk arising from physical impacts such as flooding and rising temperatures – categorised into acute and chronic risk. On one hand, managing climate change-related risks is crucial for the Company, and on the other, it also provides opportunities for growth for current and new businesses. A brief overview of risks and opportunities is presented below:

### Transition Risks



#### Regulatory

##### Risk

Sustainability performance and disclosure requirements are increasing each year. The Company is operating in more than 700 locations. This increases complexity in compliance with changing regulatory requirements, e.g., new KPIs introduced in BRSR Core and may lead to higher operating costs.

##### Company’s Plans and Actions

The Company tracks the changes in legal and regulatory requirements and accordingly strengthens internal systems and processes. This includes the use of technology and digital applications to assist in data management and reporting.



#### Technology

##### Risk

EPC projects are heavily dependent on construction machinery, which are typically powered by fossil fuels, and in some cases, by electricity. Most technology options available in the market are not viable for use at project sites. Replacing the existing assets or modifying the current site setup may require a significant amount of capital expenditure.

##### Company’s Plans and Actions

The Company has initiated actions related to reducing fossil fuel consumption, e.g., replacing diesel-powered equipment with electricity-powered ones. Additionally, exploring options such as electric P&M to enable a smooth transition.



#### Market

##### Risk

The Company has a presence in the value chain linked to fossil fuels, e.g., thermal power and oil & gas. Also, any demand reduction is a business risk. Resources and investment devoted to these segments may pose risk of becoming irrelevant or impaired.

##### Company’s Plans and Actions

The Company assesses the outlook for the businesses at risk and identifies opportunities for reallocating resources. Options are being explored for repurposing the investment already made.

<sup>1</sup>Frameworks e.g., Task Force on Climate-Related Financial Disclosures (TCFD)



## Physical Risks



### Acute

#### Risk

Extremely high temperatures pose a danger to the health and safety of the workforce and could impact productivity, and in turn, project schedules and deliverables.

The frequency and intensity of extreme precipitation events are increasing extensively. It poses a significant risk to the operations of the Company as well as damage to the assets.

#### Company's Plans and Actions

The Company assesses the measures to handle such situations, and appropriate measures are taken to reschedule working hours, provide proper breaks, ensure availability of drinking water, adopt additional measures for the health and safety of the workforce, and conduct awareness sessions.

As a part of risk management, the impact of such events is assessed, and mitigative actions are taken. Monsoon preparedness plans are a standard condition nowadays for all project sites and cover not only the protection of equipment and backup facilities but also the plan for restoring normal operations.



### Chronic

#### Risk

Weather conditions experienced at work locations may be significantly different from historical or predicted meteorological data. This may impact the preparedness of the work location and could impact the operating costs.

Along with climate change, water stress has increasingly become a global risk. As a result, new regulations related to water use and withdrawal are being formulated and enforced. This may impose an additional burden on operations to find alternate assured sources of water.

#### Company's Plans and Actions

The Company's work locations, particularly the project site locations, track the current weather pattern through information obtained from the Meteorological Department. Deviations observed against the original information are factored into the project schedule, as well as additional actions to ensure the safety of resources/assets.

The Company is focussing on reducing groundwater withdrawal, particularly in water-stressed areas. Initiatives are being taken to reduce water consumption through use of curing compounds and plasticisers for concrete curing works and admixtures for concrete production. Other initiatives are focussed on improving wastewater recycling and the use of treated wastewater from municipal corporations and rainwater harvesting.

**Mitigating Effect of Heatwaves**

Extreme summer heat in India and Middle East, exacerbated by frequent heat waves, impacts productivity as well as health and wellbeing of the workforce. The impact is more severe for project sites operating in open environment. The Company takes proactive measures to safeguard the workforce from adverse effects of the intense heat through additional health measures, working time adjustments and advisories/awareness sessions. The Company holds frequent medical check-ups and makes a doctor available fulltime for identifying the symptoms of heat stress in the workforce. Health advisories have been issued by the Corporate Medical team as well as respective business EHS teams to

all employees and workmen. Special awareness sessions on heat stress are also held across projects sites and manufacturing facilities. The Company is providing first-aid training, as well as arranging regular supplies of ORS, lemon water, glucose water and buttermilk to workers. Additional shelters and restrooms are provided across site locations and air coolers are installed in workmen habitats. The working schedule is adjusted to prevent exposure to peak daytime temperatures and extended lunch breaks, from noon to 3 PM and even 11 AM to 5 PM in extreme cases, are given to workmen engaged in outdoor work.



## Climate Change Opportunities



### Energy Source

#### Opportunity

Several possibilities are emerging to source renewable energy, and in most cases, these lead to a reduction in the direct cost of operation.

#### Company's Plans and Actions

The Company has initiated interventions to increase the sourcing of renewable electricity. Also, initiated of biodiesel blending with diesel.



### Resource Efficiency

#### Opportunity

Reducing natural resource consumption in operations is one of the key pillars of sustainability for the Company. Opportunities are available not only to reduce direct costs but also to provide such services for clients, which, in turn, enables them to chart their journey in climate change mitigation.

#### Company's Plans and Actions

The Company actively pursues substituting traditional material, e.g., cement, with non-virgin or environment-friendly materials such as fly ash and GGBS. Ferrous, non-ferrous and construction and demolition waste are being reused to the maximum extent.



### Products and Services

#### Opportunity

Demand for 'green' and 'sustainable' products and services is increasing across the world. Also, clients are diversifying to build sustainable infrastructure assets.

#### Company's Plans and Actions

The Company offers a bouquet of solutions under 'Green Business', which enables clients to reduce their environmental footprint. These businesses comprise clean energy, clean mobility, water and sanitation, green infrastructure, and other areas.



### Market

#### Opportunity

One of the levers of energy transition is green hydrogen, and many industries are exploring opportunities to adopt this energy source.

#### Company's Plans and Actions

The Company has incubated a business linked to green hydrogen. This involves the manufacturing of electrolyzers as well as the supply of green hydrogen as a fuel.



# MANUFACTURED CAPITAL





Manufactured capital for L&T comprises businesses in EPC Projects and Hi-Tech Manufacturing. The Company strives to maintain its leadership position across various industry segments through delivery excellence, technology-enabled solutions, and innovation. This helps support business growth and value creation by the Company by enhancing its offerings to the clients as well as opportunities to improve on various parameters, e.g., resource productivity and equipment utilisation. Outlook for various industry segments is positive on the back of high public investments. However, challenges continue to remain due to macro factors as well as industry specific issues. The Company aims to maintain a strong Order Book position, which provides a firm foundation to continue the growth momentum in the forthcoming years.

### Key Highlights of FY 2023-24

**716**

Active project sites

**18**

Manufacturing facilities

**₹ 63,426 Cr**

Green Business revenue

### Strategy Linkage<sup>1</sup>



### SDGs Impacted



### Material Topics

- |  |  |
|--|--|
| Customer Experience and Satisfaction             | Quality of Products and Project Delivery |
| Water, Waste, and Hazardous Materials Management | Skilled Manpower                         |
| Sustainable Supply Chain                         | Human Rights and Labour Conditions       |
| Data Security, Privacy, and Cyber Security       | Brand Management                         |

<sup>1</sup> For details, refer to 'Business Model and Strategy' section.

## Hi-Tech Manufacturing

The Company has created manufacturing facilities that are globally recognised capabilities for producing engineered-to-order equipment solutions for process plants, nuclear power plants, aerospace and other sectors.



### A. M. Naik Heavy Engineering Complex, Hazira, Gujarat

World-class manufacturing complex with cutting-edge technology adopting Industry 4.0.



### Modular Fabrication Facility, Kattupalli, Tamil Nadu

Strategically located, state-of-the-art, all-weather waterfront Modular Fabrication Facility.



### Shipbuilding Facility, Kattupalli, Tamil Nadu

Globally recognised shipbuilding facility near the waterfront.



### Strategic Systems Complex, Talegaon, Maharashtra

A recognised facility for prototyping and manufacturing precision engineering and sensor systems.



### Manufacturing Units, Kancheepuram, Tamil Nadu

Manufacturing units related to businesses in areas of transmission tower manufacturing and rubber processing machinery are located at Kancheepuram (~70 km from Chennai). It has a Transmission Tower Testing and Research Station as well, which provides design and testing services to clientele from 33 countries.

There are other smaller manufacturing units in Coimbatore, Tamil Nadu and Mumbai, Maharashtra.

*A detailed description of the business capabilities, achievements, and sector outlook is covered in the 'Management Discussion and Analysis' section of this Report.*





## EPC Projects

This segment comprises businesses that are recognised for their end-to-end design-to-deliver capabilities to create assets linked to infrastructure, energy, and metals. These businesses have established credentials in conceptualising, designing, executing, and commissioning large and complex projects for various industries and segments.



### Buildings & Factories

The entire spectrum of solutions for urban infrastructure, hospitals, IT infrastructure and data centers, and industrial plants.



### Transportation Infrastructure

Full spectrum of solutions for highways, bridges, elevated corridors, runways, railways, and mass transit systems.



### Heavy Civil Infrastructure

Complex projects related to high-speed rail, mass transit systems, nuclear power plants, hydroelectric power plants, tunnels, ports, and marine structures.



### Power Transmission & Distribution

Solutions for power transmission lines, substations, cable networks, solar PV plants, mini/microgrids, and digital solutions for power systems.



### Water & Effluent Treatment

The entire spectrum of solutions for water treatment and distribution, wastewater treatment and collection, desalination plants, irrigation, industrial effluent treatment, water management, and smart water.



### Minerals & Metals

Solutions for iron and steel plants, non-ferrous smelters and refineries, mineral beneficiation plants, speciality conveyors, and mining and bulk material handling equipment.



### L&T Energy – Hydrocarbon

Large and complex projects related to oil and gas extraction, upstream oil and gas processing, mid and downstream processing, pipelines, storage tanks and terminals, and coal/pet-coke gasification.



### L&T Energy – Power

Large and complex projects related to thermal power plants, nuclear steam and turbine islands and environment solutions for power plants.

*A detailed description of the business capabilities, achievements, and sector outlook is covered in the 'Management Discussion and Analysis' section of this Report.*

## Green Business

Linked to two Strategic Objectives of the Company, i.e., SO-III (*Developing business offerings to ride the Energy Transition*) and SO-V (*Enabling business sustainability through a high focus on ESG and Shareholder Value Creation*), the Company offers a bouquet of solutions to create sustainable and green assets for its customers. These solutions, termed 'Green Business', are centred around clean energy, clean mobility, water and sanitation, green infrastructure, and other areas linked to a greener future. The Company enables its customers improve energy efficiency, lower carbon emissions, enhance water use efficiency, increase wastewater recycling, reduce air pollution, and enable resource

conservation through recycling or repurposing through its Green Business offerings.

The Company has referred to the 'FTSE Green Revenues Classification System 2.0 (GRCS) <sup>2</sup>, which is comprehensively aligned to the EU Taxonomy, for mapping revenues from products and services that have a positive impact on the environment.

The Green Business contributed ₹ 634 billion (50%) to the revenue of the Company as compared to 37% in FY 2023. The Company had aimed to increase its share of Green Business to 40% of revenue as part of its Lakshya 2026 strategy plan.

A third-party assessment was conducted in the previous year to understand the positive impact of Green Business on the environment. It was estimated that the projects commissioned in FY 2021-22 and FY 2022-23 would help avoid emissions annually to the tune of 1 million tCO<sub>2</sub>e. The Company's green commitment has also been acknowledged globally by Engineering News-Record (ENR), which is one of the globally recognised construction industry publications. L&T has been ranked third in the Top 200 Environment Firms Survey by ENR for the second year in a row (2022, 2023).

### Clean Energy

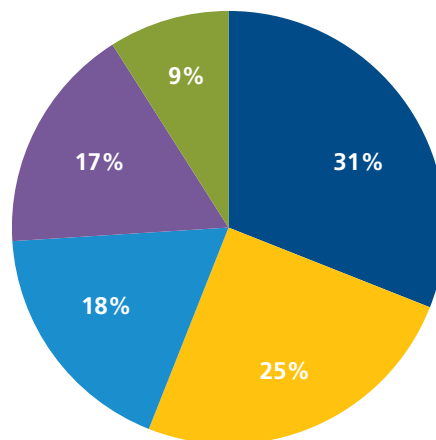
- Renewable Energy (Solar, Hydro)
- Nuclear

### Green Infrastructure

- Green Buildings

### Others

- Efficient Power Transmission and Distribution Systems
- Process Equipment for Biodiesel/Clean Fuels
- Surface Miners/Sand Plants, etc. (Except for Coal)



### Clean Mobility

- Mass Transit Systems (Metro Rail, Light Rail Transit)
- High-speed Rail, Semi-High-speed Rail
- Conventional Railway

### Water & Sanitation

- Water Supply
- Irrigation
- Treatment Plants (Water, Wastewater, Effluent)
- Network (Wastewater)

<sup>2</sup> Globally accepted FTSE Green Revenues Classification System is a taxonomy used to define and measure industrial transition to a Green Economy. It captures environmental products and services covering 10 green sectors, 64 subsectors and 133 micro sectors; <https://www.lseg.com/en/ftse-russell/green-revenues-data-model>



The Company's Green Business offerings fall under two common strategies to handle climate change.

## Strategy

Climate Change Mitigation -  
Reduce the impact of current processes/systems on  
the environment

Climate Change Adaptation -  
Building resilience to manage the  
consequence of changes

Infrastructure/assets created under mitigation also help in adaptation through second-order effects.

## Offerings

Renewable Energy Plants, Nuclear Energy Plants,  
Mass Transit Systems, Railway Networks, and Others  
(Process Equipment for Clean Fuels)

Water and Sanitation Infrastructure, Green Buildings,  
and others (Smart City Systems, Sand Plants)

## Snapshot of Company's Green Business



Water Treatment Plant



Hydro Power Plant



Mass Transit System



Railways



Solar Power Plant



Nuclear Power Plant

# HUMAN CAPITAL



From driving innovation to delivering exceptional customer experience, the workforce of L&T plays a pivotal role in shaping the trajectory of the Company. L&T has a multi-generational workforce drawn from diverse ethnic and cultural backgrounds and brings a rich mix of educational and professional experience. The Company fosters a fair, inclusive, performance-driven, and collaborative work culture. L&T aspires to create a pipeline of talent that can deliver for diverse businesses while conforming to L&T's values and ethos. The Human Resources function plays a key role in developing, reinforcing, and transforming the organisation.

### Key Highlights of FY 2023-24

**59,344**

Total employee strength

**6.9** Mn

Safety training man hours

**33** Years

Median age of employees

**0.07**

Lost Time Injury Frequency Rate (LTIFR)

### Strategy Linkage<sup>1</sup>



### SDGs Impacted



### Material Topics

Employee and Workforce Engagement, Well-being, Health and Safety

Skilled Manpower

Talent Management - Attraction, Retention and Development

Diversity, Inclusion and Equal Opportunity

Human Rights and Labour Conditions

Business Ethics

Brand Management

<sup>1</sup> For details, refer to 'Business Model and Strategy' section.



## HR Strategy


L&T continues to implement various strategic and developmental initiatives to promote growth and enhance efficiency at the organisational level. The approach is at two broad levels - Lakshya Strategic Plan (medium-term) and Annual Plan (short-term). HR Strategy is a derivative of the Lakshya 2026 business strategy plan. Lakshya 2026 Corporate HR Steering Committee, comprising senior leaders across functions, identified five strategic themes to be a future-ready organisation.





The annual action items initiated in alignment with the five strategic themes identified are as follows:

**Strategic Themes and Key initiatives in FY 2023-24**



**Employee Experience**

- Project NEEV

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- Talent Council

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- Employee-centric policies and schemes




**People Leadership at Core (along with Talent Mobility)**

- Launch of People Leadership Excellence Framework

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- Roll out multiple training programmes anchored around five dimensions of the People Leadership Excellence Framework

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- 270-degree feedback for people managers

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- People Leadership Development Programme



**Agile Leadership**

- HR competency framework aligned to be future ready; mapped across HR roles, and a role-proficiency matrix designed to set capability expectations and support development of team members in HR

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- Organisation Structure - Developed a structured process and guidebook to facilitate discussions on organisation redesign, ensuring agility and responsiveness to evolving needs



**Diversity, Equity, and Inclusion**

- Diversity Ratio 8.1%

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- Implementation of a progressive maternity leave policy

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- Introduction of enhanced facilities for women employees in terms of flexibility, travel allowances, and childcare

---

- Institutionalised first-of-its-kind DEI Awards Ceremony and Allyship Awards



**Alternate Talent Model**

- Various choices of consideration with respect to the Alternate Talent Models way of working – gig workers/part-time/freelance being studied

---

- By exploring these alternatives, organisations can better adapt to the evolving workforce landscape with the consideration of regulatory guidelines and compliances

## Accelerating HR Digitalisation

L&T's HR Digitalisation journey began in 2019 with the incorporation of an advanced ERP system in the form of Success Factors. The Company extended the platform in 2023 with further enhancements by introducing Performance Management, Career Development, and Succession Planning modules. Subsequently, the Company launched the 270-degree feedback module as well.

The Company has a robust Talent Acquisition module integrated into the ERP system. **HEERA**, an AI-enabled bot, is integrated with

MS Teams, aiding in conducting quick engagement surveys across the organisation. HEERA provides a window for employee queries and resolutions with a resolution effectiveness of 99%. The Company implemented an online compensation management platform in 2023. This platform is implemented across all businesses, thereby bringing efficiency to traditional compensation management methodology. The Company is also in the preliminary stage of launching a new Learning Management System and a Workforce Analytics module.

The launch of ATLVarsity has brought a plethora of L&T's learning and development offerings under one platform. As a step towards democratising learning opportunities, this multi-faceted learning platform offers a variety of rich learning resources (behavioural, technical, and functional) in collaboration with globally renowned course providers like Skillsoft, Coursera, EBSCO, and so on.

## Talent Strategy

The **Strategic Leadership Talent Acquisition** function regularly augments its leadership hiring strategies to identify, select, and onboard high-calibre talent across various businesses in line with strategic plans. The team continues to support the expanding portfolio of businesses such as Semiconductor, Green Energy, SuFin, Data Center, and Corporate, enabling functions across the globe, in addition to meeting the needs of leadership talent in our businesses.

**Young Talent Professional Acquisition** is a commitment of the Company to nurture talent. In FY 2023-24, the Company continued to stay anchored to the core philosophy of 'Growing our own timber,' by attracting, recruiting, and onboarding over 2,600 young engineering professionals across various business verticals within L&T Group as GETs and PGETs.

**30%**

**GETs and PGETs hired were women over the last two years**

GET: Graduate Engineering Trainee  
PGET: Post Graduate Engineering Trainee

These accomplishments not only reflect our relentless pursuit of excellence but also the Company's commitment towards enhancing gender diversity. Additionally, more than 1,600 young professionals have been onboarded, comprising MBA Graduates, Chartered Accountants, Cost Accountants, Diploma Engineers, and other trainees.

Beyond recruitment, the focus is on crafting a distinctive employer brand through strategic sponsorship programmes at various engineering institutes, social media engagement, and other branding initiatives. L&T continues to be the employer of choice among budding Engineering professionals.



At L&T, the candidates are nourished through the engagement programme GRACE (Get Ready for an Awesome Career in Engineering), which encompasses pre-joining initiatives such as radio podcasts and gamified content on business achievements through leader boards, quizzes, webinars, micro-learning platforms, and competitions.

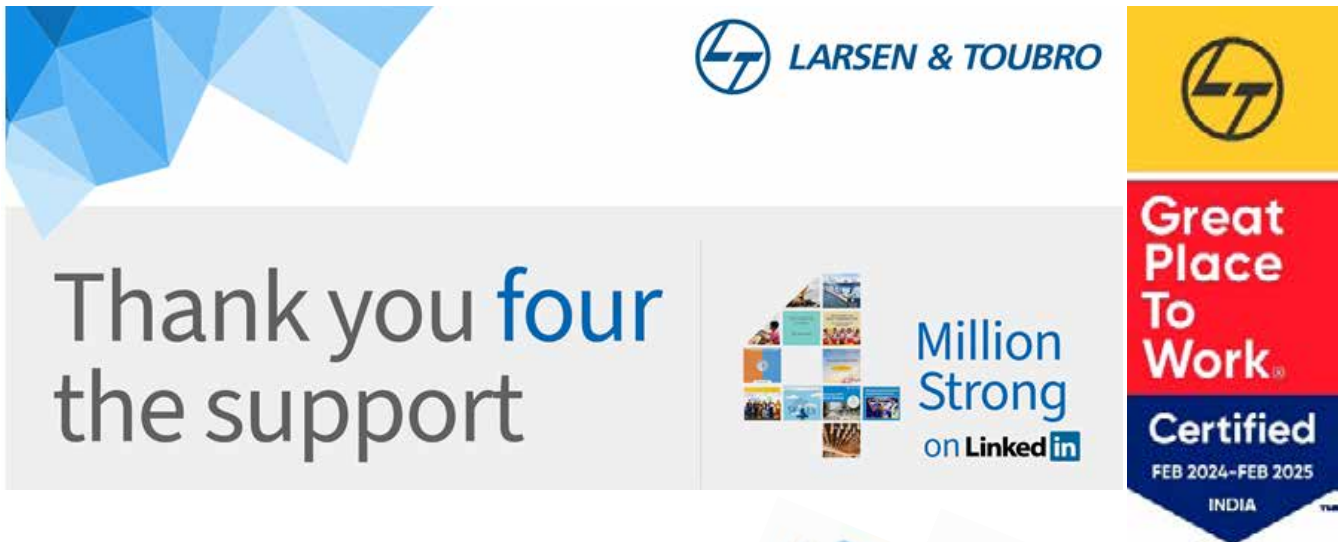
Young Professional Talent Acquisition holds strategic significance for the organisation as it pertains to the onboarding of new talent and their subsequent development into future leadership positions. It also contributes to maintaining a youthful workforce and shaping a well-balanced manpower structure.

## **Building a Powerful Employer Brand: FY 2023-24 Highlights**

The Company's branding strategies are deeply rooted in the organisation's Employee Value Proposition (EVP). The content across various channels, such as LinkedIn and YouTube, is aligned with EVP and has successfully increased brand awareness and fostered deeper engagement with our audience.

Besides the continued efforts on social media, the position of the Company has been reinforced as an employer of choice by participating in various industry

forums and awards. This year's accomplishments include achieving the 'Great Place to Work 2023' certification (second time in a row), recognised as India's Best Employer among Nation Builders 2023 by Great Place to Work India, recognised as a Company with Great Managers Award for the third time consecutively, CII HR Excellence Award, Golden Peacock Awards 2023, ET HR Awards 2023, and the prestigious awards at the international scale such as Brandon Hall HCM Excellence Awards and Gold Stevie Best Employer 2023.



## Talent Development

### Talent Identification and Succession Planning

The Company is not only responding to the trends but also laying the groundwork towards a resilient and adaptive future. Talent identification and evaluation happen through L&T's Performance Management System FAIR (Framework for Linking Appraisals with Incentives and Rewards). It ensures recognition of talent and meritocracy. FAIR is integrated with the Career Development and Succession Planning Module to facilitate the succession planning process.

The Leadership Development Centres, pivotal to the Company's core philosophy of grooming internal talent, ensure the right leadership talent is identified through an

objective selection process using a bouquet of tools. The process helps identify the strengths and developmental needs of employees in terms of required competencies. In FY 2023-24, the Company had 900+ talent assessed through Development Centres and utilised the Individual Development Plan module to facilitate their respective developmental journey.

Leadership Development is the cornerstone of L&T's L&D framework. Through the Leadership Development Academy, L&T charts a clear path for potential leaders with its **Seven Step Leadership Pipeline Programme**, designed to nurture leadership qualities at every

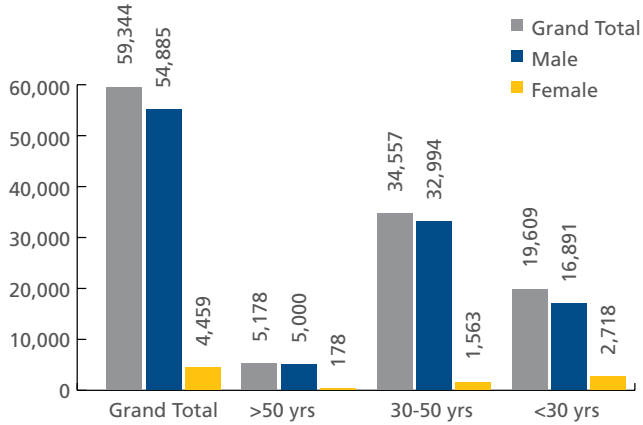
career stage. The emerging leaders who move up to the Seven Step Leadership Pipeline Development Programme are mentored by senior leaders, ensuring robustness in the continuity of the leadership thought process and value system. 'The ASCENT Series' and 'People Leadership Programmes' delve deeper, offering competency development tailored to the complex challenges of leadership roles. Significantly, L&T places a high value on diversity and inclusiveness, with programmes like 'Women Leadership (DEI)' reflecting a dedication to fostering female leadership within its ranks.



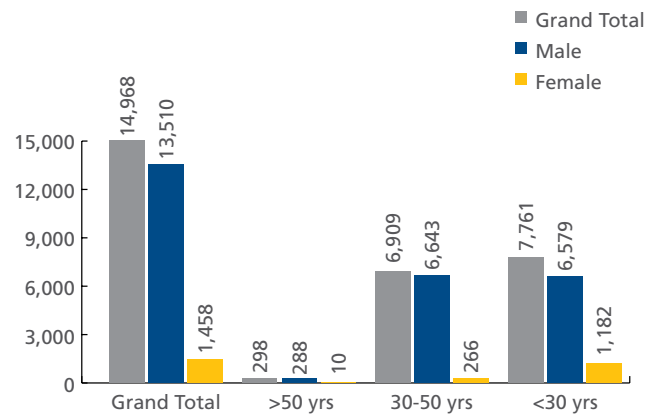
Launch of L&T Business Excellence Model



**Employee Profile: Age and Gender**



**New Joinees profile: Age and Gender**



## Compensation Philosophy

L&T's Compensation Philosophy is governed by a 3P model based on fairness, meritocracy, and compliance to attract, retain, motivate, and reward employees.

### Pay for Position

- Internal and external market benchmarking to ensure parity
- Developing an equitable grading structure, pay equity, and career development

### Pay for Performance

- Considers employees' performance measured through achievement of Key Responsibility Areas (KRAs) and performance thrust areas of the organisation/ business entities

### Pay for Potential

- Considers capabilities and experience in setting an equitable and competitive pay level
- Potential of an employee measured in Development Centres (DC) using tools under L&T Competency Framework



\*Note – total employees comprise permanent and non-permanent employees and permanent workers (as reported in BRSR)

## Corporate Learning and Development

At the heart of L&T’s Human Resources strategy is Learning and Development (L&D), dedicated to continuously enhancing employee capabilities through strategic learning interventions. These initiatives are designed to align with the Company’s business needs and adapt to the dynamic business environment. Embracing innovations, various digital instruments, AR/VR simulations, and web-based platforms have been employed. The corporate L&D group works in tandem with internal business HR divisions across different platforms, nurturing continuous conversation on people development. The Company also engages with external industry circles for benchmarking, insight gathering, and networking.

## Leadership Development

L&T’s Leadership Development initiatives are designed to bolster the organisation by equipping its talent and leadership pipeline for future growth. The Seven Step Leadership Pipeline Programme enhances leadership skills in high-potential employees across management levels through selective, advanced training by top-tier faculty from Harvard University, London Business School, INSEAD Singapore, University of Michigan, and IIM Ahmedabad. In parallel, ASCENT, a series of competency development programmes delivered by esteemed faculty from prominent B-Schools in India, empower L&T’s high achievers to reach their utmost potential.

## People Leadership

In FY 2023-24, L&T unveiled the People Leadership Excellence Framework, a testament to its reinforced culture of performance. Through rigorous diagnostics, task force formation, and extensive data collection via FGDs and surveys, L&T identified five key dimensions of People Leadership: Personal Excellence, Relationship Excellence, Performance Excellence, Developmental Excellence, and Leadership Excellence. This strategic framework serves as a pivotal blueprint for spearheading initiatives that drive L&T towards Leadership Excellence. Building on its People Leadership Excellence Framework, L&T initiated several training programmes targeting employees at various levels. The programmes launched under the People Leadership Framework were Managing Gen Z, Managing Upwards, Leading with Emotional Intelligence, and Nurturing High-Performance Work Culture.



## Summary of Corporate L&D Offerings

Category	Programmes					
Leadership Development	Leadership Pipeline Development - Seven Step Programme	Step 1 Management Education Programme	Step 2 Leadership Development Programme	Step 3 Global Leadership Development Programme	Step 4 Transforming L&T into a Global Corporation Programme	
		Step 5 Global CEOs Programme	Step 6 International Executive Education Programmes	Step 7 Mentoring		
	Competency Development Programmes	ASCENT Series (Across Management Tiers)		Think, Act, Engage Clusters (Across Management Tiers)		
	Project Management Excellence Programmes (Pragati)	Level 1 Programme for Excellence in Project Delivery	Level 1+ International Executive Master in Business (Specialisation in Project Management)	Level 2 Advanced Project Leadership Programme	Level 3 International Project Leadership Programme	Level 4 Project Portfolio Leadership Programme
	WINSPIRE (Women Leadership)	Rise	Propel			
Young Talent Development	Post Graduate Executive Management Programme	Newbie to Knowbie (N2K)	Harvard Manage Mentor (mini MBA programme)	DDI (Leadership Education programme)		
General Management Development	Management Development Programmes	Management Development Programmes (in association with institutions such as XLRI, NMIMS, IIM-B, IIM-C, and more)				
	Accreditation	Accreditation Programme in Corporate Law		Executive Diploma in Human Resource Management		
Technology Development Programmes	Technical Orientation and Multi-Engineering Skill-Building Modules					
Self Inspired Self Paced (SISP) Learning	Coursera Courses, e-books, audiobooks	Percipio	RaPL - Quiz-based Learning	EBSCO - Digital Library		

## Learning Infrastructure and Initiatives

### Academies for Specialised Skill Development

There are dedicated academies for business-specific skill development requirements like the Tunnel Academy for road construction, the Railways Academy for railway business, the Power Training Institute for power business, and Building Information Management (BIM) Academy for buildings and factories business. The goal is to enable focus on specific core business areas to be developed.



### L&T Institute of Project Management

Recognising the critical role of project management in the Company's growth, L&T established its Institute of Project Management (IPM) in 2008 at Vadodara. The institute addresses the need for adept project managers to lead large, complex projects in competitive and intricate markets. L&T IPM stimulates and leverages its young intellectual capital by offering a portfolio of learning opportunities such as PRAGATI - Project Leadership Development Programme for developing megaproject leaders, Specific Competency Development Modules (SCDMs), and Master Classes (MCs) in the core areas of project management such as planning, cost management, contracts, and risks, and business-specific programmes to address the unique project management challenges pertaining to specific businesses. In FY 2023-24, IPM increased its coverage by 90% to over 3,800 employees.

Launched during FY 2023-24, the **Essentials of Project Planning and Control (EPPC 2.0) Programme** is specifically designed to elevate the project execution capabilities of our engineers, aligning with the designation of FY 2023-24 as the 'Year of Project Controls'. This programme consists of three independent modules, each focusing on key aspects of project planning, cost management, monitoring, and the practical application of tools such as Primavera/ MS Project. This initiative not only promises to enhance our project delivery efficiency but also foster a culture of continuous learning and development among our engineers. Since its launch, 4,057 learners have undergone different modules under the EPPC programme as of March 31, 2024.





## Corporate Technology and Engineering Academy (CTEA), Madh and Mysore

In the fast-paced industries L&T operates in, specialised centres like CTEA Madh and CTEA Mysore focus on equipping professionals with specific technical competencies. 'Technical Development Programmes' and 'Engineering Academies,' which are instrumental in upskilling employees in the latest technologies and methodologies, play a key role in the development of specific technical skills.

CTEA Mysore launched **15 niche technology programmes** delivered by top experts covering contemporary topics. Some of these topics include Power System Analysis, Steel Connection Design and Detailing, Segmental Construction, BIM Revit API with Python, Technical Competency for Women, Bearing Vibration and Analysis, ChatGPT, and more.

Employee development initiatives such as Coffee Sessions on 'Advancement in Surveying and Mapping Pile Foundation', Learning Premier League, Technology Day, and 'CADFEST' for designers received a broad reach across various businesses. CTEA empowers and transforms PGETs, GETs, and First Line Supervisors (FLS) through immersive hands-on experiences in specialised labs.

During FY 2023-24, CTEA trained **1,080 (PGET/GET/DET)** and **685 FLS**, improving their confidence and employability through comprehensive training in domain knowledge and hands-on lab experiences across various disciplines. **3,400 engineers** were upskilled in a wide range of engineering, software, and other professional competencies for both construction and non-construction businesses.



## ATLVarsity

L&T’s innovative Any Time Learning (ATL) platform, now renamed ATLVarsity, revolutionises the way employees engage with professional development. With on-the-go learning as its USP, the platform boasts a wealth of resources in the form of videos, e-books, and journals. Partnerships with vendors like Percipio, Coursera, and Harvard Manage Mentor enable L&T to present a wide array of certification courses that align with the Company’s competency framework, addressing the diverse upskilling needs of its workforce.

AI/ML technology-based coaching programme at ATLVarsity has enhanced the experience of inculcating communication skills. Leveraging GenAI’s virtual coaches, the programme offers a cutting-edge learning experience. In FY 2023-24, the creation of niche academies offering blended learning, addresses role-specific needs. Notable among these are the Academy of Digital Transformation, Academy of ESG, Academy of Quality Excellence, Academy of Safety, and the newly introduced Academy of GenAI.

The Skill Benchmarking tool effectively identifies learners’ skill deficiencies, offering precise course recommendations and resources. This tool simplifies the course selection process for learners, enabling them to enhance their skills in congruence with their job roles efficiently.



**5.2 lakh**

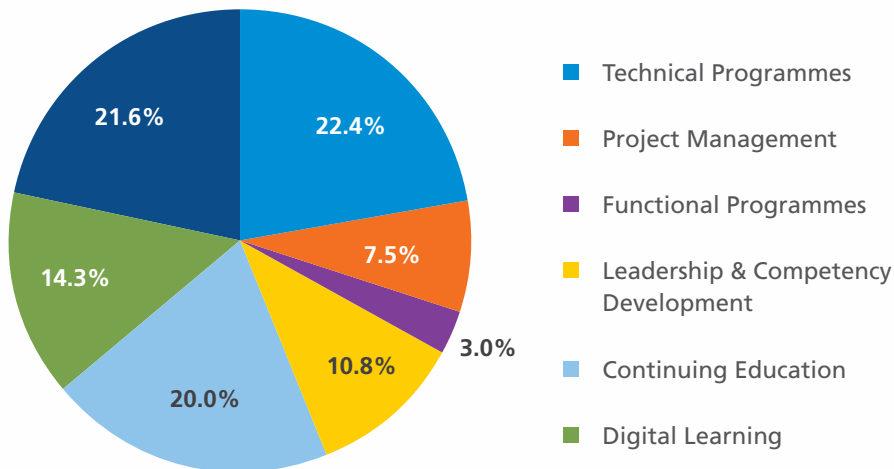
Training hours clocked by

**38,500**

Employees during FY 2023-24

## Learning hours clocked under major categories of programmes\* conducted by L&D

### Training Person-days



**7.89**

Average Person Days

**36,14,615**

Number of Hours of Learning

**41,919**

Number of Unique Learners

\*Does not cover safety training hours, which is reported in Principle 3 of BRSR.

## Enhancing Employee Experience

Several new initiatives were rolled out during FY 2023-24 and can be broadly bucketed into Enhanced Communication, Addressing Fairness, Talent Management, Capability Building, Employee Engagement, and DEI.

### Project NEEV

The Company launched Project NEEV (**Nurture, Educate, Empower to Create Value**), focussing on goal setting and continuous feedback to instil a culture of high performance. Workshops on effective performance management and feedback involving 500 leaders and managers in 12 leadership workshops and 8 Train-the-Trainers sessions were organised, achieving a 95% on-time completion of goal setting for employees this year.

Train-the-Trainer programmes like '**People Leadership - Art and Science of Leading People in Organisation**' for People Managers were rolled out. 75 Trained Managers are now poised as catalysts to disseminate insights and techniques across the ICs.

The '**Let's Talk**' e-Campaign was rolled out, emphasising one-on-one conversation between managers and team members. 'Any Time Conversation' and 'Continuous Feedback' modules have been introduced, and various sensitisation programmes are being held at business level.

### Engagement Activities

More than 90 podcasts were released through L&T Radio. 'Appreciation Week' celebrations were conducted across six major locations, resulting in 8,000 appreciative messages on the Hi5 Wall Page.

Promotional campaigns held toward employee wellness at various locations emphasising on Annual Health Check-Up and Financial Tax Planning.

Additionally, the Company introduced various contests leveraging digital tools such as ArtBeats and QuizWiz, witnessing overwhelming response across the Company.



### Talent Council

Recognising the importance of having a robust leadership pipeline, a Talent Council was formed, initiating talent reviews for Tier-1 to Tier-4 employees. A user-friendly Talent Review software module has been launched, enabling the Council members, guided by business heads, to discuss and plan actions.

### Annual HR Awards (AHA)

An initiative aimed to recognise practices/initiatives wherein HR adds maximum value to business and concentrates on various ways HR can continuously raise the bar by improving processes and experiences.

### HR Conclave

A two-day HR Conclave, based on the theme, 'HR Transformation – Navigating the Future,' was organised, packed with insightful speaker sessions and panel discussions by the industry stalwarts from the business and HR fraternity.

### L&T's Business Excellence Model (LTBEM) and Human Resources Excellence Model (HREM)

Development of LTBEM draws inspiration and adoption of the globally recognised framework, European Foundation for Quality Management (EFQM), to suit the Company's unique organisational context. With 89 active certified assessors, the objective is to strengthen the management systems, practices, and capabilities to enhance the competitiveness of businesses to become world-class in their own sectors.

The HREM model has been conceived out of a need felt by Corporate HR to establish high-calibre professional standards purely for HR function. The model will hold tremendous significance in the coming days as sustaining excellence in business is positively correlated to excellence in managing Human Resources. We have developed 71 active HREM assessors as of March 31, 2024.

## Diversity Equity and Inclusion (DEI)

Today, L&T has operations in over 50 countries, with employees of various nationalities, and 36 domiciles across states and UTs within India. Fostering diversity and inclusion in the workplace remains a key priority for the organisation, with a focus on hiring diverse talent and creating an equitable environment. Actions have been implemented across all four pillars of the DEI Charter – Induct, Engage, Develop, and Enable.

 <p><b>Induct</b> <i>Improving the input</i></p> <p>A focussed approach to induct the diverse workforce at all levels</p>	 <p><b>Develop</b> <i>Leadership Pipeline</i></p> <p>Creating a strong women talent pipeline for leadership roles</p>	 <p><b>Engage</b> <i>Stay, Say and Strive</i></p> <p>Fostering an inclusive culture and broadening perspectives</p>	 <p><b>Enable</b> <i>Supporting ecosystem</i></p> <p>Creating an ecosystem of enabling policies and practices</p>
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Various campaigns around Pride month and Persons With Disabilities (PWD) were carried out throughout the year to increase awareness of diverse groups beyond gender. Guest speakers were invited to generate awareness about LGBTQIA+, Neurodiversity, PWD, etc. A well-knit community of 36 DEI Champions was built to drive DEI efforts across businesses. 'DEI Academy' was launched on ATLVarsity, to increase awareness and sensitisation. More than 100 employees were certified as DEI Allies under this Academy.

Furthermore, this year, various initiatives have been launched to support working mothers and create an enabling work environment. Maternity leave for adoption and surrogacy and three extra months of maternity leave for the mother of twins have been introduced. Post-pregnancy, a woman can opt to work from home or adopt a hybrid roster for up to six months. New facilities for women employees in terms of flexibility, travel allowances, creche facilities, and creche allowance have been introduced.

The DEI Awards Ceremony was organised for the first time to recognise the efforts of businesses to support and promote a diverse and inclusive work culture. The introduction of the Allyship Awards provided a platform for 1,600+ women employees to recognise their Allies at work.

**Differently abled**

**45**  
Employees

**28**  
Workmen

**495**  
Women underwent Leadership Journey Programmes in last 2.5 years, showcasing

**142%**  
Rise in participation rates



## Commitment Towards Human Rights

L&T is committed to respecting, protecting, and upholding the human rights of the workforce and across our value chain. The Code of Conduct is a comprehensive document guiding its employees to conduct businesses in conformity with professional standards of personal integrity, honesty and ethical conduct, one of the core principles being 'Respect for Human Rights'. The Company is committed to put in place, strengthen and improve systems and processes wherever necessary, undertake due diligence or conduct risk assessment, monitor, provide remedy and take corrective actions to ensure protection of human rights. The Company adheres to the regulatory requirements as applicable in the country or countries of operation and respects the international frameworks such as United Nations Global Compact (UNGC), International Labour Organization (ILO) and any other global standard.

In FY 2023-24, internal due diligence was conducted by the Company across the manufacturing plants and offices to understand potential human rights risks related to child labour, forced labour, sexual harassment, wages, discrimination, health and safety, working conditions, etc. and practices to mitigate/avoid violations for the contractual workforce. This is based on various international standards such as ILO, UNGC, and the law of the land. Additionally, the key manufacturing facilities of the Company are certified by SA8000, globally recognised social certification standard on human and labour rights.

L&T is committed to ensuring a cordial work environment for its workforce to foster trust and collaboration. One of the good practices is to have a robust Grievance Redressal Mechanism in place to resolve grievances in a systematic, timely and fair manner.

This year, we have strengthened the mechanisms into more structured and formal processes across the Company, especially for the contractual workforce. With more than 3,50,000 workers, they are critical as well as vulnerable stakeholders for the business. Over 500 Grievance Redressal Officers (GRO) have been appointed across project sites to ensure grievance registering, resolving, meeting timelines, managing escalations, closing cases, generating reports, and facilitating regular reviews and audits in a systematic way. Grievance may cover issues related to health and safety, working conditions, wages, living conditions, and so on. A toll-free number has been initiated for recording grievances of the workers operational 24x7 over and above the oral and/or written complaints which were already being recorded. This provides a fair and transparent process for resolving complaints and ensuring equal and fair treatment.



## Commitment towards Health, Safety, and Well-Being

Health, safety, and well-being of the workforce is one of the key focus areas of the Company, which is not just limited to our employees but also the contractual workers. HR and medical teams are continuously undertaking initiatives to promote health and wellness. From fitness programmes and ergonomic assessments to mental health support services, the Company is dedicated to fostering a workplace culture that prioritises holistic well-being. At L&T, the Company believes that preventive care is the key to maintaining optimal health. The employees are encouraged to undertake health checkups organised by the Company. There are frequent health checkups and medical camps to ensure the physical well-being of the workers.

The Company is committed to Mission Zero Harm and working on various strategies to continuously enhance the health and safety standards within the organisation as well as that of contractors, workers, and suppliers working on behalf of the Company at project sites or premises. This includes using continuous sensitisation, toolbox talks, providing protective gear, and special training in the safe handling of equipment and material. The Company adheres to international standards and guidelines such as ISO 45001:2018.

The EHS Council monitors, measures and reviews EHS performance and compliance with procedures. For further details on health and safety performance, practices, and management systems, please refer to BRSR Principle 3, i.e., Businesses should respect and promote the well-being of all employees, including those in their value chains.



## Promoting Mental Health and Well-Being in the Workplace

Mental well-being has emerged as a crucial determinant at the workplace, directly impacting morale, productivity, and other related physical ailments. In recent years, mental health and well-being have become increasingly recognised as important factors for overall employee wellness and productivity in the workplace. The Company encourages its workforce to prioritise stress management techniques such as mindfulness, exercise, and seeking support when needed. Counselling, coaching, and sensitisation workshops are also being organised for employees to equip themselves to handle challenging situations.

Medical Health Services function at L&T looks after preventive, occupational, curative, and rehabilitative health needs of its employees and their family members. The aim is to contribute towards medical health and welfare through various initiatives and activities. The objective is to plan preventive measures and invest in health and wellness programmes to promote a healthy lifestyle for the employees and their families. L&T believes that healthy employees constitute a healthy workforce that adheres to WHO guidelines.

Given below is a snapshot of the initiatives during the year.

1

**Mental Health Awareness Sessions:** Regular workshops and training sessions on mental health awareness, stress management, and self-care techniques are conducted to educate employees on how to maintain good mental health and well-being.

41

Webinars on  
Mental Health

7,324

Total Participants

2

**In-house and External Counselling Services:** Mental health counselling services, both in-house and external services, are provided to the employees with confidential access to resources and support for personal and work-related challenges.

12,537

Total Registrations for  
External Services

1,007

Total  
Counselling Cases

363

Wellness  
Coaching

1,275

Self assessments  
by employees

3

**Bereavement Counselling Services:** These services are provided to the families of deceased employees. This includes home visits, counselling, follow-up for the due settlement, guiding the family further for educational reimbursement schemes for children, and vocational training support for spouses.

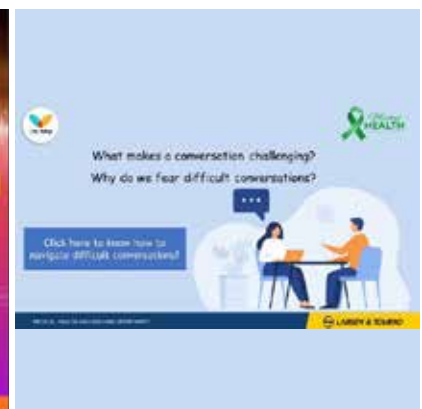
4

**Support Group for Differently-abled children of employees:** Continuous mental health support is provided to employees with differently-abled children through financial reimbursement of treatment and counselling.

5

**Group Maitree:** The group has been created to support and contribute to the personal development of employees in the work environment. It helps to spread awareness about mental health services.

World Mental Health Day is celebrated every year on 10<sup>th</sup> October with the objective of raising awareness of mental health and mobilising efforts to support it. In October, various articles, assessments, infographics, and podcasts were shared with pan-India employees. The podcast included a brief about counselling, myths and facts about the process, confidentiality, the role of L&T, and existing services. The effectiveness of these programmes has resulted in increased awareness and understanding of mental health among employees.





# INTELLECTUAL CAPITAL





The Company's focus areas for innovation are related to reducing material consumption, increasing the use of non-virgin and eco-friendly materials, enhancing resource (manpower, machine) productivity, reducing delivery timelines, strengthening climate resilience of structures, and improving product design/features. These innovation efforts are driven by R&D, engineering and design function, competency cells, and execution teams across the various businesses.

## Key Highlights of FY 2023-24

₹ **3,905** Mn

Total R&D spend  
(cumulative over last 3 years)

**321**

R&D Engineers/Scientists

₹ **1,27,018** Mn

Revenue from new and  
emerging businesses

## Strategy Linkage<sup>1</sup>



## SDGs Impacted



## Material Topics

- Quality of Products and Project Delivery
- Talent Management – Attraction, Retention, and Development
- Data Security, Privacy, and Cyber Security
- Brand Management
- Business Ethics

<sup>1</sup> For details, refer to 'Business Model and Strategy' section.

## R&D Initiatives at L&T Construction Research and Testing Centre

L&T Construction Research and Testing Centre (LTCRTC) is a Department of Scientific and Industrial Research (DSIR) recognised and National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited facility. It is the only such facility for the construction sector in India housed within a private company. It is authorised to conduct quality tests on all types of materials used in the construction sector as well as undertake research on new materials and mix compositions.



### Special Cement Asphalt Mortar Mix

Cement Asphalt Mortar (CAM) is an interlayer injected in the spaces between the track slab and the concrete roadbed in ballastless tracks. It is particularly used for high-speed and semi-high-speed rail networks. CAM is used as a stress relief and damping material in these rail systems and comprises cement matrix, asphalt emulsion, fine aggregates, and a variety of admixtures. LTCRTC, in partnership with M/S Nichireki from Japan, has developed a special CAM mix for use in track works in the Mumbai Ahmedabad High-Speed Rail project. The mix has been designed to meet stringent Japanese standards for high-speed rail projects.



### Asphalt Mix with Steel Slag Aggregates

Utilisation of industrial by-products or waste materials in road construction is an emerging trend globally. This can significantly reduce the burden on natural resources as well as improve waste utilisation. One such material is steel slag, which differs from blast furnace slag. LTCRTC has also undertaken studies to improve mix design using steel slag, and these have shown that dense bituminous macadam with up to 50% coarse steel slag aggregates is more durable and less prone to fatigue, rutting, and moisture-related damages. The use of steel slag aggregates can also reduce the cost of construction by 20-30%.



### Cement-Treated Base and Sub-Base with Soil Aggregate Blend

Cement-treated base/subbase layers in a pavement (road) are traditionally designed with natural aggregates stabilised with conventional stabilisers such as cement, lime, lime/fly ash blend, or chemical stabilisers to produce a mix of requisite strength. Replacement of natural aggregates with good quality natural soil could be an eco-friendly alternative to the conventional method. Preliminary laboratory trials at LTCRTC have shown that soil aggregate in the ratio of 30:70 with cement dosage of 6% and some special chemical additives can produce mixes satisfying the strength requirements specified in the Indian Roads Congress<sup>2</sup>. The ratio can be increased to 70:30 with cement of only 2.5% for sub-base mixes. This specially designed mix has been used in the construction of a trial stretch of the Ghaziabad-Aligarh Expressway in 2023, and performance has been found to be satisfactory to date.

<sup>2</sup>Indian Roads Congress is the Apex Body of Road Sector Engineers and Professionals set up in 1927 by the Government of India. It provides a national forum for sharing of knowledge and experience dealing with construction and maintenance of roads, bridges, tunnels and road transportation.



### Sustainable Soil Stabilising Material for Soft Soil

Certain locations have soft soil and soil stabilisation is required to enable construction in such locations. Stabilising clayey soils helps improve their engineering properties, e.g., compressive strength and load-bearing, and typically, the materials used are lime and Portland cement. LTCRTC has experimented with the use of waste materials that could replace conventional stabilising materials. Also, it formulated a mix of lime with Ground Granulated Blast furnace Slag (GGBS). The sustainable stabilising mix was found to reduce the plasticity of the clay, reduce swelling pressure, and eventually increase the strength. The mix designed reduces lime requirement from 10% to 2% to be used for stabilising mix and has been proposed to be considered for future requirements at the site level.



### Recycled Aggregates

India is estimated to generate around 150 million tons of Construction and Demolition (C&D) waste annually, but only ~1% of it is recycled. There is a significant opportunity to enhance the use of C&D waste in construction. LTCRTC has conducted extensive studies on aggregates generated by processing C&D waste in different grades of concrete and found them to be effective in comparison to conventional concrete in terms of mechanical, durability, and shrinkage properties. LTCRTC has also carried out technical evaluation of recycled material for use in processes such as backfill, mechanical modification, and partial replacement of Granular Sub Base (GSB) layer. Testing has also been done on a concrete mix to be used for the roof screed and grade slab required for a building project.



### Textile Reinforced Concrete

Reinforced concrete has a high carbon footprint due to the embodied carbon of the material used. Various materials are being experimented across the world. For e.g., fly ash is a common strategy to reduce carbon footprint, substituting the traditional material used in concrete with non-virgin or industrial by-products. Textile Reinforced Concrete (TRC) uses technical textiles in place of steel for reinforcement, which reduces the embodied carbon (of reinforcement material) from 2.55 tCO<sub>2</sub>e/kg to ~2.2 kgCO<sub>2</sub>e/kg. This facilitates the fabrication of thin structural elements with improved strength and durability. LTCRTC has developed an optimised fine-grained concrete mix incorporating glass fibre textile as reinforcement and has made a prototype of a precast structure with TRC enclosure panels. TRC will be useful in applications where structural flexibility and corrosion resistance are required, such as sacrificial formwork for metro piers, wall or enclosure panels, and foldable portable structures. The tested TRC mix design has been proposed for implementation in a lift irrigation project in Odisha.

## Digital Transformation of EPC Projects

Digitalisation remains a key thrust area for L&T to transform the way EPC Projects are delivered. L&T started with sensorisation, digitisation, and integration initiatives and is now moving towards the deployment of AI, ML, and other high-end technologies to improve project delivery, reduce cost, and achieve a high level of quality and safety.



### Bidding and Pre-Construction

#### AI For Contracts

NLP-based module for key clause identification, risk quantification, document and datasheet extraction

#### 360° Risk Perspective

Digitalised system to capture risk perspectives from all departments

#### Dhruv

GPS-based app for simplified survey along with BOQ for the project



### Engineering and Design

#### Desk Design Suite

Automated tool to generate uniform design documents with high precision

#### ProdoSpec

Online catalogue to select the right product based on technical specifications and parameters

#### Constructability Simulation NEW

VR-based constructability simulation aids in better detailing and reviews by clients

#### PROMPT NEW

Project monitoring and progress tracker application integrating various team schedules and central MIS



### Material Management

#### PWCC

Digital application for real-time tracking of precast segment casting and erection

#### Digital Weighbridges

Weighbridges integrated with ERP with no manual intervention for data recording/process flow

#### MatNxt NEW

Enhanced application for material tracking/common material solution

#### TAG

QR code based system to track the structural steel from steel service centres to the erection

#### ConPro

Application for tracking the entire concrete supply chain, including integration of batching plants and transit mixers



### Safety

#### HSE-Mitr

Behavioural Safety tracking application for workforce to report safe/unsafe behaviour and unsafe conditions

#### AI Vision Analytics NEW

AI-enabled platform to monitor the unsafe act 24/7 by utilising CCTV video analytics

#### ViewEHS

Mobile app to access SOPs and forms for submission and verification

#### HSE ProACT NEW

Unified application to capture and report HSE KPI across different projects

#### VR-Based Safety Induction/Training

VR-based immersive video for safety training during induction or refresher courses



NEW New initiative started in FY 2023-24





## Procurement

### mCode

Unified Material Codification System for parametric comparisons, benchmarking, data mining, and analytics for various material categories to drive procurement cost optimisation

### NLP-based Logistics Analytics

NLP-based module for logistics, offering spending trends and insights on KPIs to enable data-backed decision-making

### Post Order Management System

Collaborative supply chain platform for enhancing the visibility and tracking of critical milestones from PO to delivery at the site



## Project Management

### ProWPack

The solution enables construction-driven project management by defining construction areas into manageable work packages

### VR Immersive Walkthrough

VR-based tool for review of engineering 3D model for efficient constructability and maintainability review

### Wrench

Centralised platform with automated live S-Curves and progress dashboards; enables document management and communication control across all stakeholders

### IPBS

Application to track, manage, and monitor project invoicing based on billing milestones and schedules, providing invoice generation based on defined criteria and tracking plan, actual, and forecast status on project invoicing

### eALPSNxt

Application for construction management of Civil, Structural, and Piping disciplines, managing engineering inputs, detailed planning, material allocation, quality inspection, and status monitoring

### PRONTO

A centralised digital system to support client invoicing and subcontractor billing activities, enabling resource optimisation and prompt delivery of services

### Generative AI (GenAI) in Projects

GPT 4.0 deployed on knowledge management systems to enable easy search and information retrieval

### Help Lighting

AR-enabled remote assistance application, including video collaboration services that enable experts to work virtually side-by-side with site personnel



## Quality

### TORQ

Quality tool to raise NC Observation, RFI inspection, Quality Audit, and Laboratory Management

### Conquer - Quality

Application for comprehensive quality checks and customer and executive feedback

### P-FAB

Application for ensuring quality compliance in every stage of pipe fabrication

### Pre-Stress Insights

Special application for monitoring quality parameters in pre-stressing of precast segment

## Digital Transformation of Manufacturing

The Company's manufacturing facilities have also leveraged various digital technologies to create Industry 4.0-enabled units. Additionally, these initiatives have helped transform various processes involved in the delivery of engineered-to-order products and achieve benchmark delivery performance and safety levels.



### Engineering

#### RPA with AutoCAD

Automation of as-built drawing generation consisting of the latest 2D drawing, BoM, weld details, and drawing changes

#### PLM CAD Integration

Integration of PLM platform with native CAD software to improve design and engineering efficiency and handle change management better

#### AR for Ship Construction

AR-based solution for designing and validation of ship components digitally

#### IDMS

Automation of delivering the appropriate drawing and documents to business partners, with IP protection and revision control, comprises RPA Bots meshed with ERP and PLM

#### Advanced Analytics

Advanced analytics use cases like rolling feasibility and distortion prediction

#### Drawing Generation from 3D Model

Automatic generation of cable layouts (2D drawings) from the 3D model helps reduce manual effort in drawing generation by 60-70%

#### Navisworks to Excel

Automation of report generation from 3D model reviews in Navisworks



### Equipment Productivity and Utilisation

#### IoT Stations

Smart IoT stations for various equipment in heavy engineering business

#### One-Man Multiple Stations

One man operating multiple smart welding stations leveraging wireless technology; developed as part of the Autonomous Welding Project

#### PDM

Predictive Maintenance module, which helps identify early failure, reduce spare consumption, and improve Overall Equipment Effectiveness (OEE)

#### IoT for Utilities

IoT implemented for critical utilities like water, fire, HVAC, and Electrical substations; enables monitoring and predictive maintenance

#### Hybrid Welding

Improving welding productivity through the simultaneous use of arc welding and laser welding

#### Vertical Load out of Jackets

Jackets for water depth >14m and <34m are to be loaded out vertically. However, fabrication will be done horizontally and upended, reducing fabrication time by 10-20%

#### Digital Twin

Enables simulation of the entire process of platform manufacturing; aids in conducting scenario analysis to select the optimal production plan on the shop floor



## Project Management

### Vendor Load Assignment NEW

Application for tracking the current load and the average cycle time taken for different vendors, enables better planning and vendor analysis

### iRUDRA

Solution to integrate various independent systems from design to estimation, procurement, fabrication, quality assurance, enabling robust analytics and offering valuable insights

### Capacity Planning Analytics NEW

Application for capacity management and resource levelling by analysing real-time data; offers insights on resource allocation and loading and aids decision-making for in-house utilisation or outsourcing

### IEMQS 4.0 NEW

Improves office efficiency by automating repetitive work and provides a single source of truth for project data

### Advanced Shipment Notice (ASN)

Enables suppliers to provide advance information of their dispatches to L&T along with supporting documents, reduces inspection time, and facilitates faster material allocation for project use



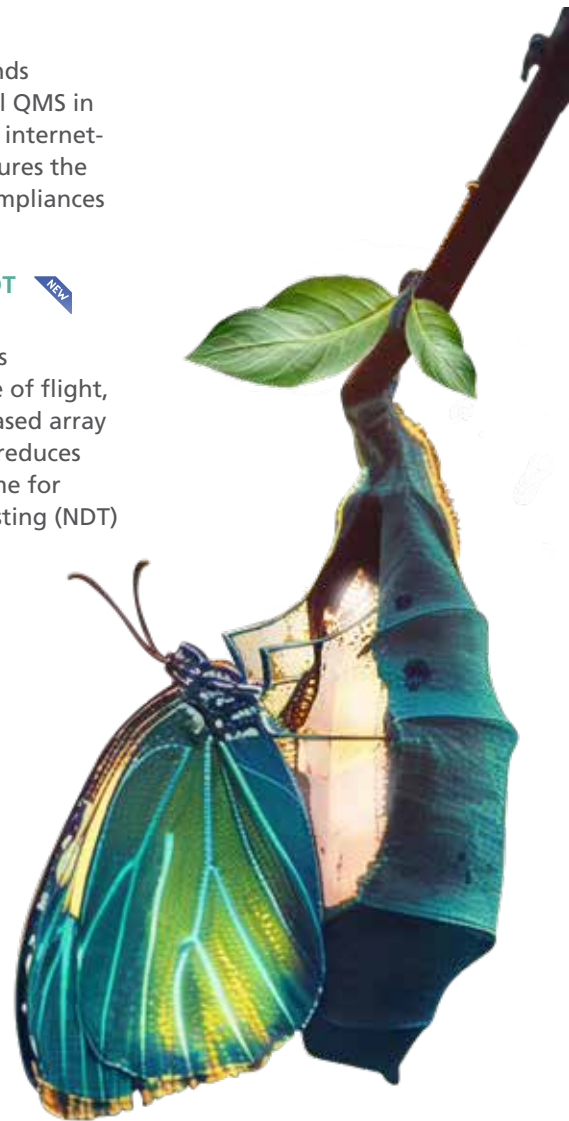
## Quality

### Supplier QMS

The platform extends features of internal QMS in ERP over a secured internet-hosted system, ensures the supplier quality compliances with internal QMS

### Automation of NDT Methods NEW

Special applications developed for time of flight, diffraction and phased array ultrasonic testing; reduces inspection cycle time for non-destructive testing (NDT) methods by 50%



## Other Digital Initiatives

### BIM Automation through Revit

Tools developed to automate design and BIM workflow

### Draftwin

Automated generation of drawings after completion of design, primarily for columns and beams; helped reduce drafting manhours by 60%

### Bar Bending Schedule (BBS) tool

Ensures Bar Bending Schedule preparation in a standard format; also enables optimised usage of offcut reinforcement bars, with the support of Real Cut 1D Optimisation Software

### Form Fit

A solution to track formwork panel and its repetitions

### ETAP

Digital application to track the history and degree of use of all enabling structures across project sites by using QR codes

### RebarPro

End-to-end tracking of rebar from store to site after fabrication, enabling wastage minimisation, saving time, and accelerating process efficiency

### ML for Legal Documents

ML-based solution to extract important clauses and attributes from legal documents

### ICAM

Internal control audit module for scheduling audits and recording audit findings against technical and commercial points

### GST Auto Reconciliation

RPA bot, along with ERP customisation, provides automated GST reconciliation capabilities to avoid indirect taxation losses

### Drishti

Enterprise Level Knowledge Management System to provide situational guidance; capture, store, and extract required information for efficient knowledge transfer across the organisation





## Value Engineering Initiatives

### BIM Model-Based Site Execution

Direct planning and progress monitoring on BIM models by site execution teams

### Toe-Pin for D-wall

An economical method of diaphragm wall construction in places with rock at shallow depths

### Large Diameter Piles

Increasing pile diameter to range 900-1800 mm, economical design for high lateral loads and gives better quality control and productivity

### In-house Designing for Health Infrastructure

Development of in-house capability to handle designing and planning of health-related infrastructure e.g., medical colleges; benefits from better productivity, schedule compression and quality control

### Heat Reflective Coating on RC Walls

Cost and space effective solution to help reduce cooling requirements of buildings

### RC Wall with Aluminium Formwork

RC wall with high repeatability formwork instead of typical brick wall, reduces construction time as well as improves work quality

### Long Span Beam with Special Design

Tapered composite beam with web openings and without stiffeners, reduces fabrication and erection time

### MEP Cradle

Modular MEP design, which is prefabricated at the factory, reduces construction time, and improves the quality of work

### GIS Analysis of Stormwater Runoff

Analysis of stormwater runoff flow direction and runoff area using GIS to examine flow patterns and catchment areas

### Containerised Fire Pump Room

Special design for containerised fire pump room and skid-mounted fire pumps

### Computational Fluid Dynamics (CFD) for Airflow and Ventilation Design

Computational Fluid Dynamics tools used to analyse and optimise design to reduce cooling requirements in buildings

### Modular Design of Mud Mat

The modular design used for mud mat to enable fabrication at the yard instead of onsite fabrication reduced construction time by 20-30%

### Digital MTO

Integrated Make-to-Order module to track across eight stages covering engineering, PMT, SCM, vendor, logistics, site receipt, and inspection

### Concrete Mass Slab for RRTS

In-house design of Design report and 3D Finite element model of the concrete mass slab for RRTS project; enhances design agility, reduces reliance on external consultants, and optimises the cost

### Auto Generation of Plan and Profile Sheets

Generation of plan and profile sheets from AutoCAD drawings directly, reducing manhours and errors

### Increasing Slab Casting Productivity

Concrete Distribution System customisation to efficiently dispense concrete and minimise concreting time, Flying Bucket with fish-mouthed opening, and Concrete Spreader operation with three gates were adopted to reduce the casting time

### SBR with TPAD Technology

Temperature-Phased Anaerobic Digestion technology was adopted for Sequential Batch Reactors in wastewater treatment plants, reducing dependency on external automation vendors

### PSC Slab for Underpass

A pre-stressed concrete slab was designed to eliminate in-situ construction of Light Vehicle Underpass single box structures, reducing construction time and material requirements

### Improved VG40 Grade Bitumen

Collaborated with a specialist vendor to formulate VG40 super bitumen with high viscosity (4000-4800 poise), resulting in increased resilience modulus, and hence, increased load-bearing ability of pavement

### Advanced Analysis Tools for the Design of Airside Structures

Midas Civil Plane Load Application was used to analyse the load dispersion and optimise the design of box and pipe culverts, reducing manual effort and improving design optimisation

### Precast Pier Cap

Offsite fabrication of pier cap instead of in-situ casting; reduces construction time and minimises traffic disruptions

### Redesigned Jacket

The jacket design was revised to a single member, thereby reducing multiple joints due to the small section length in the earlier design

### Valve Placement Design Change

Relocation of the pneumatic closure valve in sloop pump discharge lines from the main deck to the cellar deck on the access platform, reducing the cost of the design

### Precast Design of Substation Buildings and Electrical Rooms

Unique precast design and construction of utility buildings for high volume (~50,000 sq.mtr.) work, enabled through an innovative precast structural system and advanced joints with no shear walls for lateral load resisting system; helped reduce construction time by 25%

### Flexible Moulds for Precast Drains

Specially designed mould to accommodate different sizes of drain elements by providing flexibility to vary width and depth; helped reduce the number of moulds required for precast

### Hybrid Operating Room Design

A hybrid operating room is an advanced design that combines a traditional operating room with an image-guided interventional suite, e.g., MRI, CT; enables advanced surgical procedures to be done along with tracking progress as required in special cases, e.g., neuro-surgery



## Net Zero Buildings

The building sector in India continues to grow at a rapid pace, and the energy requirement has significantly contributed to the country's energy consumption as well as GHG emissions. While green buildings have demonstrated resource savings of up to 30-40% compared to conventional ones, achieving the next level of resource efficiency requires the construction of Net Zero buildings. A new building on the Company's campus in Chennai has already been registered as 'IGBC Net Zero Energy Platinum' with more buildings in progress for certification.



## Solar-Powered Operator Cabins

Girder transporter is specialised equipment used in the Mumbai Ahmedabad High Speed Rail (MAHSR) project to transport girders from the bridge gantry at the casting yard to the launching location and powered by a diesel genset. The equipment had two operator cabins without any air conditioning in the cabins. Package C4 project team modified the cabin to install solar power ACs. This enabled operators to work in a healthy environment and avoid emissions.

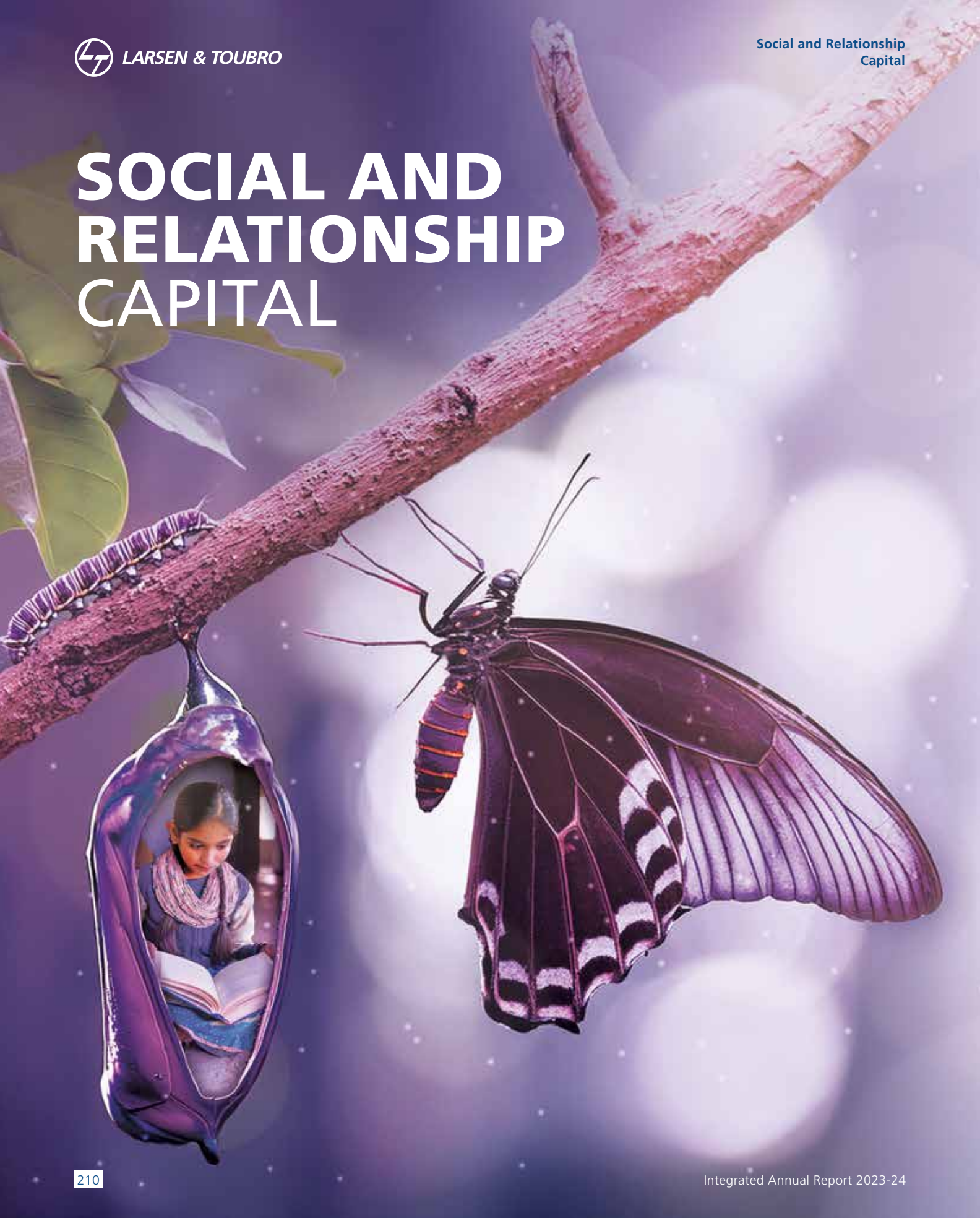
## Attached Growth Bio-Reactor Technology

Building sewage treatment capacity to meet the demand of a thriving, urbanised country requires significant investments. Typical sewage treatment technologies have long processing times and large land requirements. The Company's Water and Effluent Treatment business, in collaboration with Anna University Chennai, has developed and patented the 'Attached Growth Bio-Reactor'. This design requires less space, reduces sludge quantities, and lowers power requirements for the sludge treatment. Recently, the technology has been used to upgrade 100 KLD STP located in Thiagarajar Arts College, Madurai and operating successfully till date.





# SOCIAL AND RELATIONSHIP CAPITAL





At L&T, building long-term relationships based on mutual trust, respect and benefits for business growth and profitability is a way of life. The Company has created meaningful social and relationship capital while pursuing progress, meeting customers' needs and demands, working with suppliers, and driving inclusive growth for communities.

### Key Highlights of FY 2023-24

**1.6 Mn**

CSR beneficiaries

**9**

Customer Satisfaction Score

### Strategy Linkage<sup>1</sup>

SO-III

SO-IV

SE-2

### SDGs Impacted



### Material Topics

Social Engagement and Impact

Customer Experience and Satisfaction

Sustainable Supply Chain

Diversity, Inclusion & Equal Opportunity

Human Rights and Labour Conditions

Business Ethics

Brand Management

<sup>1</sup> For details, refer to 'Business Model and Strategy' section.

The Company’s social and relationship capital comprises intangible assets from its network of stakeholders, such as employees, customers, supply chain partners, and the community. This capital is nurtured through transparent communication and ethical practices, and continuous engagement, collaboration, and innovation. Instilling sustainability and resilience in the value chain is one of the core elements to meet the expectations of the stakeholders. The Company strives to impact the larger community across the country through its CSR interventions. The Company believes in engaging with the customers and clients in a fair, transparent, and ethical manner while meeting their diverse and changing needs and expectations. The Company is handholding and sensitising its supply chain partners to build a sustainable and resilient supply chain.

## **Building India’s Social Infrastructure**

L&T’s commitment to social responsibility is demonstrated through its CSR programme, focussing on inclusive growth in areas like water, sanitation, health, education, and skill development. Working under the guidance of the CSR & Sustainability Committee, the project

implementation is through partnerships with NGOs, government agencies, and through the Company’s own onsite teams. As a responsible corporate citizen, the Company contributes towards inclusive growth by empowering communities and accelerating development.

### **Beneficiaries across Thrust Areas**



**4,98,303**

Water and Sanitation



**3,51,870**

Education



**7,50,168**

Health









**44,347**

Skill Building



## Drivers of CSR Interventions

 <p><b>Corporate CSR Team</b></p> <p>The Corporate CSR Team is dedicated to maximising social impact by developing, implementing, and overseeing CSR programmes aligned with Board-approved guidelines and frameworks, collaborating with NGOs as necessary.</p>	 <p><b>CSR Coordinator and Teams at Campuses, Area Offices, and Sites</b></p> <p>L&amp;T's CSR teams at campuses, area offices, and sites conduct assessments, identify local projects and NGO partners, and implement and monitor CSR initiatives. This localised support ensures that L&amp;T achieves its CSR goals and effectively addresses community-specific needs.</p>	 <p><b>L&amp;T Health Centres</b></p> <p>Trained medical professionals at L&amp;T's multi-specialty health centres serve underprivileged communities, offering accessible and affordable healthcare. By addressing health disparities, L&amp;T enhances the well-being of those in need.</p>
 <p><b>Prayas Trust</b></p> <p>Comprises female spouses of employees, and female employees. The main objective is to serve underprivileged communities around L&amp;T facilities.</p>	 <p><b>Volunteers</b></p> <p>L&amp;T's employee volunteering programme, L&amp;T-eering, engages employees in community development activities.</p>	 <p><b>L&amp;T Public Charitable Trust (LTPCT)</b></p> <p>A non-profit entity in L&amp;T ecosystem that implements CSR activities, especially in health, aligned with the Company's CSR framework.</p>

## Integrated Community Development Programme

Integrated Community Development Programme (ICDP) targets water scarce regions in selected stressed areas through structured approaches. This includes need assessment, community mobilisation, infrastructure construction, sanitation, and sustainable agriculture promotion. It empowers residents to responsibly use resources, ensuring continuity, sustainability, and at the end of the project, proper handover of assets to community institutions to ensure project sustainability. The project was launched in 2014-15 in Rajasthan, Maharashtra and Tamil Nadu in 5 locations. It benefitted 10,737 households and treated over 15,465 hectares of land. The expansion in 2022-23 reached 12,545 additional households and treated over 20,746 hectares area. In 2023-24, 3,405 households were added and over 6,880 hectares area was treated. Since inception, this initiative has reached out to 26,687 households and treated over 43,091 hectares of land.

## Infrastructure for Water Conservation

Water and sanitation interventions under ICDP were planned by identifying priorities – drinking water, sanitation and agriculture – and making it a community-led process. Structures like check dams, anicuts, contour trenches, farm bunds, and farm ponds were constructed for soil and water conservation and rainwater harvesting, with community participation.

### *Revitalising Nagzari: L&T's ICDP turns the tide on drought*

From 2019 to 2024, the ICDP implemented soil and water conservation measures, resulting in a 7.3-meter increase in average well water level by 2023-24. This encouraged farmers to explore horticulture and improve agricultural prospects.



## Water and Soil conservation

### *Flowing Forward: Clearing Noyyal River Waterways at Pachapalayam*

In Coimbatore's Pachapalayam cluster, part of the Noyyal River catchment area, the total river streamline length is around 27 km. Initially desilted but obstructed by wild vegetation, channels underwent step-by-step excavation as part of the ICDP's water and soil conservation efforts.





Additionally, water harvesting trenches, absorption pits, and check dams were constructed in Pachapalayam, Bogampatti, and Panapatti villages to facilitate groundwater recharge and collect excess run-off, aiming to harvest 62,390 cubic metres of water in the project area.



*Water harvesting structures to enhance soil moisture content*

## Climate-Resilient Agricultural Practices

Promoting climate-resilient agricultural practices is a focus area of ICDP, aiming to boost crop production sustainably. This includes diversifying crops, adopting dryland horticulture, and using efficient irrigation methods like drip and sprinkler systems.



### *Drip of Success: From Drought to Harvest*

In Devgaon, Mr. Sarjerao, 49, and his family rely on agriculture, cultivating cotton, sorghum, and millet on 2 acres of land. Facing water scarcity, Sarjerao adopted drip irrigation through ICDP, thus boosting cotton yields to 7-8 quintals per acre. Encouraged by this success, 54 farmers in Nagzari and Devgaon adopted drip and sprinkler irrigation.

## Crop Demonstration

In the project area, 338 crop demonstration plots were established under the ‘Seeing is Believing’ principle, focussing on Kharif and Rabi crops like soybean, wheat, and gram, which led 694 farmers to adopt systematic crop intensification practices, supported by demo kits for integrated pest, fertiliser, and disease management.



### *Harvesting Change: Mr. Devendiran’s Sustainable Farming Shift at Pachapalayam, Coimbatore*

In Ponnakani hamlet, Mr. Devendiran encountered water scarcity in Bogampatti village, Pachapalayam ICDP location, due to excessive extraction of groundwater and failed monsoons with only one functional borewell out of three. Under one of the project interventions, his plot was selected for a crop demonstration. He adopted a new package of practices consisting of planting tomato saplings, biofertilisers, nutrients, and pest traps.



The promotion of organic formulation, fostering beneficial microorganisms for enhanced crop growth, has led to 950 farmers from Devgaon and Nagzari preparing and utilising organic formulations.

## Multi-Layer Farming

123 farmers in Devgaon and Nagzari are set to enjoy year-round fresh produce from their fields, conserving soil and optimising environmental factors, thereby leveraging multi-layer farming benefits. Among them, 30 are demo projects, and additionally, 37 women from Nagzari and 26 women from Devgaon have independently developed multi-layer farming setups.



### *Latabai’s Journey: From Drought to Perennial Harvest*

Drought has been persistent since 2012 in Chambharwadi village, Marathwada. Mrs. Latabai Otade, a 40-year-old resident, was reliant on growing cotton, tur dal, and vegetables using harmful chemicals on her four-acre plot. She shifted gradually from chemical-intensive farming to multi-layered orchard farming through the Integrated Community Development Programme (ICDP). Latabai adopted organic methods, cultivating a variety of vegetables and trees without chemical inputs. This shift led to significant savings on market expenses and yielded surplus produce, enhancing her income within the village.



## Livestock Development

In the project area, cattle rearing is a significant agri-allied activity, but low productivity in the dairy business is often due to a shortage of quality feed and fodder. Farmers rely on seasonal crops like maize, sorghum, and millet during off-seasons, leading them to sell low-producing cows at the start of summer to avoid losses. Fodder demonstrations were introduced to address this, providing nutrient-rich feed for better milk yield. Fodder crop seeds were distributed to 54 farmers, encouraging them to cultivate fodder on their land and make cattle rearing more profitable.



### *Milking Success: Mr. Subbaiyan's Fodder Revolution and Cattle Transformation - From Pasture to Prosperity*

Mr. Subbaiyan, an elderly farmer from Periyakuyili hamlet, primarily earns from his three dairy cattle and two calves, previously managing a modest monthly income of ₹ 19,020. His reliance on dry fodder limited his earnings, but participation in the Fodder Demonstration project—utilising fodder seeds, biofertiliser, cattle feed, and mineral lick—boosted milk production and cattle health, leading to an increase in his net monthly income to ₹ 22,000, while reducing costs on feed.





*Women's Empowerment: A cornerstone of Community Development and Sustainability*

In Alamgaon, Nagzari, a group of ten women from a local 'Farmer Group' invested ₹ 10,000 each to initiate a transformative journey towards empowerment. Previously engaged in low-profit farming or as labourers, these women, with project support, transitioned to organic farming. They built a Farmer Producer Organisation (FPO) shop including milk and soyabean collection, thus boosting their income significantly. Their FPO expanded to include over 350 members from nine villages, assisting 30 farmers in purchasing cows to increase milk production. Thanks to these efforts, their annual income grew from ₹ 22 lakh in 2022-23 to ₹ 40 lakh in 2023-24, with members acknowledging the crucial role played by the project in their success.

**Sanitation**

The Company implemented community-led total sanitation initiatives across Nagzari and Devgaon in Maharashtra and Sevantri in Rajasthan in 2023-24, constructing 570 household toilets using volunteer labour and forming monitoring committees to create and maintain open defecation-free villages.

*Towards Dignity: Story of Shahubai*

At 75, Mrs. Shahubai from Sadesavangi village faced hardships from drought and health issues, compounded by having no toilet. Through L&T's ICDP sanitation project, a toilet was constructed, significantly improving her family's health and dignity by promoting regular usage and highlighting the crucial need for proper sanitation.

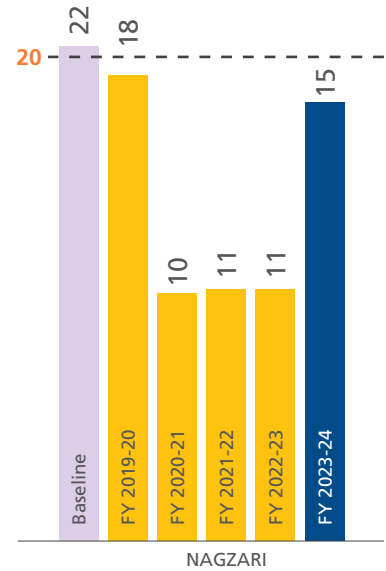
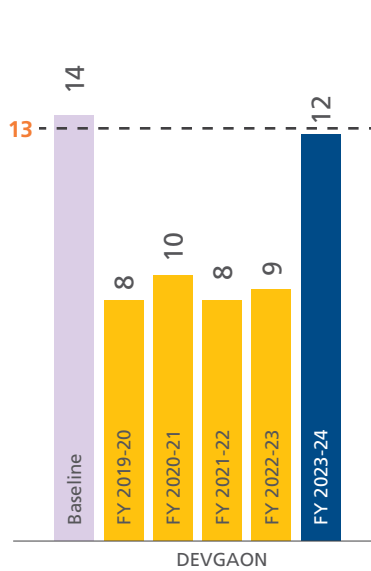
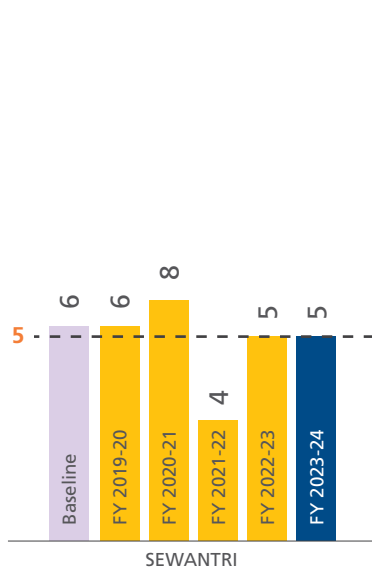


The villages in the ICDP locations have witnessed significant changes through various activities, including water availability, sanitation, and sustainable agricultural and livestock-rearing practices.

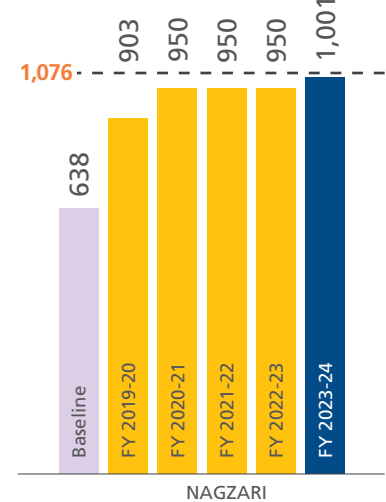
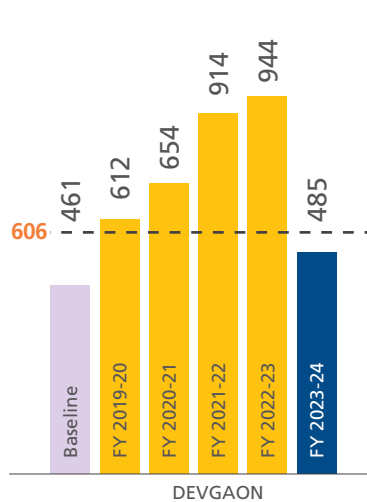
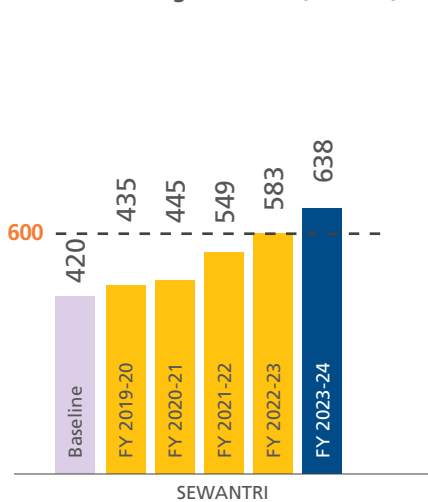


Depth of water from land surface (metre)

--- Target



Increase in irrigated area (hectare)



This year, Water and Sanitation Interventions have impacted

**4,98,303** lives

**Improving Quality Education and Health Services in ICDP locations**

Water sufficiency in the ICDP project areas and the resultant increase in agricultural income led to increased aspirations among the local population seeking a better future for their children. Thus, L&T extended its support to work on other social needs, such as health, education, and livelihoods in the ICDP locations, which were initiated in 2019-20.

**Saajhi Shiksha**

Saajhi Shiksha has been implemented in two Gram Panchayats, Kookra and Lasadiya of Bhim block in Rajsamand district in Rajasthan, where ICDP was implemented between 2014 and 2019. After water sufficiency and ‘Open Defecation Free Villages’ status were achieved, an education initiative ‘Saajhi Shiksha’ was introduced in 2022 in these two locations. Saajhi Shiksha focusses on the capacity building of caregivers (parents and guardians) and mother mentors to promote school readiness of young children and ensure children aged 3-6 years acquire foundation literacy and numeracy skills. The strategies include providing early learning kits with play items and learning materials to the parents and training them regularly on how to use this material with their children. Active mothers have been identified and engaged as mentor mothers for the use of Early Learning Material (ELM) and the revival of defunct Monitoring and Support Committees for monitoring of Anganwadi services.

*The interventions resulted in 97% of parents engaging children in various learning activities at home and improvement in children’s overall performance in numeracy, literacy, and language by 30%.*



**Community-led Early Education: Empowering Parents for Children’s Success**

Recognising the pivotal role of parents and communities as the primary support system for children, the intervention embarked on an endeavour to involve parents actively in early education. The project team understood that parents had busy lives, so they planned their meetings at times and locations convenient to the parents, sometimes even at construction sites. During these sessions, parents learned how to use early education materials to teach their children at home.

Notably, during one of the sessions, all participating women pledged to not only bring children from their community to the Anganwadi centre but also ensure their safe return home daily. The dedication of some parents was commendable who took up the responsibility for mobilising other parents and co-organising the training sessions.

## Integrated Development by Enhancing Nutrition for Mothers and Children at Sewantri

L&T has been working since 2015 in 10 villages of Kumbhalgarh block through an Integrated Community Development Programme (ICDP) in restoring the land and water resource regime, enhancing farm-based livelihoods and introducing Water Sanitation and Hygiene (WASH) facilities and practices along with community institution development. Once the water interventions and provision of sanitation facilities were sufficient and sustainable, the focus shifted to enhancing the nutrition of mothers and children at Sewantri, a block consecutive to Kumbhalgarh.

### A Healthy Beginning

At the onset of the programme, women, including pregnant and lactating mothers, their families and communities were sensitised on the importance of maternal health, early childcare, and nutrition. 'Balsakhi', a cadre of trained women health workers, reached out to 806 women through mothers' meetings and home visits, including pregnant, lactating women and mothers of young children. There was a significant emphasis on regular dialogue with stakeholders such as family members, supervisors from the health department, staff from Anganwadi centres, and representatives of Panchayati Raj Institution (PRI) to ensure quality service delivery, fostering a sense of ownership and collective responsibility towards improving healthcare services in the communities. This resulted in appropriate care at home, a balanced diet, and ultimately, safe childbirth.



## Coverage under ICDP in Three Locations - Devgaon, Nagzari, and Sevantri

	FY 2022-23	FY 2023-24
Households covered under ICDP	5,345	
Area of Land under the Project Area (hectares)	10,074	
People Covered	25,208	
<b>Water Availability</b>		
Water Harvested (lakh litres)	19,887	51,727
Increase in Water Table Level (metres - average)	9.24	12.88
Percentage of Households with Drinking Water	95%	98%
<b>Agriculture</b>		
No. of Crop Demonstrations	95	338
Additional Area protected from Direct Run-Off (hectares)	2,620	2,620
Increase in the Area under Cultivation/Irrigation	60%	56%
Fallow Land converted to Agricultural Land (hectares)	202	218
Area under Horticulture (hectares)	619	521 <sup>^</sup>
<b>Health and Nutrition</b>		
No. of Kitchen Gardens	240	180
No. of Children in Balwadis supported	237*	195* <sup>^</sup>
<b>Livestock Livelihood</b>		
No. of Veterinary Camps	40	14* <sup>^</sup>
Pastureland Area under Protection (hectares)	24*	22*
<b>Institution Building</b>		
Village Development Committees	31	66
No. of Active SHGs	235	237
SHG Savings Fund created for Inter-Loaning (lakh)	₹ 125	₹ 126
No. of Farmer Groups formed	26 <sup>#</sup>	8 <sup>#</sup> <sup>^</sup>
<b>Capacity Building</b>		
No. of Farmers attended Farm-Field Training	2,104	1,643

\* In ICDP Sevantri Location

# In ICDP Devgaon and Nagzari Location




<sup>^</sup> Interventions till September 2023



## Education

The Company's education initiatives are focussed on promoting social advancement and inclusive development in the education system. This is achieved by providing infrastructure in under-resourced schools, establishing community learning centres, enhancing teachers' capacity, and promoting community monitoring systems. This year, L&T's Education interventions were implemented in 679 schools across India.

STEM (Science, Technology, Engineering, Mathematics) Education Project 'Engineering Futures', particularly aims to reduce the urban-rural gap in education. It aims to introduce Science and Mathematics to underprivileged students in Government and under-resourced schools, piquing their interest in STEM fields. This initiative is crucial for fostering a more equitable distribution of educational opportunities and empowering students from marginalised backgrounds to pursue careers in science, technology, engineering, and mathematics.

 <p><b>STEM 'Engineering Futures' Programme</b></p> <p>Number of Schools/Centres</p> <p><b>243</b></p> <p>Students Benefitted</p> <p><b>44,189</b></p>	 <p><b>Digitalisation of Schools</b></p> <p>Number of Schools/Centres</p> <p><b>308</b></p> <p>Students Benefitted</p> <p><b>1,02,638</b></p>	 <p><b>Pre-School Interventions</b></p> <p>Number of Schools/Centres</p> <p><b>45</b></p> <p>Students Benefitted</p> <p><b>1,573</b></p>
 <p><b>Learning Enhancement and Life Skills in Schools</b></p> <p>Number of Schools/Centres</p> <p><b>191</b></p> <p>Students Benefitted</p> <p><b>35,879</b></p>	 <p><b>Community Learning Centres</b></p> <p>Number of Schools/Centres</p> <p><b>80</b></p> <p>Students Benefitted</p> <p><b>14,785</b></p>	 <p><b>Strengthening School Infrastructure</b></p> <p>Number of Schools/Centres</p> <p><b>372</b></p> <p>Students Benefitted</p> <p><b>1,35,703</b></p>

## Pre-School Programme

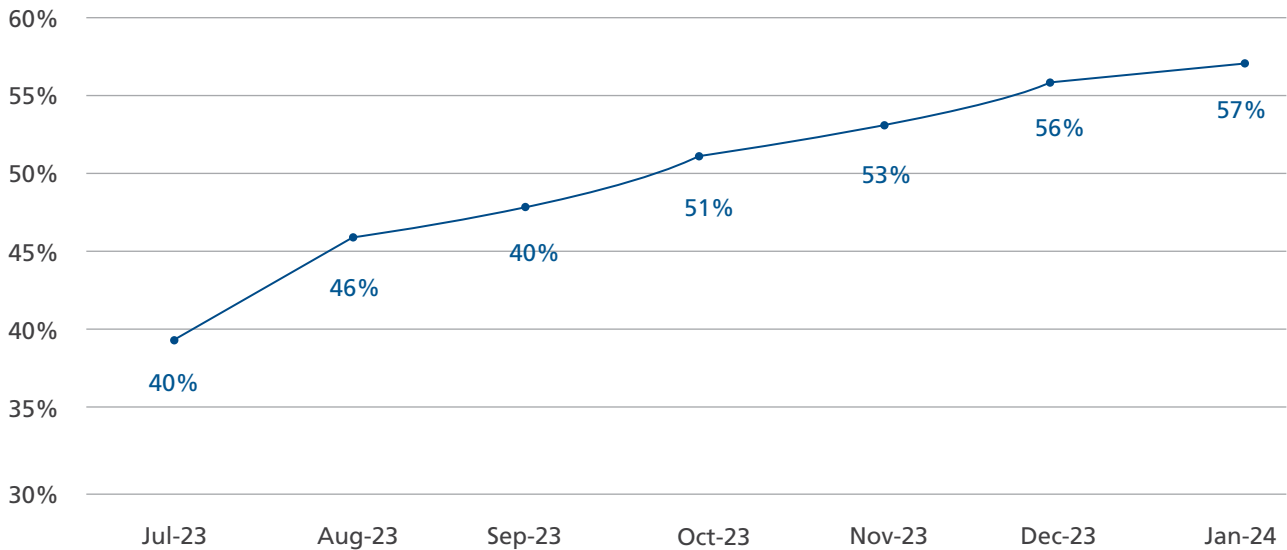
L&T’s pre-school programme in Mumbai’s underprivileged communities aims to create a nurturing environment for children’s holistic development. Through 10-month interventions in 64 community centres known as ‘Balwadis’, catering to 1,426 children, the initiative focusses on preparing children for primary school enrolment. The programme emphasises bolstering the emotional, cognitive, language, and gross motor skills of the children. The programme also empowers women from the

communities to be Balwadi teachers with the requisite knowledge, skill, and attitude to function effectively.

The intervention includes training for teachers, ongoing assessments of learning levels, and personalised home visits, resulting in improved attendance and increased parental engagement while ensuring joyful learning in a safe and conducive environment. This has resulted in a remarkable 42% average enhancement in children’s cognitive, emotional, language, and motor abilities.



### Month-wise Average Score



The graph shows consistent growth in the month-wise average classroom learning score for children in 25 Community Balwadis at Powai in Mumbai, Maharashtra.

## Learning Enhancement through the School Partnership Programme

According to the Annual Status of Education Report (ASER) 2023 and the National Achievement Survey 2017, there is a considerable gap in the learning levels of students across different states and subjects, especially in reading and numeracy skills. Addressing the issues of quality of education, teacher training, curriculum reforms, and infrastructure development is essential for improving learning outcomes and ensuring that all children have access to quality education.

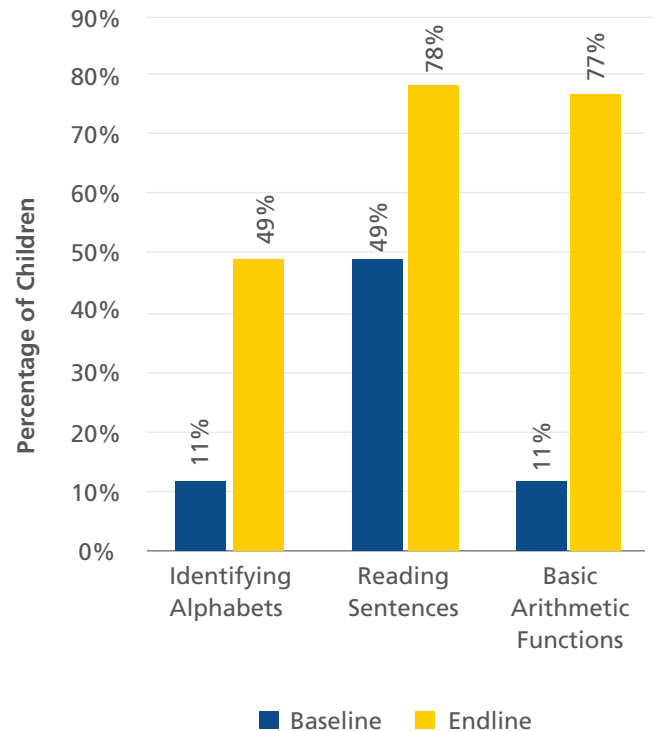
L&T started a School Partnership programme in five schools in Powai, Mumbai, in FY 2023-24, with the aim of developing foundational literacy and numeracy skills of the children attending Municipal Primary schools.

The programme emphasised shifting teachers' focus from a teacher-led to a learner-led process to ensure qualitative teaching deliverables. The programme included the provision of interactional teaching and learning. It reached out to 1755 children during the year. The programme also introduced the Reading Promotion Programme and the Home Lending Initiative, which has helped to improve the linguistic skills of children. The mobile library further covered 654 children from grades 1-10.

Endline assessment conducted in March 2024 showed significant improvement in children's learning levels, as shown in the graph:



Children's Learning Levels

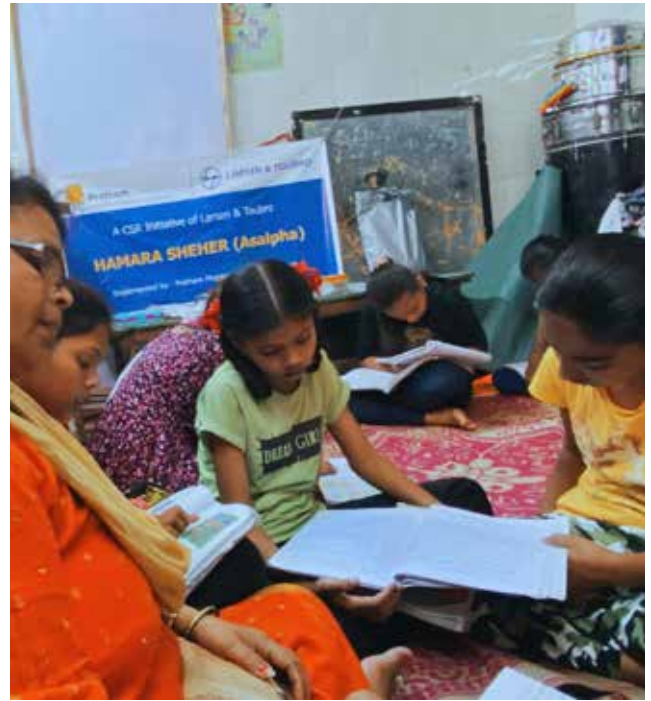




## Community Learning Centres

L&T's Community Learning Centres provide remedial learning support to primary school children (7 to 12 years) to reduce the gap between their current level of learning and grade-level learning expectations in Language and Mathematics. The Centres are run in government schools or public places/parks outside of school hours in partnership with the local Municipal Corporations. Students at lower levels of learning than their grade level are identified through a baseline assessment and enrolled in small batches of 5-15 at the remedial centre. Trained teachers or volunteers at the centre help children explore language skills and understand basic arithmetic operations and concepts in Mathematics. This focussed 2 hours of daily interaction with children in a fear-free, positive learning environment has helped the children build their foundations of learning, and they are better able to cope with grade-level learning in their classrooms.

**L&T runs 41 Community Learning Centres in Mumbai and 10 Centres in Chennai, reaching out to 2,305 children in Mumbai and 728 children in Chennai.**





## STEM Education Initiative 'Engineering Futures'

STEM (Science, Technology, Engineering, Mathematics) Education Project was initiated in 63 government schools in 2019 and is currently implemented around seven L&T campuses with the objective of enhancing the quality of STEM education by providing digital infrastructure, teachers training, hands-on models, and activity-based learning pedagogy in Government schools. The methodology is designed to increase the levels of fun and engagement in children in the classroom, creating an environment of curiosity and inquisitiveness towards scientific concepts. The project aims to tap potential and scientific rigour among students in select Government schools in Gujarat and Tamil Nadu.

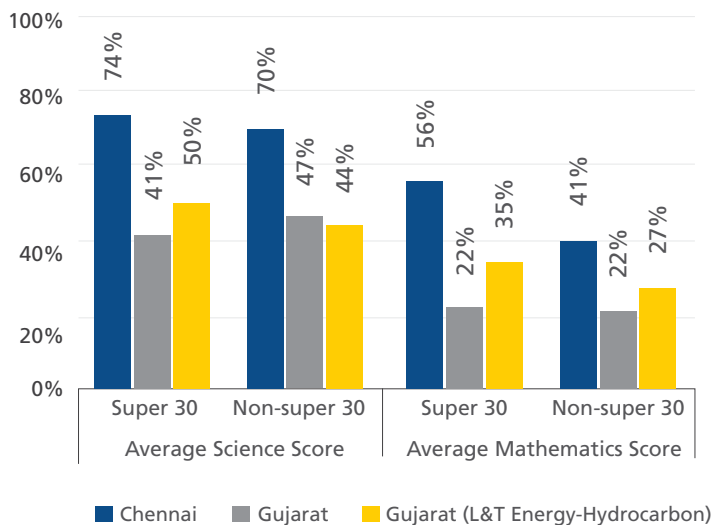
The project reaches out to 243 Government schools, tapping the potential of 44,189 young minds in grades 6-8 to enable them to learn Science and Mathematics in a practical way. Whereas, 713 government teachers trained in using techno pedagogy, digital media, and hands-on experiments in regular Mathematics and Science classes. 35% of students in intervention schools are making STEM models on their own and have created models of a room heater, tubelight making, water level indicator, integer fractional numbers, Math clock, DC circuit with light, buzz and bulb, and remote reading of face expressions. The key stakeholders of STEM Projects are State Education Departments, School Principals, Science and

Mathematics teachers, and School Management Committee (SMC) members, apart from students of grades 6-8 who receive learning inputs.

A recent endline assessment showed encouraging results where a considerable increase in students' learning levels and understanding of concepts was observed, compared to the baseline. The graph shows a clear uptick in Science and Mathematics scores for the students who underwent the intervention as a whole and specifically for the students who were part of the Super 30 Science clubs formed in their respective schools.



Subject-wise average percentage by location



## First L&T National STEM Challenge - Celebrates Young Talent

L&T announced the National STEM Challenge held in February 2024 with the objective of funnelling STEM talent in L&T-supported STEM projects by showcasing students' innovative ideas and creating opportunities to connect children to higher-level STEM learning. The L&T National STEM Challenge unfolded through three exciting levels, engaging students at different stages of the competition conducted in six cities across India to promote STEM among school children. The challenge marked the high point of fostering STEM education through L&T's 'Engineering Futures' initiative. It showcased the incredible talent and innovativeness of young minds from across India.

Approximately 6,000 students of grades 6-8 participated in the intra and inter-school level competitions, out of which 24 teams (50 children) from

Chennai, Coimbatore, Hazira, Vadodara, Talegaon, and Mumbai made it to the L&T National STEM Challenge.

The three winning schools received reward money for upgrading their science labs. Additionally, all three winning teams received a DIY Robotics Kit for further exposure to STEM and an opportunity to visit L&T's tech projects and interact with the leadership team.

The top three winning ideas consisted of an 'Agricultural Tricycle' which covers the plantation cycle - ploughing, sowing and watering. A 'Modern Waste Segregation System' - an app-based solution developed by the students through Scratch Coding for segregating dry and wet waste, also an 'Alternative Magic Road' where the students developed a model to use alternate energy for streetlights and providing alarm system to prevent accidents at hairpin bends.



*1<sup>st</sup> Prize winner Mr. Joshwa A. and Mr. Sivakarhikeyan N. with their science teacher Mrs. Thenmughil Ramakrishnan from Government High School Gerugambakkam, Chennai*

## Enhancing Infrastructure at Schools

L&T builds Government schools, provides furniture, sets up and equips laboratories and libraries, digitises the classrooms, refurbishes classrooms and playgrounds, repairs buildings, and builds compound walls, toilet blocks and drinking water stations in resource-poor public schools to ensure a conducive learning environment. Supplies like uniforms, textbooks, notebooks, and sports kits are provided to underprivileged students in Government and unaided low-income schools in rural and tribal villages.



## HEALTH

L&T's CSR initiative in health focusses on improving community health by delivering preventive, curative, and promotive healthcare services to the underprivileged. Operating through Community Health Centres (CHCs) and Mobile Health Units (MHUs) in urban and rural areas of Gujarat, Maharashtra, and Tamil Nadu, L&T reaches out to marginalised population, enhancing access, infrastructure, and quality of care. Primary healthcare interventions include three verticals: Community Health Centres, Specialty services (operative care, dialysis and Antiretroviral Therapy [ART]), and Outreach Programmes.





- Community Health Centres provide access to maternal, child, and family welfare, pediatric and general healthcare, and Dialysis & Antiretroviral Therapy (ART)
- Mobile Health Units (MHUs) and health camps for school children, women, and the elderly from underprivileged communities, the aim of which is to provide easy and better access to people in remote villages
- Health promotional activities are carried out in and around CHCs, communities, and institutions that are far from CHC through medical camps or health education and awareness talks for vulnerable populations such as children, adolescents, differently abled children, pregnant women, parents, and senior citizens or specific cohorts with similar needs. Health awareness for adolescents, blood donation camps, and care and counselling for differently abled children are also provided at some of the centres



L&T has also collaborated with government schemes such as the Pradhan Mantri Jan Arogya Yojana and Jan Aushadhi Yojana, which provide monetary aid in the form of insurance and subsidised costs on medicines that significantly impact out-of-pocket expenses. The ART Centre at Koldongri, Andheri, Mumbai has collaborated with the Mumbai District AIDS Control Society (MDACS), National AIDS Control Organisation (NACO), and Revised National TB Control Programme (RNTCP) under the Ministry of Health and Family Welfare, Govt. of India, supplementing the government's efforts to control the spread of communicable diseases such as HIV/ AIDS and TB.



## Cancer Care Services

L&T focusses on promoting preventive education and early diagnosis of cancer by implementing cancer-related interventions that target both men and women. The primary goal is to raise awareness that cancer is a treatable disease and to encourage people to undergo regular screening for early detection. This year, 60 specialised check-up camps for cancer were conducted in Mumbai, Thane, and Palghar. 3,378 individuals, comprising 1,128 men and 2,250 women, participated in the camps.

L&T supports a shelter programme that provides temporary residential facilities for caregivers and children from across India undergoing cancer treatment in Mumbai. 121 children and 244 caregivers were provided shelter facilities, and 496 counselling and motivational sessions were conducted with children during the year.

# 7,50,168

Individuals were provided better access to affordable health care and preventive and promotive information



*From Adversity to Adherence: A Teen's Journey with TB and HIV*

Arun (name changed), a 15-year-old boy, relocated to Mumbai from Uttar Pradesh with his family following his mother's untimely passing. He was diagnosed with Tuberculosis (TB) and HIV, transmitted during his birth from his mother. Despite initial reluctance, compounded by family misinformation about HIV status, the boy eventually embraced treatment, thanks to the dedicated efforts of community health workers and counsellors at the ART Centre. Through persistent education and support, he now adheres to his Antiretroviral Therapy (ART), underscoring the role of compassionate healthcare in overcoming adversity and promoting well-being for people living with HIV.



*Vision Restored: Angammal's Journey from Darkness to Light*

Mrs. Angammal, a 64-year-old woman, residing in Malumichampatti village, Coimbatore, is under immense financial strain. During one of her visits to Mobile Health Unit (MHU) camps for routine check-ups, Angammal expressed concerns about her deteriorating vision to the MHU doctor. Recognising the severity of her condition, she was referred to the Vision Centre at L&T Health Centre, where she was diagnosed with cataracts in both eyes and followed by free cataract surgery. With her sight regained, Angammal now leads a fulfilling life, actively contributing to her family's well-being. Her story stands as a testament to the transformative impact of accessible healthcare, providing hope and opportunity to those in need.





## Skill Development

L&T's CSR initiatives have long emphasised skill development to foster inclusive growth. The Company provides vocational training and skill-building activities to equip unemployed youths with employable skills. Through its Construction Skills Training Institutes (CSTIs) and Skills Hubs located across India, L&T offers free residential training in high-demand trades in the construction industry, such as formwork, carpentry, masonry, and plumbing. With an emphasis on technology and innovation, new technology-based skill-training courses are introduced in solar PV technician skills, OFC, and CCTV installation and maintenance. Digital training, digital study material, micro-learning modules on mobile apps, augmented reality/virtual reality training, safety training, quality standards training, and soft skills training are all essential components of the skill-training offerings. Additionally, all courses undergo periodic online assessments.

Nine CSTIs operational at:

Kancheepuram, Tamil Nadu; Panvel, Maharashtra; Pilkhuwa, Delhi; Jadcherla, Telangana; Cuttack, Odisha; Attibelle, Karnataka; Chacharwadi, Gujarat; Hyderabad, Telangana; and Serampore, West Bengal.

Two new Skills Hubs added at Siddipet in Telangana and Mayurbhanj in Odisha.

# 10,974

Youth completed various courses at these CSTIs

## State-of-the-Art Skill Training Hub in Odisha

Marking the beginning of a new chapter in L&T's CSR Skilling initiatives, a state-of-the-art Skill Training Hub was inaugurated by the Honourable President of India, Smt. Droupadi Murmu, at her hometown Pahadpur, Mayurbhanj in Odisha, in November 2023.

The objective of the Skills Hub is to equip the underprivileged youth in the region with new-age construction skills like use of AR/VR for safety, simulators (haptic technology) and impart training on life skills and personality development, thus empowering them to become self-reliant, as well as exposing them to a canvas of opportunities far beyond their immediate surroundings.



This facility, built by L&T across a land parcel of five acres, is equipped with contemporary infrastructure, featuring an administrative-cum-institute building, a multipurpose hall, an e-learning hall, a digital training room (equipped with AR/VR technology to enhance the learning experience), separate hostels for boys and girls (each accommodating 120 individuals), dining facilities, practice yards for various trades, and a dedicated workshop for learning pipe welding. The facility has a capacity to train 800-1000 people annually.

*Powering Up: Abhishek Kumar Ojha's Rise from Unemployment to Supervision*

Mr. Abhishek Kumar Ojha hails from Saran, Bihar. His family's primary source of income was from farming, earning around ₹ 1.5 lakh annually. Before his training, Abhishek was struggling to find stable work in his hometown. He learned about CSTI Pilkhuwa from his friend, who had successfully completed training there and was earning well. Motivated by his friend's success, Abhishek enrolled in the Electrician Training Programme at CSTI Pilkhuwa and completed his two-month training. Through CSTI's placement assistance, he secured a regular job at a construction site at Saharanpur, and soon, he was promoted to Supervisor in the Execution department. Currently, he earns a fixed salary of ₹ 16,625, a significant improvement from his previous unemployment status. Abhishek believes that CSTI's comprehensive training and support have transformed his life and opened doors to a brighter future.



*From Farm to Fortune: Durgabati Das' Electric Journey*

Ms. Durgabati Das, hailing from a modest family background with her father working as a farmer and her mother as a homemaker, had financial constraints that led her to discontinue formal education. However, her determination led her to pursue ITI in Electrical Trade at Government ITI, Balasore. Seeking better opportunities, she relocated to Vizag and joined L&T Multi Skill Training Centre (MSTC). The training proved to be highly educative and practical, providing a conducive learning environment. Durgabati acquired not only technical skills but also gained confidence through soft skill training, essential for facing life's challenges.

During the four-month training, the stipend proved invaluable in sustaining her stay in Vizag. It was this support that enabled her to continue the training, especially considering her relocation from another state. After completing the training, Durgabati secured a job at Hyderabad, with an annual salary of ₹ 1.80 lakh. Her perseverance and determination, clubbed with access to quality training and support from programmes like MSTC, helped her succeed. MSTC thus continues to transform the lives of many aspiring individuals, enabling them to support themselves and their families.



## Linking CSR Interventions with Government Schemes and Programmes:

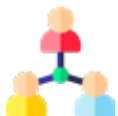
<p><b>Swachh Bharat Abhiyan:</b></p> <ul style="list-style-type: none"> <li>▫ 4,216 household toilets constructed since 2017-18 using local skills and materials</li> <li>▫ 877 school toilets constructed since 2015-16</li> <li>▫ 37,914 children provided WASH awareness since 2015-16</li> <li>▫ Community-based monitoring committees ensured that these villages became open-defecation-free</li> </ul> <p><b>Swajal Yojana under Rural Development Ministry:</b> Watershed development programme under ICDP</p> <p><b>National Rural Livelihood Mission (NRLM):</b> SHG programme under ICDP</p> <p><b>Pradhan Mantri Krishi Sinchayee Yojana:</b> Drip irrigation in ICDP</p> <p><b>Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):</b> Farm bunding activity in ICDP</p>	<p><b>National Health Mission:</b></p> <ul style="list-style-type: none"> <li>▫ National AIDS Control Programme (NACP), L&amp;T ART centre at Andheri</li> <li>▫ National TB Control Programme (RNTCP) at L&amp;T TB Centre at Andheri</li> <li>▫ <b>National Family Planning Programme:</b> Contraceptive services made available at L&amp;T Health Centres</li> <li>▫ <b>Integrated Child Development Scheme:</b> Improving the quality of services at Anganwadi and capacity building of Anganwadi workers</li> <li>▫ <b>Mother and Child Health Programme:</b> ANC PNC care and immunisation services provided at the health centres are linked to this programme</li> <li>▫ <b>Ayushman Bharat Yojana:</b> Linking patients visiting L&amp;T health centres to this scheme</li> <li>▫ <b>Pradhan Mantri Jan Arogya Yojana:</b> Linking patients availing dialysis services at L&amp;T centre to this scheme</li> <li>▫ <b>Pradhan Mantri Bhartiya Janaushadhi Pariyojana:</b> Linking patients visiting L&amp;T health centres to this scheme</li> <li>▫ <b>Mahatma Jyotiba Phule Jan Arogya Yojana in Maharashtra:</b> Linking patients visiting L&amp;T health centres with this scheme</li> <li>▫ <b>Widow Pension Yojana:</b> Linking HIV impacted widows at ART Centre</li> <li>▫ <b>Adhar Poshan Yojana:</b> Provide nutritional support to HIV-affected patients at the ART centre</li> </ul>
<p><b>National Skill Development Mission:</b></p> <ul style="list-style-type: none"> <li>▫ L&amp;T CSTI and Skill Trainers Academy (STA) at Madh</li> <li>▫ Sarva Shiksha Abhiyan (SSA) – Community pre-school programmes and community learning centres preventing dropouts and ensuring enrolment</li> <li>▫ STEM Initiative of National Science and Technology Communication Council and the Department of Science and Technology, Government of India – L&amp;T's STEM Education Programme – 'Engineering Futures'</li> </ul>	

## L&T-teering: Employee Volunteering Initiative

L&T prides itself on a strong culture of employee volunteering, encouraging its workforce to actively engage in meaningful social causes. Our employees contribute their time, skills, and resources to various community development projects, embodying our commitment to social responsibility. During FY 2023-24, 7,188 L&T volunteers gave their time towards organising creativity camps, STEM-based workshops, educational excursions, and supporting disadvantaged groups through craft and NGO melas, participating in Daan Utsav. Many of our programmes involve mentoring and teaching underprivileged children, aiming to bridge educational gaps and empower the next generation with knowledge and skills. Our healthcare initiatives see employees participating in medical camps, blood donation drives, and health awareness campaigns, contributing to the well-being of local communities. Environmental sustainability is another key focus, with employees participating in tree plantation drives, clean-up campaigns, and promoting renewable energy usage.

# RELATIONSHIP CAPITAL

The Company has an unwavering focus on nurturing its relationships with clients, customers, supply chain partners, investors, and shareholders for sustainable growth. The business model and strategy have further cultivated long-term relationships with its clients, supply chain partners, and skilled workforce, resulting in market share growth and enhanced brand value, alongside transforming the sector through a proven track record. Brand value is about trust, reputation, value, and credibility for the Company. It has stood the test of time. This has been facilitated by investing in and nurturing one of the most crucial and intangible assets, viz., the Social and Relationship Capital of the Company.



## Key External Stakeholders

Government (as clients, regulators, policymakers), private sector clients/customers, supply chain partners, and shareholders. The basis of identification of these stakeholders has been elucidated in the 'Stakeholder Engagement' chapter.



## Details of Engagement

The stakeholders provide insights that help the Company to review and progressively refine the strategies to create long-term value for all. The 'Stakeholder Engagement' section also talks about the mode of engagement, frequency, and topics covered in these engagements.



### Stakeholders and ESG

With a heightened focus and demand from the stakeholders on ESG, the roles, relationships, and perspectives of the stakeholders have also evolved. The Company is also engaging with its stakeholders on ESG matters, the details of which are elaborated in Principle 4 of the BRSR section of this Report.



### Grievance Redressal Mechanism

There is a wide range of stakeholders, each with their own needs, expectations, and requirements. The grievance redressal mechanism provides a platform for these stakeholders to voice their concerns. An efficient grievance redressal mechanism is imperative to effective stakeholder management. The mechanism related to investors, shareholders, and supply chain partners is explained in Section A of the BRSR section of this Report. The mechanism for workers, communities, and customers are explained in Principles 3, 8, and 9, respectively, of the BRSR section of this Report.



# FINANCIAL CAPITAL



Financial capital provides a strong foundation that facilitates risk mitigation in unavoidable/unforeseen circumstances and macro-economic unpredictability. With a record high Order Book, a strong Balance Sheet, a well-diversified business portfolio, and a proven track record of successful execution, the Company is in a position to navigate the current volatile business landscape and maintain a healthy equilibrium between risk and growth. Further, the Company's expansion into various emerging sectors as well as growth in the core business will contribute to the attainment of Lakshya 2026 goals and generate value for all the stakeholders.

### Key Highlights of FY 2023-24

**14 %**  
Order inflow growth

**14 %**  
Revenue growth

**50 %**  
Dividend Payout Ratio  
(incl. special dividend)

### Strategy Linkage<sup>1</sup>



### SDGs Impacted



### Material Topics

- Business Ethics
- Climate Action
- Data Security, Privacy and Cyber Security
- Social Engagement and Impact

<sup>1</sup> For details, refer to 'Business Model and Strategy' section.

L&T’s standalone financials reflect the performance of the Infrastructure Projects segment, the Energy Projects segment (comprising Hydrocarbon, Power and Green Energy), the Hi-Tech Manufacturing segment (comprising Heavy Engineering and Precision Engineering & Systems), and the ‘Others’ segment (includes Realty, Construction & Mining Machinery, Rubber Processing Machinery, Smart World & Communication [reflects residual portion], E-commerce/Digital platforms and Data Centers).

### Key Highlights of FY 2023-24

<p>The Company successfully completed the first-ever buyback of 3,12,50,000 equity shares at a price of ₹ 3,200 per equity share through the tender route, with a total cash outflow of ~ ₹ 12,280 crore (including tax on buyback and expenses), resulting in extinguishment of 2.2% of the equity share capital</p>	<p>The sale of the carved-out business of the Smart World and Communication (SWC) business unit of the Company to L&amp;T Technology Services Limited (LTTs) was concluded on April 01, 2023</p>	<p>L&amp;T concluded the sale of its stake in L&amp;T IDPL on April 10, 2024, to an infrastructure fund, managed by Edelweiss Alternative Asset Advisors Limited</p>
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### Performance Summary for FY 2023-24

- Order Inflow achieved a healthy growth of 14% y-o-y basis, driven by the increased proportion of international orders (at 35%), mainly due to higher ordering activity witnessed in GCC countries
- Revenue registered growth of 14%, reflecting improved execution momentum from the opening order book
- The buoyancy in customer collections and advances improved operational cash flows
- The Board of Directors has recommended a final dividend of ₹ 28 per equity share for the approval of the shareholders. In addition, during the year, the Company paid a special dividend of ₹ 6 per equity share



A. M. Naik Heavy Engineering Complex, Hazira, Gujarat

## Economic Value Generated and Distributed<sup>1</sup> [in ₹ Bn]

### Value Generated

Total Income

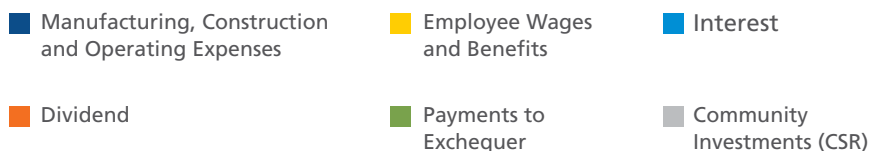
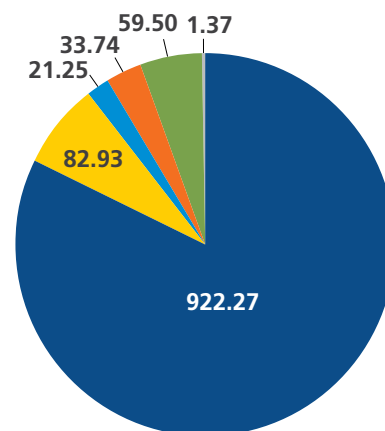
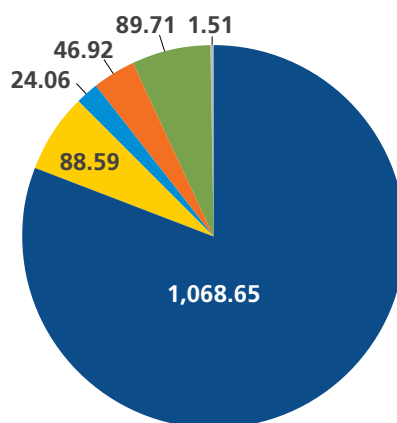
FY 2023-24  
**1,336.4**

FY 2022-23  
**1,162.3**

### Value Distributed

FY 2023-24

FY 2022-23



Value generated - Value distributed = Value retained

FY 2023-24  
**16.97**

FY 2022-23  
**41.24**

Data	Description	FY 2023-24	FY 2022-23
<b>Economic Value Generated</b>	Total Income	1,336.40	1,162.30
<b>Economic Value Distributed</b>	Manufacturing, Construction and Operating Expenses	1,068.65	922.27
	Employee Wages and Benefits	88.59	82.93
	<b>Payments to Providers of Capital</b>		
	Interest	24.06	21.25
	Dividend	46.92	33.74
	Payments to Exchequer	89.71	59.50
	Community Investments (CSR)	1.51	1.37
<b>Economic Value Retained</b>		<b>16.97</b>	<b>41.24</b>

<sup>1</sup>Excluding exceptional items



# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

## SECTION A: GENERAL DISCLOSURES

### I. DETAILS OF THE LISTED ENTITY

1	<b>Corporate Identity Number (CIN) of the Listed Entity</b>	L99999MH1946PLC004768												
2	<b>Name of the Listed Entity</b>	Larsen & Toubro Limited												
3	<b>Year of incorporation</b>	07-02-1946												
4	<b>Registered office address</b>	L&T House, Ballard Estate, Mumbai- 400001, Maharashtra												
5	<b>Corporate address</b>	L&T House, Ballard Estate, Mumbai- 400001, Maharashtra												
6	<b>E-mail</b>	infodesk@larsentoubro.com												
7	<b>Telephone</b>	+91 22 67525656												
8	<b>Website</b>	www.larsentoubro.com												
9	<b>Date of start of Financial Year</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%;">Start Date</th> <th style="width: 35%;">End Date</th> </tr> </thead> <tbody> <tr> <td>Financial Year</td> <td>01-04-2023</td> <td>31-03-2024</td> </tr> <tr> <td>Previous Year</td> <td>01-04-2022</td> <td>31-03-2023</td> </tr> <tr> <td>Prior To Previous Year</td> <td>01-04-2021</td> <td>31-03-2022</td> </tr> </tbody> </table>		Start Date	End Date	Financial Year	01-04-2023	31-03-2024	Previous Year	01-04-2022	31-03-2023	Prior To Previous Year	01-04-2021	31-03-2022
	Start Date	End Date												
Financial Year	01-04-2023	31-03-2024												
Previous Year	01-04-2022	31-03-2023												
Prior To Previous Year	01-04-2021	31-03-2022												
10	<b>Name of the Stock Exchange(s) where shares are listed</b>	<ol style="list-style-type: none"> <li>1. BSE Limited</li> <li>2. National Stock Exchange of India Limited</li> </ol>												
11	<b>Paid-up Capital</b>	₹ 274.93 Crore												
12	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	<p>Name of contact person Dr. Pradeep Panigrahi, Head Corporate Sustainability</p> <p>Contact Number of contact person +91 22 61238639</p> <p>Email of Contact Person pradeep.panigrahi@larsentoubro.com</p>												
13	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).</b>	The disclosure under this report is made on a standalone basis.												
14	<b>Name of assurance provider</b>	Deloitte Haskins & Sells LLP												
15	<b>Type of assurance obtained</b>	Reasonable Assurance for Core KPIs												

## II. PRODUCTS/SERVICES

### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of turnover
1	Infrastructure Projects	Engineering and Construction of (a) Building and Factories, (b) Transportation Infrastructure, (c) Heavy Civil Infrastructure, (d) Power Transmission & Distribution, (e) Water & Effluent Treatment and (f) Minerals and Metals	75
2	Energy Projects	EPC/turnkey solutions in (a) Hydrocarbon business covering Oil and Gas industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning, (b) Power business covering Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages and (c) EPC solutions in Green Energy space	15
3	Hi-Tech Manufacturing	Design, manufacture/construct, supply, revamp/retrofit of (a) Heavy Engineering business covering custom designed, engineered critical equipment and systems to the process plant, nuclear energy and green hydrogen sectors and (b) Precision Engineering & Systems covering marine and land platforms including related equipment & systems; aerospace products & systems; precision and electronic products and systems for defence, security, space and industrial sectors	6

### 17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No	NIC Code			Product/Services	% of total turnover contributed
	Group	Class	Sub Class		
1	251	2513	25132/33/39	Manufacture of nuclear reactors, except isotope separators and auxiliary plant for use with steam generators	3
2	282	2824	28246	Manufacture of parts and accessories for machinery/equipment used by construction and mining industries	6
3	410	4100	41001	Construction of buildings carried out on own-account basis or on a fee or contract basis	13
4	421	4210	42101	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	29
			42102	Construction and maintenance of railways and rail-bridges	
5	422	4220	42201	Construction and maintenance of power plants	2
			42202	Construction/erection and maintenance of power, telecommunication and transmission lines	14
			42204	Construction and maintenance of water main and line connection, water reservoirs including irrigation system (canal)	13
			42205	Construction and repair of sewer systems including sewage disposal plants and pumping stations	
6	429	4290	42901	Construction and maintenance of industrial facilities such as refineries, chemical plants, etc.	13

### III. OPERATIONS

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	18	28	46
International	0	13	13

#### 19. Markets served by the entity:

##### a. Number of locations

Location	Number
National (No. of States)	Pan India
International (No. of Countries)	64

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

21%

##### c. A brief on types of customers

The Company's primary businesses are EPC projects in infrastructure and energy and hi-tech manufacturing of equipment and process for industries. Government (sovereign, sub-national, local) and related entities (govt. owned/controlled corporations) are the largest clients of the Company. Other clients are private companies, including foreign companies, in various sectors and industries.

### IV. EMPLOYEES

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No	Particulars <sup>1</sup>	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	52,224	48,019	91.9	4,205	8.1
2.	Other than Permanent (E)	5,041	4,793	95.1	248	4.9
3.	<b>Total employees (D + E)</b>	<b>57,265</b>	<b>52,812</b>	<b>92.2</b>	<b>4,453</b>	<b>7.8</b>
<b>WORKERS</b>						
4.	Permanent (F)	2,079	2,073	99.7	6	0.3
5.	Other than Permanent (G)	3,48,094	3,45,287	99.2	2,807	0.8
6.	<b>Total workers (F + G)</b>	<b>3,50,173</b>	<b>3,47,360</b>	<b>99.2</b>	<b>2,813</b>	<b>0.8</b>

<sup>1</sup> Other than permanent employees comprise Fixed Term Employees (FTEs). 'Permanent' workers include only those workers who are employed for full-time or part-time work for an indeterminate period with the Company. 'Other than Permanent' workers include workers on third-party roll and contractual categories.

##### b. Differently abled employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	45	42	93.3	3	6.7
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D + E)</b>	<b>45</b>	<b>42</b>	<b>93.3</b>	<b>3</b>	<b>6.7</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	15	15	100	0	0
5.	Other than Permanent (G)	13	13	100	0	0
6.	<b>Total differently abled workers (F + G)</b>	<b>28</b>	<b>28</b>	<b>100</b>	<b>0</b>	<b>0</b>

## 21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors <sup>2</sup>	17	1	5.9
Key Management Personnel	1	0	0

<sup>2</sup> The Chairman & MD and CFO are included in the Board of Directors.

## 22. Turnover rate for permanent employees and workers

Particulars	FY 2023-24 [values in %]			FY 2022-23 [values in %]			FY 2021-22 [values in %]		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.5	14.0	11.7	11.8	20.1	12.5	14.3	20.6	14.7
Permanent Workers	9.5	0	9.5	1.8	0	1.8	Not tracked		

## V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

## 23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the Company (A)	Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by the listed entity	Does the entity indicated at column (A), participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Ahmedabad-Maliya Tollway Limited *	Joint Venture	51.00	No
2	Avenue Techpark (Bangalore) Private Limited	Subsidiary	100.00	No
3	Bangalore Fortune Techpark Private Limited	Subsidiary	100.00	No
4	Bangalore Galaxy Techpark Private Limited	Subsidiary	100.00	No
5	Bangalore Spectrum Techpark Private Limited	Subsidiary	100.00	No
6	Bhilai Power Supply Company Limited	Subsidiary	99.90	No
7	Bluefin Solutions Sdn. Bhd. ®	Subsidiary	68.60	No
8	Business Park (Powai) Private Limited	Subsidiary	100.00	No
9	Chennai Nova Techpark Private Limited	Subsidiary	100.00	No
10	Chennai Vision Developers Private Limited	Subsidiary	100.00	No
11	Corporate Park (Powai) Private Limited	Subsidiary	100.00	No
12	Graphene Solutions Sdn. Bhd.	Subsidiary	73.74	No
13	Graphene Solutions Taiwan Limited	Subsidiary	73.74	No
14	Hydrocarbon Arabia Limited Company	Joint Venture	60.00	No
15	Hi-Tech Rock Products & Aggregate Limited	Subsidiary	100.00	No
16	Kudgi Transmission Limited *	Joint Venture	51.00	No
17	L&T Aviation Services Private Limited	Subsidiary	100.00	No
18	L&T Capital Company Limited	Subsidiary	100.00	No
19	L&T Chennai Tada Tollways Limited *	Joint Venture	51.00	No
20	L&T Community Welfare Association ^	Subsidiary	100.00	No
21	L&T Construction Equipment Limited	Subsidiary	100.00	No
22	L&T Deccan Tollways Limited *	Joint Venture	51.00	No
23	L&T Electrolysers Limited	Subsidiary	100.00	No
24	L&T Energy Green Tech Limited (Formerly known as L&T Power Limited)	Subsidiary	100.00	No



S. No.	Name of the Company (A)	Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by the listed entity	Does the entity indicated at column (A), participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
25	L&T Energy Hydrocarbon Engineering Limited (Formerly known as L&T-Chiyoda Limited)	Subsidiary	100.00	No
26	L&T Finance Limited <sup>§</sup> (Formerly known as L&T Finance Holdings Limited)	Subsidiary	65.86	No &
27	L&T Financial Consultants Limited	Subsidiary	65.86	No
28	L&T Geostructure Private Limited	Subsidiary	100.00	No
29	L&T Global Holdings Limited	Subsidiary	100.00	No
30	L&T Himachal Hydropower Limited	Subsidiary	100.00	No
31	L&T Howden Private Limited	Joint Venture	50.10	No
32	L&T Hydrocarbon Saudi Company LLC (Formerly known as Larsen & Toubro Atco Saudi LLC)	Subsidiary	100.00	No
33	L&T Infra Investment Partners Advisory Private Limited	Subsidiary	65.86	No
34	L&T Infra Investment Partners Trustee Private Limited	Subsidiary	65.86	No
35	L&T Infrastructure Development Projects Limited *	Joint Venture	51.00	No
36	L&T Interstate Road Corridor Limited *	Joint Venture	51.00	No
37	L&T MBDA Missile Systems Limited	Joint Venture	51.00	No
38	L&T Metro Rail (Hyderabad) Limited	Subsidiary	99.99	No
39	L&T-MHI Power Boilers Private Limited	Joint Venture	51.00	No
40	L&T-MHI Power Turbine Generators Private Limited	Joint Venture	51.00	No
41	L&T Modular Fabrication Yard LLC	Subsidiary	70.00	No
42	L&T Network Services Private Limited	Subsidiary	100.00	No
43	L&T Offshore Private Limited # (Formerly known as L&T Sapura Offshore Private Limited)	Subsidiary	100.00	No
44	L&T Parel Project Private Limited	Subsidiary	100.00	No
45	L&T Power Development Limited	Subsidiary	100.00	No
46	L&T Rajkot-Vadinar Tollway Limited *	Joint Venture	51.00	No
47	L&T Realty Developers Limited	Subsidiary	100.00	No
48	L&T Samakhiali Gandhidham Tollway Limited *	Joint Venture	51.00	No
49	L&T Sambalpur - Rourkela Tollway Limited *	Joint Venture	51.00	No
50	L&T Sapura Shipping Private Limited	Joint Venture	60.00	No
51	L&T-Sargent & Lundy Limited	Joint Venture	50.01	No
52	L&T Seawoods Limited	Subsidiary	100.00	No
53	L&T Semiconductor Technologies Limited	Subsidiary	100.00	No
54	L&T Special Steels and Heavy Forgings Private Limited	Joint Venture	74.00	No
55	L&T Technology Services (Canada) Limited	Subsidiary	73.74	No
56	L&T Technology Services Limited	Subsidiary	73.74	No &
57	L&T Technology Services LLC	Subsidiary	73.74	No
58	L&T Technology Services Poland Spółka Z Ograniczoną... Odpowiedzialnością...	Subsidiary	73.74	No
59	L&T Technology Services Pte. Ltd. (Formerly known as Graphene Solutions Pte. Ltd.)	Subsidiary	73.74	No
60	L&T Technology Services (Shanghai) Co. Ltd.	Subsidiary	73.74	No

S. No.	Name of the Company (A)	Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by the listed entity	Does the entity indicated at column (A), participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
61	L&T Thales Technology Services Private Limited	Subsidiary	54.57	No
62	L&T Transportation Infrastructure Limited*	Joint Venture	51.00	No
63	L&T Valves Arabia Manufacturing LLC	Subsidiary	100.00	No
64	L&T Valves Limited	Subsidiary	100.00	No
65	L&T Valves USA LLC	Subsidiary	100.00	No
66	Larsen & Toubro (East Asia) Sdn. Bhd.+	Subsidiary	30.00	No
67	Larsen & Toubro Electromech LLC	Subsidiary	70.00	No
68	Larsen & Toubro Heavy Engineering LLC	Subsidiary	70.00	No
69	Larsen & Toubro International FZE	Subsidiary	100.00	No
70	Larsen & Toubro Kuwait Construction General Contracting Company (With Limited Liability)+	Subsidiary	49.00	No
71	Larsen & Toubro Oman LLC	Subsidiary	65.00	No
72	Larsen & Toubro Saudi Arabia LLC	Subsidiary	100.00	No
73	Larsen & Toubro T&D SA (Pty) Limited	Subsidiary	72.50	No
74	GH4India Private Limited	Joint Venture	33.33	No
75	Larsen & Toubro Qatar LLC @+	Subsidiary	49.00	No
76	Larsen Toubro Arabia LLC	Subsidiary	75.00	No
77	LH Residential Housing Private Limited	Subsidiary	100.00	No
78	LH Uttarayan Premium Realty Private Limited	Subsidiary	100.00	No
79	LTIMindtree Canada Limited (Formerly known as Larsen & Toubro Infotech Canada Limited)	Subsidiary	68.60	No
80	LTIMindtree Financial Services Technologies Inc. (Formerly known as L&T Infotech Financial Services Technologies Inc.)	Subsidiary	68.60	No
81	LTIMindtree GmbH (Formerly known as Larsen & Toubro Infotech GmbH)	Subsidiary	68.60	No
82	LTIMindtree Information Technology Services (Shanghai) Co. [Formerly known as L&T Information Technology Services (Shanghai) Co. Ltd.]	Subsidiary	68.60	No
83	LTIMindtree Limited (Formerly known as Larsen & Toubro Infotech Limited)	Subsidiary	68.60	No &
84	LTIMindtree LLC (Formerly known as Larsen & Toubro Infotech LLC)	Subsidiary	68.60	No
85	LTIMindtree Middle East FZ-LLC (Formerly known as LTI Middle East FZ-LLC)	Subsidiary	68.60	No
86	LTIMindtree Norge AS (Formerly known as Larsen & Toubro Infotech Norge AS)	Subsidiary	68.60	No
87	LTIMindtree PSF S.A. (Formerly known as Syncordis PSF S.A. )	Subsidiary	68.60	No
88	LTIMindtree S.A. (Formerly known as Syncordis S.A. Luxembourg )	Subsidiary	68.60	No
89	LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable (Formerly known as L&T Infotech S. De. Rl. De. Cv.)	Subsidiary	68.60	No

S. No.	Name of the Company (A)	Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by the listed entity	Does the entity indicated at column (A), participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
90	LTIMindtree South Africa (Pty) Limited [Formerly known as Larsen and Toubro Infotech South Africa (Pty) Limited]	Subsidiary	47.73	No
91	LTIMindtree Spain SL (Formerly known as L&T Information Technology Spain SL)	Subsidiary	68.60	No
92	LTIMindtree Switzerland AG (Formerly known as Nielsen+Partner Unternehmensberater AG)	Subsidiary	68.60	No
93	LTIMindtree (Thailand) Limited (Formerly known as Nielsen & Partner Company Limited)	Subsidiary	68.60	No
94	LTIMindtree UK Limited (Formerly known as Larsen & Toubro Infotech UK Limited)	Subsidiary	68.60	No
95	LTIMindtree USA Inc. (Formerly known as Lymbyc Solutions Inc.)	Subsidiary	68.60	No
96	LTH Milcom Private Limited	Subsidiary	56.67	No
97	Millennium Techpark (Chennai) Private Limited	Subsidiary	100.00	No
98	Nabha Power Limited	Subsidiary	100.00	No
99	Nielsen & Partner Pty. Ltd.	Subsidiary	68.60	No
100	Nielsen+Partner Pte. Ltd.	Subsidiary	68.60	No
101	Nielsen+Partner Unternehmensberater GmbH	Subsidiary	68.60	No
102	Panipat Elevated Corridor Limited *	Joint Venture	51.00	No
103	PNG Tollway Limited *	Joint Venture	37.74	No
104	Prime Techpark (Chennai) Private Limited	Subsidiary	100.00	No
105	PT. Larsen & Toubro	Subsidiary	100.00	No
106	Raykal Aluminium Company Private Limited	Joint Venture	75.50	No
107	Rewin Infrastructure Limited *	Joint Venture	51.00	No
108	Syncordis Limited, UK	Subsidiary	68.60	No
109	Syncordis Sarl, France	Subsidiary	68.60	No
110	Vadodara Bharuch Tollway Limited *	Joint Venture	51.00	No
111	Watrak Infrastructure Private Limited *	Joint Venture	51.00	No
112	Indiran Engineering Projects and Systems Kish (LLC)	Joint Venture	50.00	No
113	Gujarat Leather Industries Limited <sup>@</sup>	Associate	50.00	No
114	Grameen Capital India Private Limited <sup>%</sup>	Associate	17.12	No
115	International Seaports (Haldia) Private Limited <sup>%</sup>	Associate	14.25	No
116	L&T Camp Facilities LLC	Associate	49.00	No
117	Magtorq Private Limited	Associate	42.85	No
118	Magtorq Engineering Solutions Private Limited	Associate	39.28	No
119	Larsen & Toubro Qatar & HBK Contracting Co. WLL <sup>&amp;</sup>	Associate	50.00	No

<sup>@</sup> In process of Liquidation.

\* Sold off w.e.f. April 10, 2024.

<sup>^</sup> Subsidiary as per Companies Act, 2013.

<sup>§</sup> L&T Finance Limited, L&T Infra Credit Limited and L&T Mutual Fund Trustee Limited was merged with L&T Finance Holdings Limited. Thereafter, the name of L&T Finance Holdings Limited was changed to L&T Finance Limited w.e.f. March 28, 2024.

<sup>#</sup> Wholly owned subsidiary of the Company w.e.f. December 27, 2023.

<sup>%</sup> Associate of a subsidiary company under Companies Act, 2013.

<sup>+</sup> Subsidiary by virtue of control over composition of Board of Directors.

<sup>&</sup> These subsidiaries have a separate BRSR.

**VI. CSR DETAILS****24. CSR Details**

Whether CSR is applicable as per Section 135 of Companies Act, 2013	Yes
Turnover (in ₹ Crore)	1,26,236
Net worth (in ₹ Crore)	64,416

**VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES****25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  if Yes, then provide web-link for grievance redress policy	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	–	0	0	–
Investors (other than shareholders)	Yes	0	0	–	0	0	–
Shareholders	Yes	0	0	–	0	0	–
Employees and workers <sup>3</sup>	Yes	510	5	–	211	0	–
Customers	Yes	32	10	–	115	7	–
Value Chain Partners	Yes	59	18	–	252	95	–
Others	Yes	52	23	Whistleblower complaints <sup>4</sup>	18	3	Whistleblower complaints

<sup>3</sup> Higher reported cases due to streamlining of complaints and grievances registration system viz HEERA, a bot based system incorporated in MS teams. Includes complaints related to salary, benefits, policies, portals, mediclaim, leave, work facilities. Complaints related to sexual harassment are addressed through the mechanism stated in the POSH Policy and respective Internal Complaints Committee.

<sup>4</sup> Higher reported cases due to increased awareness amongst stakeholders.

Though the Company does not have a formal grievance redressal policy/ies, there are detailed procedures in place for addressing the grievances across different stakeholders.

Details of the grievance redressal mechanism are elucidated below:

**Investors and Shareholders:** The Company has designated an exclusive e-mail id [IGRC@Larsentoubro.com](mailto:IGRC@Larsentoubro.com), to enable investors and shareholders to register their grievances, if any. Other mechanisms to receive the grievances are physical letters to the registered office address, e-mails to the Registrar and Transfer Agent (RTA), KFin Technologies Ltd. (KFinTech) on their designated email id [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com), physical letters or telephone call or physical visit to RTA, designated grievance redressal facilitation platform of SEBI – SCORES, from Stock Exchanges i.e. BSE & NSE through their online portals, letters received from Registrar of Companies (ROC) and complaints received on Smart ODR Portals of BSE and NSE. Each email received through IGRC ID is responded to wherever the details are readily available with the Company. All grievances received by RTA are forwarded to the Company and the Company can view scanned copies of these emails and replies in Karisma system (KFinTech software portal). The Company regularly monitors Inward Report which is available on Karisma Portal of KFinTech to ensure that Service Level Agreement (SLA) timelines are properly followed for closure of queries/complaints received. Complaints received through stock exchanges, regulators, ROC are monitored and the responses are uploaded on the respective regulators' portal. The Company regularly checks the status of closure of these complaints. SLA for resolving all the queries as well as complaints is 30 days. On a quarterly basis, the Company submits a report to Stock Exchanges providing details of complaints received and redressed. These details also placed with the Stakeholders Relationship Committee and the Board on a quarterly basis, for their information.



**Supply Chain Partners:** The grievances are primarily registered and redressed through a dedicated vendor management platform called Partner portal for contractual and Whistleblowing Policy for other than contractual grievances. Partner portal captures the contractual grievances such as administrative and statutory compliances, payment, invoicing, contractual clauses, material and services schedule and delivery, quality non-conformances, global geo-political concerns beyond the contract but affecting contract performance. Typically, in most cases, based on the priority, complexity and severity of the grievance, the resolution time may range from 30-45 working days. In cases of major disputes, the resolution time may be more than 45 days. The entire process entails continuous dialogue and feedback. For grievances other than contractual, the Company has formulated Whistleblower Policy for Vendors & Channel Partners with a view to provide a mechanism for vendors of the Company to express genuine concerns about unethical behaviour, improper practice, any misconduct, any violation of legal or regulatory requirements, actual or suspected fraud, without fear of punishment or unfair treatment. The Policy was also circulated to all registered vendors across the Company and is available at <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>

The grievance redressal mechanism for employees and workers, community and customers are explained in Principle 3, 8 and 9 respectively.

**26. Overview of the entity’s material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format**

The Company conducts materiality assessment to identify and prioritize the key material topics pertaining to ESG and understand the relative importance of these topics to the stakeholders and businesses. In FY 2021-22, the Company engaged with a diverse set of internal and external stakeholders to update its materiality matrix. The material topics, if addressed and strengthened can become a strength and if not, can pose a risk. For certain material topics, the focus is more on the potential risk and the approach taken by the Company to ensure that the risk does not materialize. This is outlined in the table in ‘Understanding Materiality’ section of Integrated Annual Report FY 2023-24.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

Disclosure Questions	Principles								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes, each principle and its core elements are covered by one or more policies of the Company.								
b. Has the policy been approved by the Board? (Yes/No)	Yes, the policies are approved by the Board/Board Committee/Executive Committee as applicable								
c. Web Link of the Policies, if available	The policies are available at <a href="https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/">https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Most of the policies are implemented through procedures which are either incorporated in the policies or available as separate documents/SOPs/processes.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Code of Conduct for the supply chain partners cover key aspects of the Company’s policies applicable to the value chain partners. Furthermore, some of the other Company policies such as Whistleblowing Policy for Vendor and Channel partners as relevant are also extended to the supply chain partners.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Some of the standards, certifications, codes adopted by the Company are as follows: P1: SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 P2: SA8000 (key manufacturing facilities), ISO 14001, ISO 45001 P3: Factories Act, 1948, Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, SA8000 (key manufacturing facilities), ISO 45001 P5: Factories Act, 1948, Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, SA8000 (key manufacturing facilities) P6: ISO 14001, ISO 50001 P8: CSR disclosures pursuant to Section 135 of the Companies Act, 2013 P9: ISO 27001: 2013								

Disclosure Questions	Principles								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.		(a)	(f) (g)		(g)	(a)(b)(c)(d)		(e)	
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.		(a)	(f) (g)		(g)	(a)(b)(c)(d)		(e)	

#	Parameter/Metric	Target FY 2025-26	Achieved FY 2023-24
(a)	Green Business portfolio (% of revenue)	40%	50%
(b)	Renewable energy (% electricity)	50% [baseline year FY 2020-21]	9.2%
(c)	Emissions Intensity Reduction	-25% [baseline year FY 2020-21]	-10%
(d)	Tree plantation	1.5 -2 million/yr	~4 million
(e)	CSR beneficiaries <sup>5</sup>	1.7 million	1.6 million
(f)	Diversity ratio	10%	8.1%
(g)	Mission Zero Harm		LTIFR for FY24: 0.04 (Employees)   0.07 (Workers)

<sup>5</sup> The target was to impact 1.6 million beneficiaries by FY 2025-26. Since, the Company already attained its FY 2025-26 target during FY 2023-24, the target has been pushed further and the new target is to impact 1.7 million beneficiaries by FY 2025-26.

Renewable energy (% of total electricity) is significantly lower than the short-term target due to the challenges faced in sourcing renewable energy by the Company. Issues faced for sourcing at project sites are unavailability of adequate area for installing solar modules, difficulties in getting green open access for temporary connections, developers' preference for long term power purchase agreements (10-15 years) and varying regulations and charges across the states.

### Governance, leadership and oversight

#### 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.

L&T is progressing on various dimensions of ESG by strengthening policies and processes, improving systems, translating plans into action towards achieving targets, continuous monitoring and review and building capacity of the workforce through various channels.

The Company has committed to achieve Carbon Neutrality by 2040 and Water Neutrality by 2035, and in-line with long term targets, the Company has taken interim targets up to FY 2025-26. The Company's overall GHG emission intensity reduced by 12.2% in FY 2023-24 (7.8 tCO<sub>2</sub>e/₹ Cr in FY 2023-24 compared to 8.9 tCO<sub>2</sub>e/₹ Cr of the previous FY 2022-23) and this is in line with the reduction path up to FY 2025-26. Reduction in emission intensity was primarily driven by decrease in energy intensity by 15.9% in FY 2023-24. Emissions reduction would have been higher, had it not been for the challenges faced in increasing sourcing of renewable power, which stood at 9.2% (of electricity consumption) during the year.

The Company's strategy towards achieving Carbon Neutrality is based on two key pillars – reducing fossil fuel consumption and increasing use of renewable energy in electricity consumption. With more than 700 sites, EPC projects present significant challenges in implementing these strategies owing to their temporary operations (typically 3-4 years) at any project site, open boundaries, and extensive spatial coverage, especially in the context of linear projects. The business units of the Company have identified and are implementing several initiatives to progress towards the targets. Furthermore, the Company has formed two high-level taskforces during the year to help increase renewable electricity sourcing and reduce diesel consumption.

Biodiversity promotion is another vital area and the Company has set a target of 1.5-2 million saplings per annum. During the year, the Company planted around 4 million saplings through large scale plantation drives across the country. In recent past, the Company had planted 150 hectares of mangroves near the A. M. Naik Heavy Engineering Complex, Hazira, Surat in Gujarat, which continue to protect coastal villages from incursion of salt water and facilitate storage of blue carbon. The Company is exploring different options for tracking survival and growth of saplings.

The Company is focusing on reducing water consumption intensity for achieving Water Neutrality. This is driven through initiatives such as water use efficiency, recycling of wastewater, rainwater harvesting and use of treated wastewater from municipal corporations. The Company also undertakes significant water conservation and ground water recharge through projects under the Company's CSR programmes across different locations of the country. The Company has initiated steps for a third-party assessment to estimate the positive impact of these CSR initiatives.

Recognizing the importance of Circular Economy on the businesses and the environment, the Company is taking numerous steps, including use of recycled or non-virgin material. In FY 2023-24, approximately 32% of input material was eco-friendly and non-virgin material. L&T Construction Research and Testing Centre (LTCRTC) in Chennai, which is recognized by the Department of Scientific and Industrial Research (DSIR) and accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), continues to experiment with new material for replacing traditional material used in construction work. In FY 2023-24, Research & Testing Centre has achieved some encouraging results with design of mixes with low embodied carbon materials e.g., glass fibre textiles and with use of industrial by-products e.g., steel slag. (Further details are provided in Intellectual Capital section of the Integrated Annual Report FY 2023-24.)

During the year, the Company has taken substantial effort and actions to handhold and build awareness of the supply chain partners on ESG. The Company has started assessing its supply chain partners on ESG parameters starting with 25 in FY 2022-23 and 200 in FY 2023-24. The assessment in the coming years will be more comprehensive and structured for improving ESG orientation as well as performance of the suppliers.

The Company had set a target to achieve 40% of total revenue from Green Business by FY 2025-26 and has already exceeded by achieving 50% in FY 2023-24. Green Business is centred around clean mobility, clean energy, water and sanitation infrastructure and other related areas. The Company has been ranked third globally in 'Top 200 Environmental Firms' list consecutively in 2022 and 2023 by Engineering News Record (ENR), a reputed publication for the construction industry worldwide.

The Company is focussed on providing equal opportunity, ensuring diversity and inclusion, safe workplace and wellbeing of its workforce. The Company has implemented multiple initiatives for safeguarding their health and safety. Skill upgradation as well as developing capabilities of the workforce for the future is a continuous thrust area for the Company. During the year, around 24,000 employees and 3,50,000 contract workmen have undergone training on health and safety. Several new initiatives were rolled out during FY 2023-24 to instil a high-performance work culture. For example, the Company launched Project NEEV (Nurture, Educate, Empower to create Value) to inculcate a culture of effective performance and continuous feedback.

The gender diversity stands at 8.1% with a target to reach 10% by FY 2025-26. Over the last two years, the Company has maintained hiring of 30% women Graduate Engineer Trainee (GET) and Post Graduate Engineer Trainee (PGET) and is continuously ramping up the efforts towards diverse and inclusive workplace. Various campaigns were organized, celebrating PRIDE month and people with different abilities, to increase awareness on diversity beyond gender. With the intention of developing a pipeline of women leaders, 495 women employees were handpicked to participate in WINSPIRE series of Leadership Development Programs during the last few years, with a 142% rise in participation rate.

Corporate Social Responsibility has been a primary focus of the Company, much before it became part of the legislation. The overarching theme for our CSR programme is to develop India's Social Infrastructure by focusing on water and sanitation, education, health and skill building. In FY 2023-24, CSR initiatives impacted 1.6 million lives, with a target to reach 1.7 million beneficiaries by FY 2025-26. The Company's Integrated Community Development Programmes (ICDP) initiated 10 years ago, helps in building resilience in rural communities, especially in remote water-scarce locations of Maharashtra, Tamil Nadu and Rajasthan covering an area of ~43,091 hectares. The Company is scaling up and replicating these models in other locations. In all ICDP locations, the water table has risen by an average of 8 meters from the baseline benefitting nearly 25,000 households. Through these consistent efforts, the Company aims to improve quality of life, reduce social inequalities, promote self-sufficiency, and empower individuals in vulnerable and marginalised communities.

The Company is striving to ensure sustainable and inclusive growth. The Company believes in taking a balanced approach for creating enduring long-term value for its multiple stakeholders – customers, suppliers, business partners, shareholders, community, the society, and the planet. The Company is pursuing the path of purposeful progress with enthusiasm and optimism.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**

The Chairman & MD and the Board are the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

9. **Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.**

Yes, the Company's CSR & Sustainability Committee is responsible for decision making on sustainability related issues. For details of the composition, role and terms of reference, please refer to Annexure 'B' to the Board Report of the Integrated Annual Report FY 2023-24.

10. **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee					Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)			
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, the performance against policies is reviewed by the Board/Board Committees/Executive Committee on periodic basis.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with the extant regulations and principles as are applicable.								

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company has over 350 global certifications across the businesses provided by third party audit agencies such as Deloitte Haskins & Sells LLP, DNV India, TUV-Nord, LRQA. These agencies conduct audits across businesses on standards such as ISO / IEC 27001 (Information Security Management System-ISMS), ISO 14001 (Environment Management System), ISO 45001 (Occupational Health and Safety Management System), ISO 9001 (Quality Management System), AS 9100 (Aerospace), SA8000 (Social Accountability Standard), ISO 29001 (Quality Management System for Oil & Gas Industry), ISO 50001 (Energy Management System), American Society of Mechanical Engineers (ASME), ISO 20000 (IT Service Management), HR Management-ISO 30400 Series, Innovation Management- ISO 50501, ISO 56000 Series, Project Management-ISO 10006, ISO 21500 Series, Risk Management-ISO 31000 Series, Governance-ISO 19600, ISO 37000 Series, Anti-Bribery Management-ISO 37001, ESG assurance – SSAE 3000. During these audits, components such as policies, processes, procedures, records, monitoring and review process are checked and verified by the third party.								

12. **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									Not applicable
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**
**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**
**ESSENTIAL INDICATORS**
**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons covered by the awareness programmes
Board of Directors	4	Business, strategy, risk, Induction, ESG, visit to site/operative plants and update of laws	91
Key Managerial Personnel	6	Business, strategy, risk, regulatory discussions, ESG, visit to site/operative plants and update of laws	100
Employees other than BoD and KMPs	5,766	<p>The Company conducts numerous online and offline training led by internal or external faculty/expert throughout the year on key topics such as Safety, Code of Conduct, Prevention of Sexual Harassment, cybersecurity, diversity and inclusion, sustainability for employees across the Company. In addition, employees are provided need-based training as per their job and role requirement, covering aspects such as behavioural competency, leadership development, project management.</p> <p>The Company is also focussed on skill upgradation such as engineering/ designing software, artificial intelligence, machine learning, Behaviour Based Safety, data analysis and visualization, IoT, IS Standards and Codes.</p>	100
Workers	1,32,843	The contractual workforce undergoes numerous trainings which includes but not limited to, health and safety, equipment operation, handling of tools and material, behaviour based safety, waste management, first aid, work at heights.	100

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine				
Settlement				
Compounding fee				
No cases reported during the year				

Non-Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment				
Punishment				
No cases reported during the year				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

No cases have been reported during FY 2023-24.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has a policy on anti-bribery and anti-corruption ('ABAC' policy) available at <https://www.larsentoubro.com/corporate/about-It-group/corporate-policies/>. The Company is committed to complying with all applicable laws and regulations which govern the Company's operations across every location. It provides a guiding framework and covers various aspects such as, but not limited to, expected standard of behaviour, having appropriate controls, monitoring, reporting, training and awareness. This Policy is applicable to all employees working at all levels and grades of the Company, including the Board Members and Senior Managerial Personnel (Senior officers), employees, managers, executives, supervisors, workers and other equivalent grades of employees of the Company and fixed term contract employees. This Policy has also been extended to any other person associated with the Company and such person acting on behalf of the Company through the Code of Conduct for Suppliers (which includes Intermediaries including Consultants/Agents/Business Partners/Vendors). Furthermore, the Company has already adopted a Code of Conduct for Board of Directors and Senior Management, Code of Conduct for Supervisory, Executive and Officers, Code of Conduct for Suppliers (which includes intermediaries including Consultants/Agents/ Business Partners/Vendors), Whistle Blower Policy, Whistle-Blowers Policy for Vendor and Channel Partners' and other detailed procedures to ensure compliance and uphold the principles of ABAC policy. All forms of bribery and corruption are prohibited, and adequate measures are in place to prevent such instances. The Company maintains a policy of 'Zero Tolerance' of any practice that may be deemed to be corruption, either active or passive.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	–	0	–
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	–	0	–

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

No cases or complaints received in the above matters.

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of day of accounts payables	142	166

**9. Open-ness of business**

**Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases <sup>6</sup>	a. Purchases from trading houses as % of total purchases	Not estimated	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Not applicable	
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	3.26%	3.11%
	b. Sales (Sales to related parties / Total Sales)	1.23%	1.14%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	16.68%	31.85%
	d. Investments (Investments in related parties / Total Investments made)	67.58%	62.87%

<sup>6</sup> Currently not estimated since purchases from trading houses are not tracked.

**LEADERSHIP INDICATORS**
**1. Awareness programmes conducted for value chain partners on any of the Principles during the FY:**

Sr.no	Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	3	Basics of Sustainability, regulatory landscape and BRSR, L&T's policies and Code of Conduct focusing on health and safety, human rights and environment parameters, ESG maturity assessment conducted by the Company and its results, sharing of good practices on ESG	~410 participants representing various supply chain partners; comprises ~37% of L&T's purchase and work order by value

The Company undertakes several initiatives to create awareness amongst its supply chain partners, contractors and sub-contractors on key issues related to the nine Principles of the National Guidelines for Responsible Business Conduct. The awareness programmes conducted can be broadly classified into two segments i.e. Safety and Sustainability:

- a) **Safety:** There are several training and sensitization sessions conducted for the contractual workmen working in the premises and project sites. This includes EHS induction, toolbox talks, training on use of protective gear, EHS training for front line supervisors, sub-contractors, any job specific trainings such as working at height, excavation, marine safety, emergency response, occupational health, material handling, tunnel safety, hot work, fire. Any individual

including employees, workmen, vendor partners, clients and other personnel need to undergo compulsory safety training before entering the project site/plant/any other location. Safety related trainings are not covered in the table above. For details of trainings provided to the workers, refer to Q1 of this Principle.

- b) **Sustainability and Responsible Business Practices:** In FY 2023-24, the Company scaled up its awareness and training programmes for its supply chain partners on sustainability. Three online sessions were targeting the top 500 supply chain partners and around 410 participants joined these sessions. A two-hour module has been created covering topics such as fundamentals of sustainability, emerging regulatory landscape, BRSR principles, how the Company is incorporating sustainability in supply chain, ESG assessment being conducted by the Company and lastly, preparedness for the forthcoming years. Additionally, during ESG assessment conducted for the top 200 supply chain partners, handholding sessions were conducted to align them with the purpose, parameters, evidence required to complete the assessment.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same.**

The Company has processes for management of conflicts of interests involving members of the Board which may arise due to Directors joining the Boards of other companies, and even conflicts which could take place during normal business activities. The process allows the Directors to recuse themselves from the discussions pertaining to the conflict of interest. The Directors must exercise their responsibilities in a bona fide manner in the interests of the Company. They should not allow any extraneous considerations that may vitiate their exercise of objective independent judgment in the paramount interest of the Company and not abuse their position to the detriment of the Company for the purpose of gaining direct or indirect personal advantage. Any conflict of interest arising with the Board Members needs to be reported to the Chairman of the Audit Committee/Chairman of the Board.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

### ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	5.7% [9.6 Cr]	2.3% [3 Cr]	Replacing old equipment with new or higher energy efficiency or productivity;
Capex	3.3% [76.5 Cr]	3.6% [68.7 Cr]	Trucks/vehicles using low emission fuel e.g., CNG trucks; solar PV modules for rooftop solar, solar powered equipment e.g., light masts, equipment for recycling waste or non-virgin materials into usable materials e.g., manufactured sand plants, RO treatment plant, sewage treatment plant, water flowmeters for monitoring, bio-digester for canteen waste, facilities for skill training institutes

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

L&T is committed to incorporating sustainability that encompasses its supply chain partners viz. vendors, contractors, service providers and distributors through a dedicated Green Supply Chain Policy and its Code of Conduct. Furthermore, L&T expects and urges its suppliers to introduce suitable processes, functions and management systems within their organisations that support such compliance and drive continuous improvement with regards to the requirements included in the Code of Conduct. This Code of Conduct guides all supply chain partners to engage in ethical, responsible and legal business practices in their operations and adhere to ESG standards. L&T expects the suppliers to comply with all applicable regulatory requirements and implement policies and procedures, and provide training, as deemed necessary within their organisation. The Code of Conduct is built on three pillars:

- A. **Promote Environmental Sustainability:** All suppliers to support a precautionary approach to environmental issues and undertake initiatives to promote better environmental responsibility.
- B. **Commitment to Human Rights, Labour and the Society:** Suppliers to support, respect and protect human and labour rights and make sure their organisation/entity is not complicit in any kind of abuses and/or violations.
- C. **Ethical Integrity and Legality:** Suppliers to demonstrate the highest standard of integrity, ethics and business conduct.



The Company has adopted various methodologies for sustainable sourcing. Some are stated below:

- The supply chain partners were evaluated for sustainable sourcing wherein the Company checked their adherence to ISO 14001:2015, 45001:2018, SA8000 and any other related standards and frameworks.
- It is mandatory for supply chain partners to acknowledge the clauses and sign the Code of Conduct of Company, which includes commitment to environmental protection and conservation such as reduction of resource consumption, waste generation, pollution prevention; social aspects such as commitment to human rights, community engagement, ethics and various governance parameters. This is a mandatory step during vendor registration and onboarding process.
- The Company has also started assessing its supply chain partners on ESG parameters. It was initiated in FY 2022-23 with 25 partners and scaled up to top 200 (186 unique) in FY 2023-24. The assessment is based on the response and evidence provided to the Company on parameters related to the environment, human rights, CSR, health, safety and governance.
- Three awareness sessions were conducted targeting the top 500 supply chain partners during the year to orient them towards ESG requirements and expectation of the Company.

The assessment in the coming years will be more comprehensive and structured for improving ESG orientation as well as the performance of the suppliers. Additionally, the awareness sessions will also be ramped up to bring the partners up to speed keeping in mind the increased scrutiny and regulatory requirements on the subject. The overall governance, oversight and review of the supply chain initiatives is undertaken by Material Council along with the supply chain management functions led by senior leadership and supported by Corporate Sustainability.

**b. If yes, what percentage of inputs were sourced sustainably?**

Accounts for 32% of L&T procurement spend by value.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

- (a) **Plastics (including packaging):** NA
- (b) **E-waste:** NA
- (c) **Hazardous waste:** NA
- (d) **Other waste:** NA

The Company does not manufacture or sells any products which could be reclaimed at the end of life. However, at project sites and manufacturing facilities, the Company has put in place systems and processes for waste management i.e., segregation, recycling, reuse and disposal as applicable for category of waste and complying to the relevant regulatory requirements.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, in 2022, the Ministry of Environment, Forest and Climate Change (MoEFCC) made amendments to EPR Rules related to plastic waste, e-waste and battery waste. As a result, the coverage of the Rules was extended to importers who could generate plastic waste from packaging of imported materials, e-waste which could be generated from imported electronic or electrical items as well as battery waste which could be generated from imported batteries or equipment containing batteries. The Company has obtained registration as an importer under the EPR Rules for all three waste categories. To comply with EPR Rules as well as to improve the waste management system, the Company has improved its processes including conducting awareness sessions for the relevant departments/functions and onboarded service providers for meeting compliance requirement.

**LEADERSHIP INDICATORS**

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format. If NA, provide details.**

Product portfolio constitutes ~6% of the Company's revenue. In the past, the Company has conducted LCA for certain products, please refer to BRSR of Integrated Annual Report FY 2022-23.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Fly ash and Ground Granulated Blast-furnace Slag (GGBS) in place of Cement by value	8.7	6.5

Note: Previously reported as 10.2% in FY 2022-23 was based on consumption quantity of fly ash and GGBS as a % of total bulk material (fly ash, GGBS and cement)

The data reported above is based on the procurement value as a percentage of total bulk material procured (fly ash, GGBS and cement). In projects related to infrastructure sector (contracts from the clients), IS or other relevant codes prescribe limits of using fly ash and GGBS based on concrete use and requirements of the structure. While the Company tries to maximize use of recycled (waste) materials, the design mix of concrete and approval for use of the same in the project is controlled by the clients.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Particulars	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste		Not Applicable			Not Applicable	
Hazardous waste						

The Company operates on the B2B model, and the product portfolio is ~6% of total turnover. Some of the key products include reactors and pressure vessels, heat transfer equipment, process plant internals, etc; primarily made from stainless steel, titanium and have a long life-cycle, in few cases, may be up to 35 years. The products or packaging of these products do not generate any material which could be reclaimed at the end of life.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	'Not applicable' for the Company; reason stated above in Q4.

### Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

#### ESSENTIAL INDICATORS

##### 1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits <sup>^</sup>		Paternity Benefits <sup>7</sup>		Day Care facilities <sup>8</sup>	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E /A)	Number (F)	% (F /A)
<b>Permanent Employees</b>											
Male	48,019	48,019	100	48,019	100	Not applicable		0	0	8,255	17.2
Female	4,205	4,205	100	4,205	100	4,205	100	Not applicable		1,827	43.4
<b>Total</b>	<b>52,224</b>	<b>52,224</b>	<b>100</b>	<b>52,224</b>	<b>100</b>	<b>4,205</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>10,082</b>	<b>19.3</b>
<b>Other than Permanent Employees</b>											
Male	4,793	4,793	100	4,793	100	Not applicable		0	0	1,328	27.7
Female	248	248	100	248	100	0	0	Not applicable		214	86.3
<b>Total</b>	<b>5,041</b>	<b>5,041</b>	<b>100</b>	<b>5,041</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,542</b>	<b>30.6</b>

<sup>7</sup> The Company does not have a paternity leave policy.

<sup>8</sup> Data is based on the coverage of creche facility i.e. available to the employees in a particular location and not as per usage of creche facility.

<sup>^</sup> Percentage calculated is based on the coverage of female employees only.

##### b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits <sup>^</sup>		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	2,073	2,073	100	2,073	100	Not applicable		0	0	1,303	63
Female	6	6	100	6	100	6	100	Not applicable		4	67
<b>Total</b>	<b>2,079</b>	<b>2,079</b>	<b>100</b>	<b>2,079</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>1,307</b>	<b>63</b>
<b>Other than Permanent Workers</b>											
Male	3,45,287	60,390	17.5	3,45,287	100	Not applicable		0	0	11,228	3.3
Female	2,807	794	28.3	2,807	100	1,530	54.5	Not applicable		515	18.3
<b>Total</b>	<b>3,48,094</b>	<b>61,184</b>	<b>17.6</b>	<b>3,48,094</b>	<b>100</b>	<b>1,530</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>11,743</b>	<b>3.4</b>

<sup>^</sup> Percentage calculated is based on the coverage of female employees only.

##### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

Particulars	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.73%	0.74%
	927.3 Cr	819.0 Cr

Well-being measures considered are expenditure towards life insurance, health insurance, medical insurance, workmen compensation, staff welfare. The Company spends considerable amount towards protective gear and safety related items; currently not estimated separately.

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	100	100	Yes	100	100	Yes

3. **Accessibility of workplaces**

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard?**

Most of the Company's permanent premises are accessible to differently abled people with wheelchairs (viz. through ramps, toilets, lifts). The Company is taking steps to provide the right infrastructure to support the needs of individuals with disabilities and preparing the remaining premises for accessibility infrastructure.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Policy is available at <https://www.larsentoubro.com/corporate/about-it-group/corporate-policies/>. The Company is committed to providing equal opportunities in employment and creating an inclusive work environment. The Policy clearly sets out the guiding principles which drive the Company to ensure equal and equitable opportunity for all and uphold the highest standards of ethics, values and governance across the people practices.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male		Not applicable		
Female	89.6	85.9	Not tracked	
<b>Total</b>	89.6	85.9	–	–

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Particulars	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	Registration and redressal are done through Union and standing orders/Joint Management Council/ Complaints and Grievance Committee.
Other than Permanent Workers	Yes	During the year, the redressal mechanism has been more formalized and structured especially for the construction business. Any grievance may be raised by the worker oneself or on behalf of the group. It may be related to working conditions, living conditions at the workmen habitat/labour colony, wage-related issues or any other issues related to their employment.  Any project location/establishments with 20 or more workers should have a Grievance Redressal Officer (GRO), appointed by the Project Manager from any of the personnel from the functions (Project Accounts and Admin In charge, Project Safety In charge) and communicated to the relevant stakeholders (Admin/Industrial Relations/Accounts head). The mechanism includes registration of grievance, resolution, timeline for resolution, escalation, feedback and closure, record-keeping and reporting and periodic review and audits.



Particulars	Yes/No	If Yes, then give details of the mechanism in brief
		Over 500 GROs have been appointed across project sites to ensure grievance registering, resolving, meeting timelines, managing escalations, closing cases, generating reports, and facilitating regular reviews and audits in a systematic way. Grievance may cover issues related to health and safety, working conditions, wages, living conditions, and so on. A toll-free number is available for recording grievances of the workers, operational 24x7 over and above the oral and/or written complaints which were already being recorded. This provides a fair and transparent process for resolving complaints and ensuring equal and fair treatment.
Permanent Employees	Yes	<p>The digital platform HEERA serves as the primary channel for addressing employee grievances. The grievances may be related to concerns regarding work, working relation, workplace and working conditions, salary-related matters, disputes related to claims settlement, reimbursement, and recovery of dues and leaves, issues pertaining medical insurance and policy, inconsistencies in policy implementation, violation of Code of Conduct, miscellaneous issues such as system portal functionality or any other issue affecting the employment of an employee.</p> <p>Grievances should first be addressed by employees with their Immediate Supervisor seeking resolution. In the absence of an assigned Immediate Supervisor, employees may escalate the matter to the next level supervisor. If the employee remains dissatisfied then alternately, they can initiate a grievance ticket via HEERA chatbot. The designated HR officer is responsible for resolution of the grievance and based on the severity and complexity, the timelines and escalation (with a maximum of three level) may vary.</p>
Other than Permanent Employees	Yes	Grievances are submitted to respective HR coordinators who are responsible for resolution.

**7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Permanent Employees</b>	52,224	0	0	46,935	0	0
- Male	48,019	0	0	43,448	0	0
- Female	4,205	0	0	3,487	0	0
<b>Permanent Workers</b>	2,079	2,079	100	2,104	2,104	100
- Male	2,073	2,073	100	2,098	2,098	100
- Female	6	6	100	6	6	100

## 8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures*		On Skill upgradation*		Total (D)	On Health and safety measures*		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	52,812	21,692	41	52,462	99	46,935	34,046	73	25,928	55
Female	4,453	2,197	49	5,837	100	6,163	3,125	51	2,503	41
<b>Total</b>	<b>57,265</b>	<b>23,889</b>	<b>42</b>	<b>58,299</b>	<b>100</b>	<b>53,098</b>	<b>37,171</b>	<b>70</b>	<b>28,431</b>	<b>54</b>
<b>Workers</b>										
Male	3,47,360	3,91,715	100	90,802	26	2,76,633	3,06,801	100	45,180	16
Female	2,813	1,284	46	135	5	1,224	1,125	92	174	14
<b>Total</b>	<b>3,50,173</b>	<b>3,92,999</b>	<b>100</b>	<b>90,937</b>	<b>26</b>	<b>2,77,857</b>	<b>3,07,926</b>	<b>100</b>	<b>45,354</b>	<b>16</b>

\*The number of trainings conducted are higher than the number of employees and workers due to the attrition and new joinees.

## 9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	48,019	48,019	100	43,448	41,286	95
Female	4,205	4,205	100	3,487	3,487	100
<b>Total</b>	<b>52,224</b>	<b>52,224</b>	<b>100</b>	<b>46,935</b>	<b>44,773</b>	<b>95</b>
<b>Workers</b>						
Male	2,073	2,073	100	2,098	1,766	84.2
Female	6	6	100	6	6	100
<b>Total</b>	<b>2,079</b>	<b>2,079</b>	<b>100</b>	<b>2,104</b>	<b>1,772</b>	<b>84.2</b>

## 10. Health and Safety Management Systems:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system.**

Yes, the occupational health and safety management system has been implemented by the Company and the work locations i.e., project sites, manufacturing facilities, campuses and offices are covered. In line with L&T's EHS vision of Zero Harm and Corporate Environment, Health & Safety Policy, management systems have been implemented in accordance with ISO 45001:2018. The EHS Management System outlines a structured approach necessary to manage risks and performance improvement in a consistent manner. The management system is assessed by third party assurance agencies e.g., DNV, TUV and certified according to the requirements of applicable standards viz. ISO 45001:2018.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company's EHS Management System has risk evaluation and management as one of its key components. The work locations are required to undertake to implement the EHS risk management as an integral part of their business operations. EHS risk management process covers five steps: hazard identification, risk evaluation and assessment, risk mitigation and control measures, monitoring and documentation, and periodic reporting and update. Hazard identification and risk assessment is one of the crucial processes followed across work locations. The relevant stakeholders including construction engineers, design and planning engineers, production-in-charge personnel and EHS team members as well as workmen are involved in the risk assessment and risk management process. Safe Work Method Statements, as relevant for processes, have been developed and deployed prior to the start of any work.

- c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, the Company has implemented systems and processes for workers to report work and health related hazards and remove themselves from such risks. EHS-conscious workmen are identified and deployed at workplaces to

identify hazards and report them for immediate corrective action. Worker representatives are also part of the Project EHS Committee. Monthly EHS Committee meetings are conducted where workmen’s representatives participate to report the work and health related hazards, risks, concerns at the workplace and discuss the mitigation measures.

**d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, medical centres and first aid facilities are available for both employees and workers. In addition, there are location specific tie-ups with hospitals and nursing homes proximal to the project sites to ensure a prioritized access to medical facilities. Work locations such as project sites, manufacturing locations also have ambulances on standby to handle any emergencies.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.04	0.04
	Workers	0.07	0.06
Total recordable work-related injuries	Employees	6	8
	Workers	79	70
Number of fatalities*	Employees	0	1
	Workers	23	13
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	1
	Workers	1	15

*\*Mission Zero Harm is the guiding principle for the Company with respect to safety performance, and it is extremely unfortunate to report an increase in fatalities in FY 2023-24 (13 in FY 2022-23). The Company has taken this as a matter of significant concern and all the incidents were investigated in depth. Key reasons which contributed to the increase were poor strength of supporting structure resulting in cave-ins/landslides and inadequate safety protocols while working at heights. The issue has been compounded by significant jump in number of contract workmen, and high degree of churn. The Company has taken corrective actions such as enhanced supervision, more intensive toolbox talks, different coloured helmets for newly inducted workers, expert consultation for high-risk activities (specially for remote areas), more engagement with larger subcontractors. The Company is fully committed to improving safety performance and ensuring a safer workplace.*

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company is committed to ensuring that all employees and workers are working in a safe environment and have the necessary support to lead a healthy life. EHS, HR, Admin and Medical teams are the key functions undertaking initiatives on a continuous basis to ensure all needs for a safe and healthy workplace are met. Safety is a priority for the Management due to nature of the business i.e., projects executed with use of substantial involvement of workers and encapsulated in L&T’s Mission Zero Harm as well as driving force behind L&T’s L.I.F.E. (Live Injury-Free Everyday) Framework. The Management provides strong, demonstrable, and visible leadership and commitment towards implementation of this framework through allocation of adequate resources, assigning responsibilities and through personal examples and actions. As a part of the EHS Management System, each project site is required to prepare a project specific EHS plan before commencing the execution. This plan identifies the hazardous operations in the scope of work, assesses risks from such hazards and management of risks through proactive measures and controls. Similar process is followed for the manufacturing facilities/campuses. To strengthen the processes and systems, internal audits are conducted at various levels both by the businesses themselves as well as inter-businesses and external audits are carried out through accredited third-party agencies. For certain high importance/priority project sites, frequency and depth of audit is increased depending on the risk profile of such projects. Digital systems/applications play a significant role in identifying hazards as well as enabling capturing of risks as well as learnings from execution. Use of advanced technology such as vision analytics/AI in enhancing these applications. Digital technologies e.g., AR/VR are also leveraged to enhance training and awareness of employees and workers. To enhance the standard practices recommended, the Company has taken other measures which include Implementation of HSE Surveillance Rating, Knowledge management through capturing of lessons learnt and special sessions by SMEs (Subject Matter Experts), Implementation of Behaviour Based Safety systems, and specialized training modules for high-risk activities. 11 project teams of the Company demonstrated the strong commitment to EHS management and performance by winning the coveted Sword of Honour by British Safety Council.

13. **Number of Complaints on the following made by employees and workers:**

Benefits	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	117	NIL	–	11	NIL	–
Health & Safety	135	NIL	–	14	NIL	–

14. **Assessments for the year:**

	<b>Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	Majority of the locations are either certified by an independent third party or complying with ISO 45001:2018. The units undergo periodic external audits to ensure adherence and verify compliance with the applicable standards and guidelines. Also, the key manufacturing facilities are certified by an independent third party on SA8000 standards, a globally recognized social certification programme on human rights and labour management. Furthermore, an internal assessment was conducted for manufacturing facilities, offices to understand potential human rights risks through Admin/IR/Project/HR/EHS in charge.
Working Conditions	

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

The Company's commitment to safety is encapsulated in 'Mission Zero Harm', driving the safety performance initiatives. Health, Safety, and Environment (HSE) in the Company is based on the ISO 45000 and 14000, ensuring continual improvement. In response to recent incidents, thorough investigations have been conducted to identify root causes and corrective actions have been implemented.

The leadership's commitment to HSE considerations fosters a robust safety culture. To enhance the existing HSE risk control measures, the permit-to-work system has been strengthened and reinforced controls for scaffolding, work at height, material handling, excavations, hot works, and lifting operations. These measures are complemented by increased cross functional audits and inspections, intensive toolbox talks, and the use of distinctively coloured helmets for new workers to ensure they receive special attention. Comprehensive Behavioural Based Safety (BBS) training has been conducted to reduce at-risk behaviour, and we have engaged experts for high-risk activities, especially in remote areas, to mitigate risks.

The Company invests in ongoing training to enhance employee competency in identifying and mitigating HSE risks. Initiatives like HSE observations, interventions, and proactive knowledge sharing enable to address potential hazards. Continuous reinforcement of HSE mechanisms, along with effective supervision and safety leadership, further ensure a safe working environment.

The Company leverages technology and use digital tools for real-time monitoring, drone surveillance, VR training, AI-powered predictive risk mapping, digitalized permit-to-work systems, inspection and audit processes, and data management. These initiatives reflect the dedication of the Company to improve safety performance and create a safer workplace.

**LEADERSHIP INDICATORS**

1. **Does the entity extend any life insurance or any compensatory package in the event of death of**

- Employees (Y/N):** Yes
- Workers (Y/N):** Yes

The Company extends life insurance coverage through a comprehensive health insurance policy which covers death of its employees and workers.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company ensures that statutory dues payable are deposited on time. Proof of payment, deposit of statutory dues e.g., records for PF deposit for workmen is maintained, GST payment by the suppliers is matched through GST portal to ensure compliance, amongst other controls.



**3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Benefits	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	1	2	0	0
Workers	24	28	0	10

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Yes, the Company provides transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement based on merit.

**5. Details on assessment of value chain partners:**

	Percentage of value chain partners (by value of business done) that were assessed
Health and safety practices Working Conditions	The Company identified top 200 (unique 186) supply chain partners comprising 38% of FY 2022-23 spend. During the year, the Company assessed these supply chain partners on certain ESG parameters that includes environmental management, performance, human rights, CSR, health and safety practices, corporate governance, and ethical business practices through a questionnaire. This questionnaire was developed keeping in mind the regulatory compliances, BRSR disclosures, global standards and so on. The remote/desktop assessment was based on interactions with the supply chain partners, documents and evidence shared. Post assessment, the gaps identified during the assessment were shared with the supply chain partners along with suggestions on the course of action for improving overall sustainability performance.

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No significant risks or concerns arose from the assessment during the year. It is ensured that the supply chain partners engaged with the Company understand and sign the Code of Conduct of the Company, a mandatory requirement during vendor registration and onboarding process. During the year, the sessions conducted for the supply chain partners on ESG covered the Company policies viz. Green Supply Chain Policy, Sustainability Policy, Whistleblower Policy and Code of Conduct. In case any concern/observations/risks are arising, may not be limited to during assessment, the Company takes suitable corrective and preventive action as necessary.

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**ESSENTIAL INDICATORS**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

L&T’s businesses are in EPC projects (Engineering, Procurement, Construction) and Hi-Tech Manufacturing. The Company aims to balance the needs, interests and expectations of various stakeholders with those of the business and deliver long-term value. The Company undertakes a structured materiality assessment process through an independent third party, to identify key stakeholder groups and take the inputs from these stakeholders to finalize the material topics for the Company. As a part of the exercise, the stakeholders were identified based on the following parameters:

- **Degree of Dependency:** groups who are directly dependent on the Company’s activities, products, services, performance, or on whom the Company is dependent to operate. For example, customers, government as clients, employees including workmen, supply chain partners, investors.
- **Degree of Responsibility:** groups or individuals to whom the organization has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities. For example, community, shareholders.

- **Sphere of Influence:** groups or individuals who can have an impact (direct or indirect) on the Company's strategic decision-making and operations. For example, senior management and leadership, regulatory bodies.
  - **Diverse perspectives:** groups or individuals with different perspectives who facilitate understanding the state of affairs, national and global. For example: media, NGO partners.
2. **List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

The key stakeholders of the Company are Government, customers including private sector and public sector entities, employees and workers, suppliers, shareholders, investors, communities and NGO partners, Regulatory bodies and media. The detail of engagement is covered in the 'Stakeholder Engagement' section of the Integrated Annual Report FY 2023-24.

## LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board?**

The Company has set up various committees for managing and monitoring ESG related areas. Few of these are: CSR & Sustainability Committee<sup>9</sup>, Risk Management Committee, Stakeholders' Relationship Committee, Investor Relations, EHS Council, Material Council, Green Campus Steering Committee. The CSR & Sustainability Committee<sup>9</sup>, Board Risk Management Committee and Stakeholders' Relationship Committee are constituted by the Board and are chaired by an Independent Director. Other Committees have been internally constituted. As per their respective terms of reference, the various Committees (statutory as well as internal) meet periodically to review the performance of the Company in relevant areas. Performance, concerns and issues related to ESG related topics are extracted from these reviews and a consolidated performance report/outcome is presented to the Board in their quarterly meeting. The Company has also been conducting stakeholder engagement exercises from time to time on ESG topics. These stakeholder engagement exercises follow a structured approach with respect to the frequency, delegation and reporting of outcome, including stakeholders' feedback to the Board.

<sup>9</sup> Earlier called CSR Committee

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

The Company continuously engages with its stakeholders to strengthen relationships, foster trust and thus enable the Company to be informed of their expectations, concerns as well as opportunities for value creation. A structured approach and process is in place for engaging with the stakeholders for identifying, prioritising and addressing their needs and concerns in a consistent and systematic manner. Below are a few instances of how stakeholder inputs have been incorporated into policies and activities:

- A. **Communities:** CSR projects are chosen based on social and developmental needs in the regions where the Company is operating, with the overall goal of promoting inclusive growth by empowering communities and accelerating development especially the vulnerable and marginalized communities. This is being accomplished by providing access to water and sanitation facilities, education and healthcare services, and skill building for underprivileged youth. L&T works along with the communities around its factories, campuses and establishments for health and education services. Water-stressed blocks are selected for water and sanitation projects. Skills development centres are located across India to mobilize youth from different states. The Company may partner with the government and communities to create multiplier effect of its social programmes. The mode of implementation of CSR programmes will include a combination of direct implementation and/or through partners such as NGOs, trusts, academic institutions, business associates, registered societies.

After identifying a location, a need assessment is conducted, and a detailed project report is prepared. The project report specifies socio economic status of the location viz. number of villages or urban slum pockets, number of students or trainees, the schools/households to be covered, current facilities, and specific vulnerable community groups such as the SC/ST population and their needs and concerns. The need assessment involves participatory rural appraisal (PRA), wherein beneficiaries participate in identifying specific issues, vulnerable populations, stakeholders, and potential challenges in implementing the interventions. The project report includes proposed interventions,

outcomes and measurable indicators. Based on the project report, proposals are invited from reputed NGOs with a presence in the selected location and the implementation partner is carefully selected after thorough due diligence.

During implementation, stakeholder groups are formed, such as Self-Help Groups, Village Development Committees, School Management Committees, and Health Committees, to participate in decision-making and implementation. These groups guide and monitor the interventions at the community level, such as monitoring the use of water from a common source created by the project, regulating the use of water under the water distribution system, measuring and recording water levels in intervention wells, encouraging communities to use household toilets, and monitoring and regulating the use of common pasture lands. There is continuous dialogue between the implementation partners, communities and CSR teams to ensure clear understanding of the issues the communities face and the possible solutions. The initiatives are re-aligned, if the need be, for the best interests of the community.

For details of CSR intervention, please refer to 'Social and Relationship Capital' section of the Integrated Annual Report FY 2023-24.

- B. **Employees and Workmen:** There are structured systems for employee communication and engagement that starts from project director/business heads/senior management visits and interactions with employees, HR manager visits and townhalls are held from time-to-time for interactions with employees and the workers. There are Employee Relation Officers at the project sites and with support of the Workmen Development Centres, they oversee and interact, take workers' feedback from time-to-time on various aspects of living, work conditions, health and welfare. Depending on the feedback received from the channels as stated above, including the survey findings, HR heads of individual businesses, with the support of their cluster/project HR managers, also undertake surveys as per the need on various topics related to employee development, engagement and effectiveness. The findings are discussed with project/business heads and corrective actions are taken to enhance the organisational effectiveness. Additionally, there are designated Grievance Redressal Officers (GRO), Industrial Relation, Admin functions who oversee the health, safety, wellbeing, working conditions, living conditions of the workmen. These GROs are also responsible for communication with all workers at the time of Screening/Induction/Onboarding and at regular intervals such as pep-talk about channels (toll free number, WhatsApp, verbal, registers) to raise grievances, and the mechanism for settlement of grievances and similar communication with the sub-contractors working at the project site. Remediation and corrective action are taken as deemed necessary to resolve the grievances.
- C. **Shareholders:** In addition to its ongoing interactions with analysts representing institutional equity investors, the Company conducted an investor feedback survey to build into its long-term strategic plan - 'Lakshya 2026'. As part of this exercise, several suggestions from key investors and analysts were received on ESG related aspects such as energy transition, diversity and inclusion, governance. The Company also received suggestions from ESG rating agencies and funds as well as improving granularity of ESG disclosures. This has resulted in improvement of processes wherever necessary and feasible. The quality and granularity of ESG disclosures have also enhanced in the past couple of years especially after the introduction of BRSR and Core KPIs. Recognising the growing interest in this area and factoring in feedback from investor interactions, the Company has been conducting regular interactions with relevant stakeholders including global funds, institutional investors, rating agencies, etc., to keep them updated about activities and progress on various initiatives being undertaken to achieve its carbon and water neutrality goals.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The engagement with vulnerable groups is through Integrated Community Development Project (ICDP) and health initiatives. Some are given below:

Vulnerable group	Concerns	Action Taken	Impact
Farmer community in water stressed and drought prone locations	Drought, Poverty, Migration	<ul style="list-style-type: none"> <li>Organised farmers community to form Village Development Committees (VDC) and Farmers Producer Organisation (FPO)</li> <li>Water made available with waste water and conservation intervention</li> <li>Capacity building in sustainable agricultural practices</li> <li>Maintenance of water structures by the VDC along with Panchayat</li> </ul>	<ul style="list-style-type: none"> <li>Rise in ground water table and water made available to population of 1,16,637 from 9 ICDP Locations and 980 hectares land protected from direct run-off in three ICDP locations</li> <li>Increase in household agricultural income</li> <li>Reverse migration</li> </ul>
Rural population without access to proper sanitation facilities	Open defecation leading to health issues and social disgrace	<ul style="list-style-type: none"> <li>Community awareness regarding making villages open defecation free (ODF)</li> <li>Construction of toilets after ensuring water availability</li> <li>Village level monitoring committee formed to ensure ODF status of the village</li> </ul>	<ul style="list-style-type: none"> <li>4,821 toilets constructed and 41 villages are made ODF and 26 are under construction</li> <li>Women felt safe to use household toilet and saved from embarrassment and social disgrace</li> </ul>
Disadvantaged rural women	Gender related issues viz. no decision making power in household and community related issues	<ul style="list-style-type: none"> <li>Women were part of need assessment, and their critical concerns were prioritised</li> <li>Village level women groups formed and organised in Self Help Groups (SHGs)</li> <li>Ensured equal representation of women in VDCs and Community level decision making</li> </ul>	<ul style="list-style-type: none"> <li>237 SHGs formed in three ICDP locations with ₹ 125.6 lakh savings</li> <li>Women are assuming community leadership positions e.g. President of VDC, FPO formed with all women board members</li> </ul>
Underprivileged community from urban and peri-urban areas	Unaffordable and inaccessible health services  Patients cannot afford the dialysis treatment in private hospitals  Unskilled-Unemployed youth	<ul style="list-style-type: none"> <li>Affordable general health services along with consultations in specialised clinics provided through nine health centres across India and mobile health vans</li> <li>Provision of dialysis services at a concessional rate</li> <li>Unemployed youth trained in L&amp;T's Construction Skills Training Institutes and facilitation for job placements</li> </ul>	<ul style="list-style-type: none"> <li>1,78,239 population accessing the services</li> <li>Dialysis patients taking regular treatment at the L&amp;T health centre</li> <li>10,000 youth trained every year of which 60-70% get job placements</li> </ul>
Students in tribal/rural schools or urban resource poor schools	Students have difficulties in learning science and maths subjects and no access to digital and hands on education	<ul style="list-style-type: none"> <li>Providing Science, Technology, Engineering and Math (STEM) Kits for hands on learning in science and math and digital infrastructure, digital content mapped to the curriculum and training to teachers to conduct classes using digital media</li> <li>National STEM Challenge was conducted to funnel STEM talent by showcasing students' Innovative Ideas, and create opportunities to connect children to higher level STEM learning</li> </ul>	<ul style="list-style-type: none"> <li>41,000 students took part in science exhibitions</li> <li>Students making their own STEM models and presenting solutions to everyday problem by using technology</li> <li>Approximately 6,000 students of Grades VI-VIII participated in the intra and inter-school level competitions. From among them, 300 teams (600 children) were chosen to participate at regional level, of which 24 teams (50 children) from Chennai, Coimbatore, Hazira, Vadodara, Talegaon and Mumbai made it to the L&amp;T National STEM Challenge. Three winning teams and their schools were awarded prizes that included advanced STEM kits and support to upgrade Science lab</li> </ul>
School students without access to clean toilets	School Toilets dilapidated or not functional	<ul style="list-style-type: none"> <li>Constructed toilet blocks in the schools for students</li> </ul>	<ul style="list-style-type: none"> <li>Increase in attendance of girls</li> </ul>



## Principle 5: Businesses should respect and promote human rights

### ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/workers covered (B)	% (B/A) <sup>10</sup>	Total (C)	No. of employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	52,224	21,646	41	47,757	12,082	25
Other than permanent	5,041	5,873	100	5,489	3,292	60
<b>Total Employees</b>	57,265	27,519	48	53,246	15,374	29
<b>Workers</b>						
Permanent	2,079	2,079	100	2,104	2,104	100
Other than permanent	3,48,094	3,48,094	100	2,75,753	2,75,753	100
<b>Total Workers</b>	3,50,173	3,50,173	100	2,77,857	2,77,857	100

<sup>10</sup> As on 31st March'24, the number of trainings conducted are higher than the number of employees and workers considering the attrition and new joinees.

Human rights awareness is covered through various informal processes for the workmen. Induction is a mandatory requirement for any workmen joining at any site/location/project. Induction includes, but not limited to, topics such as wage breakup, PF deduction, health and safety, account creation for wage deposit, KYC. Additionally, there are systems in place to ensure that there is no child labour (submission of Aadhar card as proof of age), no forced labour through proof of employment (wage slip, issuance of gate pass/ID card). Also, there are daily toolbox talks which covers few of the above aspects, apart from job role. The key locations of the Company are also certified by SA8000 by an independent third party which covers elements such as child labour, forced labour, discrimination, working hours, remuneration, freedom of association, grievance redressal mechanism.

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	52,224	0	0	52,224	100	46,935	0	0	46,935	100
Male	48,019	0	0	48,019	100	43,448	0	0	43,448	100
Female	4,205	0	0	4,205	100	3,487	0	0	3,487	100
<b>Other than permanent</b>	5,041	0	0	5,041	100	6,163	279	4.5	5,884	95.5
Male	4,793	0	0	4,793	100	5,893	271	4.6	5,622	95.4
Female	248	0	0	248	100	270	8	2.9	262	97
<b>Workers</b>										
<b>Permanent</b>	2,079	0	0	2,079	100	2,104	0	0	2,104	100
Male	2,073	0	0	2,073	100	2,098	0	0	2,098	100
Female	6	0	0	6	100	6	0	0	6	100
<b>Other than permanent</b>	3,48,094	3,04,005	87.3	44,088	12.7	2,75,753	2,71,035	98.3	4,718	1.7
Male	3,45,287	3,01,677	87.4	43,609	12.6	2,74,535	2,69,855	98.3	4,680	1.7
Female	2,807	2,328	83	479	17	1,218	1,180	97	38	3.1

3. **Details of remuneration/salary/wages, in the following format:**

a. **Median remuneration/wages:**

Particulars	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) - Whole Time Directors	7	13,62,83,963	0	0
Key Managerial Personnel (KMP)	1	1,71,76,859	0	0
Employees other than BoD and KMP	52,804	9,77,099	4,453	6,76,867
Workers	2,073	9,77,315	6	12,21,632

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages <sup>11</sup>	5.4	4.9

<sup>11</sup> Wage data reported is based on the salary paid to the staff which includes permanent and other than permanent employees, and permanent workers. It comprises total salary, perquisite, employer PF and does not include gratuity and other benefits claimed as reimbursement. Wages paid to other than permanent workers is not considered. The Company employs around 3,50,000 other than permanent workers across more than 700 project sites and locations within India and abroad. Wages to other than permanent workers are directly paid by the third party contractors. The Company monitors the wages and statutory compliances based on the wage register submitted by the third party contractors along with the monthly invoice at project site level manually. The Company is capturing the total payment made to contractors but the wages included therein is not tracked / collated separately. Going forward in the coming years, the Company will explore options to capture, track and report the wages paid to other than permanent workers.

4. **Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

The Chief Human Resources Officer is the focal point for human rights related issues at the Company level. For implementation across the sites and manufacturing facilities, designated personnel from IR/Admin/EHS functions are responsible for human rights and labour management. At business level, IR/Admin Heads of respective businesses are the focal point supported by HR heads.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Respect and commitment to human rights is one of the elements of the Code of Conduct for employees. As a practice, any violation of Code of Conduct can be reported to the 1<sup>st</sup> Level Reporting Authority, who will investigate and take necessary action. However, if the violation is by the 1<sup>st</sup> Level Reporting Authority itself, then it is to be reported to the 2<sup>nd</sup> Level Reporting Authority. In case the Reporting Authority concludes that the violation is of a grave nature, the same shall be reported to the Whistleblower Investigation Committee for further action within a reasonable time frame.

L&T is committed to foster and create a workplace which is safe and free from any act of sexual harassment. The Policy for protection of women's rights at workplace has been formulated to guide the Company for redressal of sexual harassment related complaints. This Policy is based on the laws of India and therefore the Policy is applicable to all L&T establishments located in India including all employees, workmen, contract workers. This Policy also protects anyone visiting the establishments of the Company, that may include clients, customers, third party contractors, vendors, suppliers, business representatives. When sexual harassment has occurred because of an act of any third party, the Company takes necessary and reasonable steps to assist the affected person/victim. To adhere with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and ensure coverage across the locations in India, there are several Internal Complaints Committee (ICC) constituted as per the provision of the POSH Act with different administrative units under their jurisdiction. These ICCs are responsible for registering, investigating, concluding and redressing complaints received. Furthermore, the ICCs also organize workshops and awareness sessions at regular intervals and take necessary actions needed to implement the provisions of the Act. Additionally, two Apex Committees have also been constituted, the highest body to ensure implementation and compliance with the Act. The Apex Committees comprise representatives of few ICCs and other senior leaders of the Company.

Whistleblowing is a structured process, which encourages and facilitates employees to report without fear, any wrongdoings or unethical or improper practice which may adversely impact the reputation and/or the financials of the Company, through an appropriate forum. The Company has also formulated Whistleblower Policy for its employees and

vendors to provide a mechanism for expressing concerns about any unethical behaviour, improper practice, misconduct, violation of legal or regulatory requirement, unfair treatment that could adversely impact the Company's operations, business performance and/or reputation. The Company investigates such reported incidents in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

**6. Number of Complaints on the following made by employees and workers:**

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	2	Complaints registered and redressed under the POSH Act	2	0	Complaints registered and redressed under the POSH Act
Discrimination at workplace	0	0	–	0	0	–
Child Labour	0	0	–	0	0	–
Forced Labour/ Involuntary Labour	0	0	–	0	0	–
Wages	0	0	–	0	0	–
Other human rights related issues	0	0	–	0	0	–

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	2
Complaints on POSH as a % of female employees / workers <sup>12</sup>	0.04	0.04
Complaints on POSH upheld <sup>13</sup>	1	2

<sup>12</sup> Include all females from employee and worker category, both permanent and other than permanent.

<sup>13</sup> 'Upheld' is interpreted by the Company as the complaints concluded and redressed.

There are three cases reported in FY 2023-24 under the POSH Act. One complaint has been concluded and redressed as per the provisions of the Act and Rules. The remaining two complaints were received during Q4 FY 2023-24 and are under inquiry within the timelines as per the Act and the Rules.

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The mechanism is same as mentioned above in Question 5. The Code of Conduct for employees, senior management and Board members sets the standard of behaviour and professional conduct expected by the Company. The Company has Committee for the protection of women at workplace to ensure their rights, receive grievances, conduct investigations, and redressal. The Company has a Whistle Blower Policy wherein the employees can report any wrong practices, unethical behaviour or non-compliance, which may have a detrimental effect on the organisation, including financial damage and impact on brand image. Violations of the Code of Conduct should be reported as per the Reporting Matrix which is an integral part of our policy document. The Code of Conduct policy covers the procedure of complaint redressal and necessary preventive actions being taken by the Company.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No).**

Yes, commitment to Human Rights, Labour and the Society is one of the pillars in the Code of Conduct for suppliers. The supply chain partners are expected to understand, acknowledge and adhere to the norms of the Code. Signing the Code of Conduct is a mandatory step during vendor onboarding process. The Code of Conduct covers fair working conditions, health & safety, child labour, forced labour, non-discrimination, wages, zero tolerance for harassment. Also, adherence to regulatory compliances such as health and quality, payment of wages, PF deduction forms a part of the agreements and contracts.

## 10. Assessments for the year:

Particulars	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	The key manufacturing facilities are certified by an independent third party on SA8000 standards, world's leading social certification programme on human rights and labour management. The units undergo periodic audits to ensure adherence and verify compliance with the applicable standards and guidelines. Furthermore, an internal assessment was conducted for manufacturing facilities, offices to understand any potential human rights risks through the Admin/IR/Project/HR/EHS in charge.
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

## 11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

No significant risks/concerns arose that required any corrective actions with respect to human rights related issues.

### LEADERSHIP INDICATORS

#### 1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Though no complaints received in FY 2023-24 related to human rights, the grievance redressal mechanism has been strengthened and modified during the year for the contractual workmen. The details of the grievance redressal mechanism for contractual workmen have already been discussed in Section A 'VII. Transparency and disclosures compliances.'

#### 2. Details of the scope and coverage of any human rights due-diligence conducted.

The scope and coverage of human rights due diligence extends to the Company's own manufacturing facilities and offices covering its contractual workers. This assessment covers aspects such as child labour, forced/involuntary labour, wages, sexual harassment, discrimination at workplace, health and safety, working conditions and grievance mechanism. Additionally, the top 200 supply chain partners have also been evaluated on various ESG parameters including human rights.

#### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of the Company's permanent premises are accessible to differently abled people with wheelchairs (viz. through ramps, toilets, lifts). The Company is taking steps to provide the right infrastructure to support the needs of individuals with disabilities and preparing the remaining premises for accessibility infrastructure.

#### 4. Details on assessment of value chain partners:

Particulars	Percentage of value chain partners (by value of business done with such partners) that were assessed
Child labour	The Company identified top 200 (unique 186) supply chain partners comprising 38% of FY 2022-23 spend. During the year, the Company assessed these supply chain partners on certain ESG parameters that includes environmental management, performance, human rights, CSR, health and safety practices, corporate governance, and ethical business practices through a questionnaire. This questionnaire was developed keeping in mind the regulatory compliances, BRSR disclosures, global standards and so on. The remote/desktop assessment was based on interactions with the supply chain partners and documents shared with the Company. Post assessment, the gaps identified during the assessment were shared with the supply chain partners along with suggestions on the course of action for improving overall sustainability performance.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	



5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

No significant risks or concerns arose from the assessment during the year. It is ensured that the supply chain partners engaged with the Company understand and sign off the Code of Conduct of the Company, a mandatory requirement during vendor registration and onboarding process. During the year, the sessions conducted for the supply chain partners on ESG covered the Company policies viz. Green Supply Chain Policy, Sustainability Policy, Whistleblower Policy and Code of Conduct. In case any concern or risk arising during the year, may not be limited to during assessment, the Company takes suitable corrective and preventive action as necessary.

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

### ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>From renewable sources (in Gigajoules)</b>		
Total electricity consumption (A)	1,55,046	1,29,410
Total fuel consumption (B)	38,552	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1,93,598</b>	<b>1,29,410</b>
<b>From non-renewable sources (in Gigajoules)</b>		
Total electricity consumption (D)	15,29,592	12,17,321
Total fuel consumption (E)	87,64,602	93,95,966
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>1,02,94,194</b>	<b>1,06,13,287</b>
<b>Total energy consumed (A+B+C+D+E+F) (in Gigajoules)</b>	<b>1,04,87,792</b>	<b>1,07,42,697</b>
<b>Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) (in GJ/₹ Cr)</b>	<b>83.1</b>	<b>98.8</b>
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (in GJ/Mn USD)</b>	<b>186.1</b>	<b>219.1</b>

Note: Purchasing Power Parity (PPP)-total income is adjusted as per International Monetary Fund Implied PPP conversion rate.

Energy reported for fuel consumption from renewable sources is for the energy consumed from use of compressed bio-gas (CBG) sourced by the Company's manufacturing unit at Pithampur from Indore Municipal Corporation.

Energy consumption and energy intensity has decreased due to reduction in diesel consumption driven by switching to electricity grid supply and optimization initiatives across different businesses. Additionally, closure or tapering down of certain projects e.g., Mumbai Trans Harbour Link (MTHL), Mumbai Coastal Road Project (MCRP) Package 01, Dwarka Expressway, building projects in Delhi, international water treatment plant projects and reduction in onsite civil construction activities in a few projects e.g., Mumbai Ahmedabad High-Speed Rail (MAHSR) C4 Package, Chennai Metro Rail Ltd (CMRL) project contributed to lower diesel consumption compared to last year.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

Yes, independent data assurance has been carried out by Deloitte Haskins & Sells LLP.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)**

No, the Company does not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

## 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	23,14,470	23,79,231
(ii) Groundwater	78,73,240	29,91,910
(iii) Third party water	20,53,537	14,57,540
(iv) Seawater / desalinated water	7,344	0
(v) Others	38,76,733	43,48,015
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>1,61,25,324</b>	<b>1,11,76,696</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>1,28,76,481</b>	<b>1,10,38,686</b>
<b>Water intensity per rupee of turnover (Total water consumption/ Revenue from operations) (in kilolitres/₹ Cr)</b>	<b>102</b>	<b>101.5</b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (in kilolitres/Mn USD)</b>	<b>228.5</b>	<b>225.1</b>

Note: Purchasing Power Parity (PPP)-total income is adjusted as per International Monetary Fund Implied PPP conversion rate.

The Company has made improvements in FY 2023-24 for capturing data related to water withdrawal, consumption and discharge. However, the Company has more than 700 project sites in operation, and which are by definition temporary and with open boundaries. Water is taken from multiple sources, as per site conditions and discharged through multiple points. These issues create significant challenge in putting direct measurement systems and therefore, indirect estimation has to be made which presents difficulty in completeness and traceability of the data as required for reasonable assurance standards. To improve data collection and reporting, the Company is redesigning the Standard Operating Procedures (SOPs) which will be based on reasonable assurance requirements, and this will be rolled out to all the sites/locations. Additionally, the Company is finalizing the digital solutions which would enable direct measurement without manual intervention.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

Yes, independent data assurance has been carried out by Deloitte Haskins & Sells LLP.

## 4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	5,26,691 (Primary)	2,53,587 (Primary)
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	10,91,480 (Primary)	2,73,052 (Primary)
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	16,448 (Secondary)	0
(iv) Sent to third parties <sup>®</sup>		
- No treatment	2,36,188	5,41,499
- With treatment – please specify level of treatment	60,336 (Primary)	0
(v) Others <sup>®</sup>		
- No treatment	8,94,733	26,522
- With treatment – please specify level of treatment	4,18,234 (Primary)	1,64,681 (Primary)
<b>Total water discharged (in kilolitres) (i + ii + iii + iv + v)</b>	<b>32,44,110</b>	<b>12,59,341</b>

<sup>®</sup> Sent to third parties and others-without treatment is water discharged through municipal sewer connections or given to approved vendors for wastewater treatment.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

Yes, independent data assurance has been carried out by Deloitte Haskins & Sells LLP.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If yes, provide details of its coverage and implementation.**

Yes, the A. M. Naik Heavy Engineering Complex, Hazira is a ZLD certified facility, and 100% of wastewater generated is either recycled and reused or stored for future use. Other manufacturing facilities at Kattupalli, Powai, Talegaon, Coimbatore, Kancheepuram, Kansbahal have also implemented Zero Liquid Discharge systems at respective locations. The wastewater generated from business processes and domestic uses is collected, treated, and reused for non-potable purposes such as gardening, toilet flushing, firefighting, topping up the cooling tower, road washing, dust suppression.

**6. Please provide details of air emissions (other than GHG emissions) by the entity:**

Data disclosed for the following manufacturing facilities:

Parameter	UOM	FY 2023-24			FY 2022-23		
		Hazira	Pithampur	Kancheepuram	Hazira	Pithampur	Kancheepuram
SOx	mg/m <sup>3</sup>	24	16	10	18	22	11
NOx	mg/m <sup>3</sup>	19	14	46	26	21	44
Particulate Matter (PM)	mg/m <sup>3</sup>	45	26	37	15	61	38
Persistent organic pollutants	-	-	-	-	-	-	-
Volatile organic compounds	-	-	-	-	-	-	-
Hazardous air pollutants	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

Increase in air emissions for Hazira is due to increase in consumption of natural gas. However, the emissions are within the permissible limit.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

Yes, stack emissions from chimney stacks at respective manufacturing facilities are analyzed by government approved laboratories and the reports are reviewed by the internal team to ensure compliance to the consent to operate (CTO) conditions. Testing reports are submitted to State Pollution Control Boards as per compliance.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	UOM	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	6,35,646	6,93,115
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	3,49,682	2,73,719
Total Scope 1 and Scope 2 emissions per Rupee of turnover	tCO <sub>2</sub> e/₹ Cr	7.8	8.9
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO <sub>2</sub> e/Mn USD	17.5	19.7

*Note: Purchasing Power Parity (PPP)-total income is adjusted as per International Monetary Fund Implied PPP conversion rate.*

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

Yes, independent data assurance has been carried out by Deloitte Haskins & Sells LLP.

**8. Does the entity have any project related to reducing Green House Gas emission?**

Details of some initiatives linked to GHG emissions reduction have been included in Principle-6 Leadership Indicator-Question 4 as the answer provided in Principle-6 Leadership Indicator-Question 4 also include other initiatives related to resource efficiency and waste reuse.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic Waste (A)	506	126
E-waste (B)	86	26
Bio-medical waste (C)	0.5	0.3
Construction and demolition waste (D)	2,36,846	2,22,748
Battery waste (E)	56	11
Radioactive waste (F)	5	0
Other Hazardous waste. Please specify, if any. (G)	7,326	4,201
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2,09,271	99,762
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>4,54,097</b>	<b>3,26,875</b>
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	3.6	3.0
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (in tonnes/Mn USD)	8.1	6.7
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
(i) Recycled	2,05,822	184,852
(ii) Re-used	1,57,590	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>3,63,412</b>	<b>184,852</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
(i) Incineration	0	0
(ii) Landfilling	73,535	2,352
((iii) Other disposal operations	3,633	140
<b>Total</b>	<b>77,168</b>	<b>2,492</b>

*Note: Purchasing Power Parity (PPP)-total income is adjusted as per International Monetary Fund Implied PPP conversion rate.*

The Company has made improvements in FY 2023-24 for capturing data related to waste generation, reuse and disposal. However, the Company has more than 700 project sites in operation, and which are by definition temporary and with open boundaries. Waste gets generated at multiple locations, depending on type of activities at sites and reused and disposed at varying times through the project lifecycle. These issues create significant challenge in putting direct measurement systems and therefore, indirect estimation has to be made which presents difficulty in completeness and traceability of the data as required for reasonable assurance standards. To improve data collection and reporting, the Company is redesigning the Standard Operating Procedures (SOPs) which will be based on reasonable assurance requirements, and this will be rolled out to all the sites/locations. Additionally, the Company is exploring some digital solutions which could be used to enable direct measurement without manual intervention.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

Yes, independent data assurance has been carried out by Deloitte Haskins & Sells LLP.



**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Waste management is an integral part of the EHS management system. Each location (project site, manufacturing facilities and campuses) has a location specific waste management plan, which is based on types of waste generated and applicable disposal methods. Waste management guidelines and procedures focus on Reduce, Reuse, Recycle principles and ensure proper waste identification, segregation, recycling (if applicable) and disposal. All businesses assess the waste generated from operations for reuse potential and after exhausting the feasible options, opt for relevant disposal methods. For hazardous waste, waste management is done complying to the requirements of applicable hazardous waste management rules e.g., Battery Waste Management Rules, 2022 and as per the guidelines issued by Central and State Pollution Control Boards. Hazardous waste is stored at specially designated areas/locations at project sites or manufacturing facilities and the disposal is done through govt approved/registered waste handling agencies. The Company also conducts regular training and awareness programmes on waste management for employees and workers focusing on waste minimization and proper waste handling. The Company also ensures suitable storage requirements e.g., fire-fighting equipment, spill kits, drip trays for safe storage of waste before disposal. The Company manufactures certain products which are meant for industrial and defence use and no hazardous or toxic chemicals are used in these products.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details:**

Sl. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	A. M. Naik Heavy Engineering Complex, Hazira (Gujarat)- Company's manufacturing facility, located along the banks of River Tapi, 8 kms from the Arabian Sea	Manufacturing facility	Yes
2	Modular Fabrication Facility (Kattupalli)- Company's manufacturing facility located 40 kms from Chennai, adjoining the Bay of Bengal	Manufacturing facility	Yes
3	Kachchi Dargah Bridge (Bihar) – Contracted project for construction of a bridge which spans the Ganges, connecting Kacchi Dargah in Patna and Bidupur in Hajipur	EPC Project site	Yes
4	Thane Creek Bridge, Thane (Maharashtra) - Contracted project for expansion of existing road bridge on Sion-Panvel Road across Thane creek	EPC Project site	Yes
5	New Dry Dock, Kochi (Kerala) - Contracted project for construction of a dock along the Ernakulam Channel	EPC Project site	Yes
6	Mumbai Coastal Road, Mumbai (Maharashtra) - Contracted project for construction 8-lane expressway from Marine Drive to Worli abutting the seacoast of Mumbai	EPC Project site	Yes
7	Mumbai Ahmedabad High Speed Rail Package C3 (Maharashtra) - Contracted project for construction of high-speed rail corridor comprising viaducts and tunnels falling in forest area and coastal regulation zones	EPC Project site	Yes

12. **Details of Environmental Impact Assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
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EIA for the projects, given as a contract by the clients, is under the scope of the clients.

13. **Is the entity compliant with the applicable environmental laws/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N)?**

Yes, the Company is compliant with applicable Acts and rules.

**LEADERSHIP INDICATORS**

1. **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**

For each facility/plant located in areas of water stress, provide the following information:

- Name of the area(s):** Water-stressed areas in parts of western Uttar Pradesh, central Maharashtra, Bangalore, Tamil Nadu, Rajasthan, Punjab and Haryana.
- Nature of operations:** EPC projects related to highways, railways, metro rail, water supply, irrigation, and oil & gas facilities
- Water withdrawal, consumption, and discharge in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
Surface water	10,367	5,116
Groundwater	5,30,724	2,12,684
Third party water	2,43,695	9,13,602
Seawater / desalinated water	0	0
Others	15,64,155	2,29,725
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>23,48,941</b>	<b>13,61,127</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>15,93,189</b>	<b>13,61,127</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>12.6</b>	<b>12.5</b>
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	1,72,767 (Primary)	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	46,616 (Primary)	3,650 (Primary)
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties@		
- No treatment	1,61,597	1,44,011
- With treatment – please specify level of treatment	21,358 (Primary)	0
(v) Others@		
- No treatment	2,12,141	22,619
- With treatment – please specify level of treatment	1,41,274 (Primary)	44,962 (Primary)
<b>Total water discharged (in kilolitres) (i + ii + iii + iv + v)</b>	<b>7,55,753</b>	<b>2,15,242</b>

@ Sent to third parties and others-without treatment is water discharged through municipal sewer connections or given to approved vendors for wastewater treatment.

Though the data related to water is still partial, the Company has improved capture of data related to water stressed areas in FY 2023-24.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.**

No.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	UOM	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	70,73,536	71,28,687
Total Scope 3 emissions per rupee of turnover	tCO <sub>2</sub> e/₹ Cr.	56	65.6

Scope 3 emissions for the Company is being reported for 4 categories i.e., purchase of goods and services, upstream transportation and distribution, business travel and employee commuting. The methodology to estimate these emissions is according to the Scope 3 Calculation Guidance of GHG Protocol. More than 95% of Scope 3 emissions comes from purchase of goods and within that category, 90% is contributed by consumption of steel and cement used at project sites.

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N).**

No.

**3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Sl. No.	Location of operations/offices	Actions taken
1	A. M. Naik Heavy Engineering Complex, Hazira- Company's manufacturing facility, located along the banks of River Tapi, 8 kms from the Arabian Sea	Implementation of Zero Liquid Discharge (ZLD) system, planting of mangroves, restoration of biodiversity by converting turf to meadow
2	Modular Fabrication Facility, Kattupalli and Shipbuilding Facility, Kattupalli- Company's manufacturing facilities located 40 kms from Chennai, adjoining the Bay of Bengal	Implementation of Zero Liquid Discharge (ZLD) system; Phosphating & Galvanizing activities are carried out beyond Coastal Regulation Zone boundaries
3	Kachchi Dargah Bridge (Bihar) – Client contracted project for construction of a bridge which spans the Ganges, connecting Kachhi Dargah in Patna and Bidupur in Hajipur	Location and spacing of bridge piers are designed in a manner to avoid key habitat areas such as breeding and feeding grounds, migration routes of animals, etc., Construction activity is avoided to the extent possible during key seasonal wildlife activities and breeding seasons
4	Thane Creek Bridge, Thane (Maharashtra) - Contracted project for expansion of existing road bridge on Sion-Panvel Road across Thane creek	Monitoring of implementation of Environment Management Plan by third-party agencies, construction of piers in the creek without disturbing the tidal flow
5	New Dry Dock, Kochi (Kerala) - Contracted project for construction of a dock along the Ernakulam Channel	Plantation of mangroves, use of equipment compliant with noise emission limits and monitoring of movement of machineries to protect marine life, lighting arrangement to direct light away from sea
6	Mumbai Coastal Road, Mumbai (Maharashtra) - Contracted project for construction 8-lane expressway from Marine Drive to Worli abutting the seacoast of Mumbai	Creation of rock intertidal habitat, translocation of coral patches, noise and vibration minimization through proper machinery maintenance, development and implementation of a marine biodiversity plan, regular marine environment monitoring
7	Mumbai Ahmedabad High Speed Rail Package C3 (Maharashtra) - Contracted project for construction of high-speed rail corridor comprising viaducts and tunnels falling in forest area and coastal regulation zones	Preservation and planting of mangroves, controlled lighting during night-time to minimize impact on wildlife, noise and vibration minimization through proper machinery maintenance

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sl. No.	Initiatives undertaken	Details of the initiative (web-link, if any, may be provided along with summary)	Outcome of initiative
1	Reduction in Diesel Consumption through optimization initiatives	Construction Machinery, used at project sites, are typically powered by diesel. As part of cost optimization initiatives, all project teams constantly look for ways to maximize the utilization of these machinery as well as optimize the deployment. These initiatives are enabled through use of sensor-based technologies and digital tools.	Emissions avoided in FY 2023-24: 22,207 tCO <sub>2</sub> e
2	Reduction in Diesel Consumption by Switching to Grid electricity	Construction project sites have historically been powered by Diesel Generator sets due to remote locations as well as hurdles in getting the grid connection. The Company has taken initiatives across various project sites to get grid electricity connections and help reduce diesel consumption.	Emissions avoided in FY 2023-24: 12,952 tCO <sub>2</sub> e
3	Groundwater Recharge	In some underground metro projects, dewatering is required to enable proper working conditions. Typically, the water extracted in the dewatering process is sent to storm water drain. In CMRL TU02 project, site faced a challenge in not having proper facility for safe discharge of this water. The project team came up with a design to process the water from dewatering process and then feed it back to groundwater through recharge borewells. This enabled not only safe discharge of the water but also helped in replenishing the ground water.	~ 21 kL per day of dewatered quantity was sent to recharge wells. In FY 2023-24, the site was able to recharge ~3,520 kL of water.
4	Rainwater Harvesting	In MAHSR project, one section has implemented a large Rainwater Harvesting system. The facility was incorporated at design stage itself during construction of a temporary facility (Noise Barrier factory). Water conserved is stored in a storage tank for further use in site activities as well as provided to the community for irrigation and other uses.	~6,500 kL water was conserved, avoiding extraction from other sources. Additionally, the energy spent in sourcing water is also avoided.
5	C&D Waste Recycling	Concrete waste gets generated in civil works related to infrastructure projects. Typically, this is disposed through assigned agencies, and which use it typically for landfilling. Additionally, the concrete waste also consumes space at project site. In Kundankulam Nuclear Power Project, the project team established a crusher plant to process this concrete waste into aggregates of different sizes. This was reused in making solid blocks for construction as well as for aggregate use in workmen colony PCC works, infra works, fill-crete at site.	Concrete waste of ~160 tonnes was crushed and processed into aggregates of different sizes and thereby, avoiding sourcing of equivalent volume from other sources.

Other significant initiatives are covered in 'Natural Capital' and 'Intellectual Capital' sections of the Integrated Annual Report FY 2023-24.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

Disaster management is an important component of EHS management system. At the EPC Project sites and Manufacturing facilities/campuses, the Company has implemented disaster management and emergency preparedness plans (EPPs) that address emergencies such as flooding, earthquake, major fires, disease outbreaks etc. These plans are focussed on Mitigation, Preparedness, Response, Recovery to ensure minimal disruptions to the business operations in face of emergencies. Key locations are equipped with emergency sirens, first aid, medical treatment facilities, and identification of assembly points. To maintain a high level of preparedness, relevant training, and capacity-building programmes, including mock drills, are undertaken for employees and workers. Disaster management plans are readily available and easily accessible to all relevant stakeholders, including contractors and emergency services personnel.



Overall, the Company's disaster management and emergency preparedness plans aim to ensure business continuity in face of emergencies or disasters and ensure safety of all personnel, assets and other resources.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No significant risks/concerns have been raised during the year. The Company ensures that the contractors, vendors, suppliers comply with policies and guidelines including need for compliance with various regulations and ethical practices including environmental regulations.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

The Company identified top 200 (unique 186) supply chain partners comprising 38% of FY 2022-23 spend. During the year, the Company assessed these supply chain partners on certain ESG parameters that includes environmental management, performance, human rights, CSR, health and safety practices, corporate governance, and ethical business practices through a questionnaire. This questionnaire was developed keeping in mind the regulatory compliances, BRSR disclosures, global standards. The remote/desktop assessment was based on interactions with the supply chain partners, response to the questionnaire and evidence shared with the Company. Post assessment, the gaps identified during the assessment were shared with the supply chain partners along with suggestions on the course of action for improving overall sustainability performance.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

1. a. **Number of affiliations with trade and industry chambers/associations:** 75
- b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National/International)
1	Confederation of Indian Industry (CII)	National
2	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3	National Safety Council (NSC)	National
4	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
5	Construction Industry Development Council (CIDC)	National
6	Quality Circle Forum of India (QCFI)	National
7	American Society of Concrete Contractors (ASCC)	International
8	British Safety Council (BSC)	International
9	International Chamber of Commerce (ICC)	International
10	Saudi Standards Organization (SASO)	International

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

There was no issue related to anti-competitive conduct by the entity during the year.

**LEADERSHIP INDICATORS**

**1. Details of public policy positions advocated by the entity:**

The Company proactively engages with different stakeholders including industry chambers, associations, government ministries and regulators and provides its inputs on various areas such as infrastructure sector, renewable energy, space,

health and safety etc. Over the years, the Company executives have played a key role in helping shape public policy and have been invited to join (in certain cases also lead) several committees and task forces. A few examples from FY 2023-24:

- (i) Amendment to RBI's guideline for green taxonomy to include nuclear energy, hydropower more than 25 MW, biomass based energy.
- (ii) Incentives for chip design to be available for all companies.
- (iii) Policy aspects related to Small Modular Reactors (SMR).
- (iv) Direct Tax Avoidance Treaty with Algeria.

## Principle 8: Businesses should promote inclusive growth and equitable development

### ESSENTIAL INDICATORS

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Not applicable					

SIA for the projects, executed by the Company as a contract from the clients, is under the scope of the client.

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

R&R for the projects executed by the Company, is under the contractual scope of the client.

- Describe the mechanisms to receive and redress grievances of the community.**

Complaints and grievances of the community are collected at work locations i.e., project sites, manufacturing facilities, campuses, and offices by the respective Admin and/or Industrial Relations teams. At EPC project sites, a Public Relations Officer is also deployed to engage with the local community and address their concerns, if any. Grievances are collected through complaint/suggestion boxes at these locations. The Company also has a toll-free number (18002094545), email id (infodesk@larsentoubro.com), social media handles (LinkedIn: <https://www.linkedin.com/company/larsen-&-toubro-limited/>, X: @larsentoubro) to collect such inputs. Complaints or grievances received are forwarded to the relevant person or department for resolution and they also monitor the resolution of the complaint/grievance. Issues, which remain unresolved or require management intervention, are escalated to the respective business heads.

#### For CSR Projects

The implementation of services is through collaboration and partnerships with NGOs, Government agencies and L&T teams from campuses, sites and operations. The aim is to improve the quality of life for individuals, communities and facilitate a positive and sustainable change. The grievance redressal mechanism provides a platform for the community to highlight their concerns with a view to addressing the issues in a manner that safeguards the interests of the individual as well as the larger community. The endeavour will continue to be to seek ongoing feedback from stakeholders regarding CSR projects.

Grievances may be submitted in writing through an email/letter addressed to the concerned Project Head Coordinator at the local CSR site. The Project Head will record the grievance, examine the issues involved and prepare an action plan for resolution. Feedback on status of action may be provided within 20 days of receipt of the grievance. Grievances may

also be submitted via email/letter to Corporate CSR at [grievance.csr@larsentoubro.com](mailto:grievance.csr@larsentoubro.com). Feedback on status of action may be provided within 20 days of receipt of the email. Suggestions regarding scope of projects, additional activities to be undertaken, request for support for projects and initiating activities in new locations and geographies will not be within the scope of the grievance redressal mechanism.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Particulars	FY 2023-24 (%)	FY 2022-23 (%)
Directly sourced from MSMEs/small producers	8	7
Directly from within India	68	71

5. **Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

The wage data comprises the salary paid to the staff which includes permanent and other than permanent employees, and permanent workers. The jobs created and respective location have been mapped for the aforementioned categories of employees and workers and does not include other than permanent workers.

The Company employs around 3,50,000 other than permanent workers across more than 700 project sites and locations within India and abroad. Wages to other than permanent workers are directly paid by the third party contractors. The Company monitors the wages and statutory compliances based on the wage register submitted by the third party contractors along with the monthly invoice at project site level manually. The Company is capturing the total payment made to contractors but the wages included therein is not tracked / collated separately. Going forward in the coming years, the Company will explore options to capture, track and report the wages paid to other than permanent workers.

Location	FY 2023-24 (%)	FY 2022-23 (%)
Rural	4	Not estimated
Semi-urban	2	
Urban	4	
Metropolitan	70	

Around 20% of the jobs are created outside India.

**LEADERSHIP INDICATORS**

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).**

No actions required by the Company.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Chhattisgarh	Bastar	2,10,000
2	Jharkhand	Hazaribagh	9,94,325
3	Jharkhand	Ranchi	5,87,906
4	Jharkhand	Dumka	1,05,728
5	Odisha	Balangir	3,79,742
6	Punjab	Moga	2,37,000
<b>Total</b>			<b>25,14,701</b>

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)**

Though the Company does not have any preferential procurement policy, but it encourages and engages with suppliers from marginalised and vulnerable groups wherever possible. Due to the nature of business and bulk

material requirement, there are very limited options to procure from these groups and has to be sourced from large scale companies.

(b) **From which marginalized/vulnerable groups do you procure?**

List of identified marginalized and vulnerable groups:

- I. Gender based: women/transgenders
- II. Person with disability

(c) **What percentage of total procurement (by value) does it constitute?**

The Company engages with a few marginalized and vulnerable groups (women SHGs, local farmers, small businessmen) for food supplies to canteens in the manufacturing facilities. However, the overall value is negligible as compared to the total purchase by the Company. Due to the nature of business and bulk material requirement, there are very limited options to procure from these groups and mostly sourced from large and mid-sized companies. The material mostly comprises items such as cement, steel, fuel, pipes, cables, ready mix concrete and services may include logistics, IT, ITES, subcontracting for manpower.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

The Company does not have any intellectual property owned, created, or acquired based on traditional knowledge during the year.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

The Company does not have any intellectual property owned, created, or acquired based on traditional knowledge during the year.

6. **Details of beneficiaries of CSR Projects:**

Sr. No	Project Name	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Construction Skills Training Institutes and Other skilling programs for women & youth	38,475	100
2	Enhancing educational infrastructure in Schools	3,13,796	100
3	Promoting STEM Education in Schools & Improving quality of education	44,611	100
4	Water conservation initiatives and Integrated Community Development Programme for Rural Areas	1,29,680	100
5	Environment Conservation Initiatives	3,95,743	100
6	Community Health Initiatives	7,22,383	100
<b>Total</b>		<b>16,44,688</b>	

**Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**ESSENTIAL INDICATORS**

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Consumers for the Company are clients (referred to hereafter as customers) for its businesses in EPC Projects and Hi-Tech Manufacturing. Customer complaints are received through email, transmittal letters, customer complaint registers and even verbally directly by project teams or facility admins. The Company also has a toll-free number and email address ([infodesk@larsentoubro.com](mailto:infodesk@larsentoubro.com)) for collecting the customer inputs/feedback. Feedback from the customers is collected



through a structured feedback form on a periodic basis (semi-annually or annually as the case may be). Formats to record the complaints/feedback as well as SOPs to handle them are part of the Quality Management System. Inputs received from the customers are categorized and forwarded to the relevant teams or departments, which take the necessary action to resolve the complaints and respond to the customers. Each business unit maintains a record of complaints received and resolutions provided. These are reviewed at regular intervals at different management levels, starting from project teams and up to Business Head and Executive Committee level.

**2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:**

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not applicable
Recycling and/or safe disposal	

The Company does not manufacture or sell consumer products. The products manufactured by the Company are equipment, modules, sub-systems etc. which are for industrial and defence use. Relevant operating parameters and other required information are provided for these products.

**3. Number of consumer complaints in respect of the following:**

Particulars	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	–	0	0	–
Advertising	0	0	–	0	0	–
Cyber-security	0	0	–	0	0	–
Delivery of essential services	0	0	–	0	0	–
Restrictive Trade Practices	0	0	–	0	0	–
Unfair Trade Practices	0	0	–	0	0	–
Other	0	0	–	0	0	–

**4. Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reasons for recall
Voluntary recalls	0	
Forced recalls	0	NA

The Company manufactures products which are for industrial and defence use. There were no product recalls (voluntary or forced) made on ground of safety in FY 2023-24.

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No). If available, provide a web-link of the policy. If NA, provide details.**

Yes, it is available at <https://www.larsentoubro.com/corporate/privacy-policy/>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

No cases/complaints received in above matters.

7. **Provide the following information relating to data breaches:**
  - a. **Number of instances of data breaches along-with impact**
  - b. **Percentage of data breaches involving personally identifiable information of customers**
  - c. **Impact, if any, of the data breaches**

There were no data breaches during the year.

#### LEADERSHIP INDICATORS

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The Company's business offerings can be found at <https://www.larsentoubro.com/corporate/our-businesses/>

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company does not operate in B2C space and products manufactured are made according to client/customer specifications. The products' business manufactures heavy machines and machine parts for industrial and defence use. The Company engages with its clients/customers on a regular basis to explain about its products, innovations, new technologies and techniques that are implemented or proposed to be implemented to enhance product quality and features.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company does not have any direct presence or role in provision of essential services. However, during execution of projects and transportation of machinery/equipment, the clients and concerned public departments/authorities are informed in advance through transmittal letters and their permissions are sought for road closure, traffic diversion, isolation of utility supplies etc.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. If NA, provide details. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) If NA, provide details.**

The Company does not manufacture or sell products which are covered under such laws. Various business verticals conduct customer satisfaction surveys and feedback in a systematic manner and is a process included in Quality Management System. The feedback is collected through a structured questionnaire based relevant parameters and based on 10-point Likert scale. The feedback is usually collected on a half-yearly or annual basis. Key points related to areas of improvement are captured in the feedback report which is reviewed by the senior management of the relevant business on a regular basis.

# Deloitte Haskins & Sells LLP

Chartered Accountants  
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Senapati Bapat Marg,  
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Phone: +91 22 6185 4000  
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## INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON IDENTIFIED SUSTAINABILITY INFORMATION IN LARSEN AND TOUBRO LIMITED'S BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### To the Board of Directors of LARSEN AND TOUBRO LIMITED

1. We have undertaken to perform reasonable assurance engagement, for **LARSEN AND TOUBRO LIMITED** (the "Company") vide our engagement letter dated January 15, 2024 in respect of the agreed Sustainability Information listed below (the "Identified Sustainability Information" or "BRSR Core indicators") in accordance with the Criteria stated in paragraph 3 below. This Sustainability Information is included in the Business Responsibility and Sustainability Report (the "BRSR" or the "Report") of the Integrated Annual Report (the "IAR") of the Company for the year ended March 31, 2024. This engagement was conducted by our multidisciplinary team including assurance practitioners, environmental engineers, and specialists.

### 2. Identified Sustainability Information

Our scope of reasonable assurance consists of the BRSR Core indicators listed in the Appendix I to our report. The reporting boundary of the Report is as disclosed in Question 13 and Question 23(a) of Section A: General Disclosure of the BRSR with exceptions disclosed by way of note under respective questions of the BRSR, where applicable.

Our reasonable assurance engagement was with respect to the year ended March 31, 2024 information only and we have not performed any procedures with respect to earlier periods, and, therefore, do not express any opinion thereon.

### 3. Criteria

The Criteria used by the Company to prepare the Identified Sustainability Information is as under:

- Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended;
- Business Responsibility and Sustainability Reporting Requirements for listed entities per Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023; and
- SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 and clarifications thereto issued by SEBI.

### 4. Management's Responsibility

The Company's management is responsible for selecting or establishing suitable criteria for preparing the Sustainability Information including the reporting boundary of the Report, taking into account applicable laws and regulations, if any, related to reporting on the Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the Report and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

### 5. Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between companies.



Regd. Office: One International Center, Tower 3, 27<sup>th</sup> – 32<sup>nd</sup> Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, Maharashtra, India. (LLP Identification No. AAB-8737)

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## 6. Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") and the SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, and its clarifications thereto and have the required competencies and experience to conduct this assurance engagement.

We apply Standard on Quality Control (the "SQC") 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## 7. Our Responsibility

Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information listed in Appendix I based on the procedures we have performed and evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information", and Standard on Assurance Engagements (SAE) 3410 Assurance Engagements on Greenhouse Gas Statements (together the "Standards"), both issued by the Sustainability Reporting Standards Board (the "SRSB") of the ICAI.

These Standards require that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information listed in Appendix I and included in the Report are prepared, in all material respects, in accordance with the Criteria stated under paragraph 3 above.

As part of reasonable assurance engagement in accordance with the Standards, we exercise professional judgment and maintain professional skepticism throughout the engagement.

## 8. Reasonable Assurance

A reasonable assurance engagement involves identifying and assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures;
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and/or measurements of the Identified Sustainability Information;
- Made inquiries of Company's management, including sustainability team, compliance team, human resource team amongst others and those with the responsibility for preparation of the Report;
- Obtained an understanding and performed an evaluation of the design of the key systems, processes and controls for recording, processing and reporting on the Identified Sustainability Information at the corporate office and at other project locations/offices on a sample basis. This included evaluating the design of those controls relevant to the





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engagement and determining whether they have been implemented by performing procedures in addition to inquiry of the personnel responsible for the Identified Sustainability Information;

- Based on the above understanding and the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing and extent of further procedures;
- Tested the Company’s process for collating the sustainability information through agreeing or reconciling the Identified Sustainability Information with the underlying records on a sample basis; and
- Tested the consolidation for project locations/offices on a sample basis and corporate office under the reporting boundary for ensuring the completeness of data being reported.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

## 9. Exclusions

Our assurance scope excludes the following and therefore we do not express an opinion on:

- Aspects of the Reports and the data/information (qualitative or quantitative) other than the Identified Sustainability Information; and
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

## 10. Other information

The Company’s Management is responsible for the Other information. The Other information comprises the information included within the BRSR and the IAR, other than Identified Sustainability Information and our independent assurance report dated June 06, 2024 thereon.

Our opinion on the Identified Sustainability Information does not cover the Other information and we do not express any form of assurance thereon.

In connection with our assurance engagement of the Identified Sustainability Information, our responsibility is to read the Other information and, in doing so, consider whether the Other information is materially inconsistent with the Identified Sustainability Information or otherwise appears to be materially misstated.

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.

## 11. Basis for Qualified Opinion

- As described in the Note to BRSR Section C ‘Principle 6 “*Business should respect and make efforts to protect and restore the environment*” – Essential Indicator 3 and 4 “*Details related to Water*” and Essential Indicator 9 “*Details related to Waste Management*” of the Report, the Company has used indirect estimation instead of the approach provided under the BRSR guidance note to determine complete and accurate disclosures for “*Details related to Water*” and “*Details related to Waste Management*” indicators. In the absence of sufficient appropriate evidence to check the completeness and accuracy of the values disclosed under “*Details related to Water*” and “*Details related to Waste Management*” as at and for the year ended March 31, 2024, we were unable to determine whether any adjustments to the reported figures with respect to “*Details related to Water*” and “*Details related to Waste Management*” were necessary or not as at and for the year ended March 31, 2024.



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- As described in the Note to BRSR Section C 'Principle 5' "*Businesses should respect and promote human rights*" – Essential Indicator 3(b) and Principle 8 "*Businesses should promote inclusive growth and equitable development*" – Essential Indicator 5, the Company has not considered the wages paid to other-than-permanent workers for purpose of disclosures and calculation of "*Gross wages paid to females as % of total wages paid by the entity*" reported under Principle 5 and "*Job Creation in smaller towns*" reported under Principle 8 as stated above. In the absence of sufficient appropriate evidence to check the completeness and accuracy of the values disclosed under "*Gross wages paid to females as % of total wages paid by the entity*" and "*Job Creation in smaller towns*" as at and for the year ended March 31, 2024, we were unable to determine whether any adjustments to the reported figures with respect to "*Gross wages paid to females as % of total wages paid by the entity*" and "*Job Creation in smaller towns*" were necessary or not as at and for the year ended March 31, 2024.

### 12. Qualified Reasonable Assurance Opinion

Except for the possible effect of the matters described in the Basis for Qualified Opinion section of our report, the Identified Sustainability information as mentioned in Appendix I is fairly presented, in all material respects, in accordance with Criteria mentioned below:

- Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended;
- Business Responsibility and Sustainability Reporting Requirements for listed entities per Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023; and
- SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 and clarifications thereto issued by SEBI.

### 13. Other matter

Select BRSR Core indicators of the Company for the year ended March 31, 2023 were assured by the previous assurance practitioner who had expressed an unmodified opinion on June 27, 2023.

Our opinion is not modified in respect of this matter.

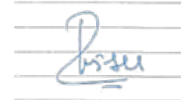


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### 14. Restriction on use

Our Reasonable Assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Reasonable Assurance report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)



**Pratiq Shah**  
Partner  
Membership No. 111850  
UDIN: 24111850BKJLKA9907

Place: Mumbai  
Date: 06 June 2024

# Deloitte Haskins & Sells LLP

## APPENDIX I

### Identified Sustainability Information in BRSR subject to Reasonable Assurance

Sr. No	Indicator No.	Description
<b>Section C: Principle [P] Wise Performance Disclosures- Essential Indicators [E]</b>		
1	P-1 [E]-8	Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured).
2	P-1 [E]-9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances and investments, with related parties.
3	P-3 [E]-1(c)	Spending on measures towards well-being of employees and workers (including permanent and other than permanent)
4	P-3 [E]-11	Details of safety related incidents: - Loss Time Injury Frequency Rate (LTIFR) (per one million person hours worked) (employees and workers) - Total recordable work related injuries (LTI) (employees and workers) - Number of fatalities (employees and workers) - High consequence work-related injury or ill-health (excluding fatalities) (employees and workers)
5	P-5 [E]-3(b) #	Gross wages paid to females as % of total wages paid by the entity.
6	P-5 [E]-7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: - Total Complaints on Sexual Harassment (POSH) reported - Complaints on POSH as a % of female employees / workers - Complaints on POSH upheld
7	P-6 [E]-1	Details of total energy consumption (in Joules or multiples) and energy intensity; -Total Energy consumed - Total energy consumed from renewable sources (% of energy consumed from renewable sources) - Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) - Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)
8	P-6 [E]-3 #	Disclosures related to water withdrawal and consumption: -Water withdrawal by source (in kiloliters) - Total volume of water withdrawal (in kiloliters) - Total water consumption (in kiloliters) - Water intensity per rupee of turnover (Total water consumed / Revenue from operations) - Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Water consumed / Revenue from operations adjusted for PPP)
9	P-6 [E]-4 #	Water Discharge by destination and level of treatment (in kiloliters)
10	P-6 [E]-7	Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity: - Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) - Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) - Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)





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Sr. No	Indicator No.	Description
		- Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)
11	P-6 [E]-9 #	Details related to waste management by the entity: -Total weight of waste generated (in metric tons) - Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) - Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) - For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons) - For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)
12	P-8 [E]-4	Percentage of input material (inputs to total inputs by value) sourced from suppliers. -Directly sourced from MSMEs/small producers -Directly from within India
13	P-8 [E]-5 #	Job creation wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis), as % of total wage cost.
14	P-9 [E]-7	Information relating to data breaches: -Number of instances of data breaches - Percentage of data breaches involving personally identifiable information of customers - Impact, if any, of the data breaches

# Refer paragraph 11 of this report



## LARSEN & TOUBRO LIMITED

Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.

CIN : L99999MH1946PLC004768

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Tel No: 022-67525656 • Fax No: 022-67525858

### Notice

**NOTICE IS HEREBY GIVEN THAT** the Seventy Ninth Annual General Meeting of **LARSEN & TOUBRO LIMITED** will be held through **VIDEO CONFERENCING OR OTHER AUDIO-VISUAL MEANS on Thursday, July 4, 2024 at 3:00 P.M. IST** to transact the following business :-

- 1) To consider and adopt the audited standalone financial statements of the Company for the year ended March 31, 2024 and the Reports of the Board of Directors and Auditors thereon;
- 2) To consider and adopt the audited consolidated financial statements of the Company for the year ended March 31, 2024 and the report of the Auditors thereon;
- 3) To declare a Final Dividend of ₹ 28/- per share of face value of ₹ 2/- each for FY 2023-24;
- 4) To appoint a Director in place of Mr. R. Shankar Raman (DIN: 00019798), who retires by rotation and is eligible for re-appointment;
- 5) To appoint a Director in place of Mr. Subramanian Sarma (DIN: 00554221), who retires by rotation and is eligible for re-appointment;
- 6) **Appointment of M/s. MSKA & Associates as Statutory Auditors and fix their remuneration.**

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

**“RESOLVED THAT** pursuant to Sections 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. MSKA and Associates, Chartered Accountants (Firm Registration No. 105047W issued by the Institute of Chartered Accountants of India), be and are hereby appointed as Statutory Auditors of the Company, for a period of 5 consecutive years, to hold office from conclusion of 79<sup>th</sup> Annual General Meeting till conclusion of 84<sup>th</sup> Annual General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors or Audit Committee, be and is hereby authorized to decide and finalise the terms and conditions of

appointment, including the remuneration of the Statutory Auditors.”

- 7) **Appointment of Mr. Siddhartha Mohanty (representing equity interest of Life Insurance Corporation of India), as Director of the Company.**

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

**“RESOLVED THAT** Mr. Siddhartha Mohanty (DIN: 08058830) who was appointed as a Director in casual vacancy and holds office upto the date of this Annual General Meeting and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director, liable to retire by rotation.”

- 8) **Amendment to Articles of Association of the Company by deleting Article 107 pertaining to qualification shares.**

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

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force as amended from time to time, the Articles of Association (the “AOA”) of the Company be and is hereby altered by deletion of Article No. 107 of the AOA which is reproduced under:

*“The qualification of a Director, other than a Director ex-officio or alternate Director, shall be the holding of at least one hundred Ordinary Shares of ₹ 2 each in the Company. A Director may act before acquiring his qualification shares, but must acquire the same within two months after his appointment or election. A Director ex-officio or alternate Director shall not be required to hold qualification shares in the Company.”*

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to the aforesaid Resolution.”

9) **Issuance of Parent Company Guarantees on behalf of Larsen Toubro Arabia LLC:**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“the Act”) along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, Related Party Transactions Policy of the Company and as per the recommendation/approval of the Audit Committee and/or the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company for entering into and/or continuing to enter into transactions with **Larsen Toubro Arabia LLC**, a subsidiary of the Company and Related Party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for providing Parent Company Guarantees on behalf of the said subsidiary, aggregating upto an amount not exceeding ₹ 12,500 crore or USD 1,500 Mn, whichever is higher, on such terms and conditions as may be decided by the Board of Directors (including any Committee of Directors thereof) of the Company as they may deem fit.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Audit Committee of the Company be and is hereby authorised to delegate all or any of the powers conferred on it as they may deem fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors and/or the Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects.”

10) **Entering into material Related Party Transactions with L&T Metro Rail (Hyderabad) Limited:**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“the Act”) along with the Rules made thereunder and other applicable laws including any amendments, modifications,

variations or re-enactments thereof, Related Party Transactions Policy of the Company and as per the recommendation/approval of the Audit Committee and/or the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company for entering into and/or continuing to enter into contracts/transactions with **L&T Metro Rail (Hyderabad) Limited**, a subsidiary of the Company and Related Party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, in the nature of a) sale, purchase, lease or supply of goods or business assets or property or equipment; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet the Company’s business objectives/requirements; d) Providing inter-corporate deposits; e) providing parent company guarantees (“Related Party Transactions”), aggregating upto an amount not exceeding ₹ 4,800 crore on such terms and conditions as may be decided by the Board of Directors (including any Committee of Directors thereof) of the Company as they may deem fit.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Audit Committee of the Company be and is hereby authorized to delegate all or any of the powers conferred on it as they may deem fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors and/or Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects.”

11) **Entering into material Related Party Transactions with L&T Modular Fabrication Yard LLC:**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“the Act”) along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, Related Party Transactions Policy of the Company and as per the recommendation/ approval of the Audit Committee and/or the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company for entering into and/or continuing to enter into contracts/transactions

with **L&T Modular Fabrication Yard LLC**, a subsidiary of the Company and Related Party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, in the nature of a) sale, purchase, lease or supply of goods or business assets or property or equipment; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet the Company's business objectives/requirements ("Related Party Transactions"), aggregating upto an amount not exceeding ₹ 4,300 crore on such terms and conditions as may be decided by the Board of Directors (including any Committee of Directors thereof) of the Company as they may deem fit.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Audit Committee of the Company be and is hereby authorized to delegate all or any of the powers conferred on it as they may deem fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors/Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects."

12) **Entering into material Related Party Transactions with L&T Special Steels and Heavy Forgings Private Limited:**

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("the Act") along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, Related Party Transactions Policy of the Company and as per the recommendation/approval of the Audit Committee and/or the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company for entering into and/or continuing to enter into contracts/transactions with **L&T Special Steels and Heavy Forgings Private Limited**, a subsidiary of the Company and Related Party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, in the nature of a) sale, purchase, lease or supply of goods or business assets or property or

equipment; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet the Company's business objectives/requirements ("Related Party Transactions"), aggregating upto an amount not exceeding ₹ 1,500 crore on such terms and conditions as may be decided by the Board of Directors (including any Committee of Directors thereof) of the Company as they may deem fit.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Audit Committee of the Company be and is hereby authorized to delegate all or any of the powers conferred on it as they may deem fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors and/or the Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects."

13) **Entering into material Related Party Transactions with L&T-MHI Power Boilers Private Limited:**

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("the Act") along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, Related Party Transactions Policy of the Company and as per the recommendation/approval of the Audit Committee and/or the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company for entering into and/or continuing to enter into contracts/transactions with **L&T-MHI Power Boilers Private Limited**, a subsidiary of the Company and Related Party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, in the nature of a) sale, purchase, lease or supply of goods or business assets or property or equipment; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet the Company's business objectives/requirements; d) availing inter corporate borrowings ("Related Party Transactions"), aggregating upto an amount not exceeding ₹ 1,200 crore on such terms and conditions as may be decided by the Board



of Directors (including any Committee of Directors thereof) of the Company as they may deem fit.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Audit Committee of the Company be and is hereby authorized to delegate all or any of the powers conferred on it as they may deem fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors and/or Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects."

14) **Entering into material Related Party Transactions with LTIMindtree Limited:**

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("the Act") along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, Related Party Transactions Policy of the Company and as per the recommendation/approval of the Audit Committee and/or the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company for entering into and/or continuing to enter into contracts/transactions with **LTIMindtree Limited**, a subsidiary of the Company and Related Party within the meaning of Section 2(76) the Act and Regulation 2(1)(zb) of the Listing Regulations, in the nature of a) sale, purchase, lease or supply of goods or business assets or property or equipment; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet the Company's business objectives/requirements ("Related Party Transactions"), aggregating upto an amount not exceeding ₹ 2,000 crore, on such terms and conditions as may be decided by the Board of Directors (including any Committee of Directors thereof) of the Company as they may deem fit.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Audit Committee of the Company be and is hereby authorized to delegate all or any of the powers conferred on it as they may deem fit and to do all such acts and take all such steps as may be considered

necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors and/or the Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects."

15) **Entering into material Related Party Transactions with Nuclear Power Corporation of India Limited:**

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("the Act") along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, Related Party Transactions Policy of the Company and as per the recommendation/approval of the Audit Committee and/or the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for entering into and/or continuing to enter into contracts/arrangements/transactions with **Nuclear Power Corporation of India Limited**, a 'Related Party' of the Company's subsidiary viz. L&T Special Steels and Heavy Forgings Private Limited within the meaning of Section 2(76) of the Act, in the nature of a) sale, purchase, lease or supply of goods or assets or property or equipment; b) rendering of services; c) transfer of any resources, services or obligations to meet the Company's business objectives/requirements ("Related Party Transactions"), aggregating upto an amount not exceeding ₹ 2,800 crore, on such terms and conditions as may be decided by the Board of Directors (including any Committee of Directors thereof) of the Company as they may deem fit.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Audit Committee of the Company be and is hereby authorised to delegate all or any of the powers conferred on it as they may deem fit and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors and/or the Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects."

16) **Ratification of remuneration payable to Cost Auditors for FY 2024-25:**

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

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the remuneration of ₹ 18 lakhs plus applicable taxes and out of pocket expenses at actuals for travelling and boarding/ lodging for the financial year ending March 31, 2025 to M/s R. Nanabhoy & Co. Cost Accountants (Regn. No. 000010), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2024-25.”

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

**SIVARAM NAIR A**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**  
**M.NO – F3939**

**Mumbai, May 8, 2024**

**NOTES:**

[a] The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard - 2 on General Meetings, regarding the Directors who are proposed to be appointed/re-appointed and the relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), in respect of the business under items 6 to 16 set out above are annexed hereto.

[b] **Meeting through VC/OAVM**

Ministry of Corporate Affairs (“MCA”) vide its Circular No. 9/2023 dated September 25, 2023 (In continuation with the Circulars issued earlier in this regard) (“MCA Circulars”) has allowed conducting Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) without the physical presence of Members at a common venue till September 30, 2024. The MCA Circulars prescribe the procedures and manner of conducting the AGM through VC/OAVM. In compliance with the applicable provisions of the Act and MCA Circulars, the 79<sup>th</sup> AGM of the Members will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.

Since this AGM is being held through VC/OAVM the physical attendance of members is dispensed with

and no proxies would be accepted by the Company pursuant to the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 (in continuation with the Circulars issued earlier in this regard) (“SEBI Circulars”). Hence, no proxy form has been sent alongwith this Notice.

No attendance slip/route map has been sent along with this Notice as the meeting is held through VC/OAVM.

Members who are shareholders as on **Thursday, June 27, 2024 (“Cut-off Date”)** can join the AGM 30 minutes before the commencement of the AGM i.e at 2:30 P.M. and till the time of the conclusion of the Meeting by following the procedure mentioned in this Notice.

The attendance through VC/OAVM is restricted and hence members will be allowed on first come first serve basis. However, as per the MCA Circulars, attendance of Members holding more than 2% of the shares of the Company, Institutional Investors as on the Cut-off Date, Directors, Key Managerial Personnel and Auditors will not be restricted on first come first serve basis.

Members attending the Meeting through VC/OAVM will be counted for the purposes of Quorum under Section 103 of the Act.

[c] **Final Dividend for FY 2023-24:**

The Board of Directors, at its meeting held on May 8, 2024, has recommended a Final Dividend of ₹ 28/- per share, in addition to the Special Dividend of ₹ 6 per share paid to the shareholders on August 14, 2023. The record date for the purpose of payment of Final Dividend will be **Thursday, June 20, 2024 (“Record Date”)**. Final Dividend, if approved by the Members at this Meeting, will be directly credited to the bank accounts of the shareholders as on the Record Date.

SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, has mandated that with effect from April 1, 2024, dividend to security holders who are holding securities in physical form, shall be paid only through electronic mode. Such payment shall be made only after the shareholders furnish their PAN, contact details (postal address with PIN and mobile number), bank account details & specimen signature (“KYC”) and choice of Nomination. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf)

Members holding shares in physical form are requested to furnish Form ISR-1, Form ISR-2 and SH-13 (available on the Company's website at <https://investors.larsentoubro.com/DownloadableForms.aspx#>) to update KYC and choice of Nomination (in case the same are not already updated), to KFin Technologies Limited ("KFinTech"), Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, who are the Company's Registrar and Share Transfer Agents, so as to reach them latest by the Record Date i.e. Thursday, June 20, 2024. Alternatively, members may send the documents by email to KFinTech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or upload on their webportal <https://ris.kfintech.com>, provided in both cases the documents furnished shall have digital signature of the holders.

In respect of members holding shares in demat mode, the details as would be furnished by the Depositories as on the Record Date will be considered by the Company. Hence, members holding shares in demat mode are requested to update their details with their Depository Participants at the earliest.

**[d] TDS on Dividend:**

Dividend income is taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. Also, please note that the TDS rate would vary depending on the residential status, category of the shareholder, compliant/ non-compliant status in terms of Section 206AB of the Income Tax Act, 1961 and is subject to submission of all the requisite declarations/documents to the Company. For the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act, 1961.

The Company will be sending a communication to the shareholders with the details of applicable tax rates to different categories of shareholders and the documents/details required to be submitted by the shareholders. These details would also be available on the website of the Company at <https://investors.larsentoubro.com/listing-compliance-agm.aspx>.

Members are requested to provide the documents/details to KFinTech within the time prescribed in the communication being sent to the shareholders in order to enable us to determine the appropriate rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961.

**[e] Dispatch of AGM Notice and Integrated Annual Report through electronic mode:**

In line with the MCA Circulars and SEBI Circulars, this Notice along with the Integrated Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories/ Depository Participants/KFinTech. Members may note that the Notice and Integrated Annual Report for FY 2023-24 will also be available on the Company's website [www.larsentoubro.com](http://www.larsentoubro.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Hard copy of the full Integrated Annual Report will be sent to shareholders who request for the same.

The Company will also be publishing an advertisement in newspapers containing the details about the AGM i.e., the conducting of AGM through VC/OAVM, date and time of AGM, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses, manner of providing mandate for dividends, and other matters as may be required.

**[f] Procedure for registration of email address by shareholders:**

1. Those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:
  - a) Members holding shares in physical form are requested to furnish Form ISR-1, Form ISR-2 and SH-13 (available on the Company's website at <https://investors.larsentoubro.com/DownloadableForms.aspx>) along with the necessary attachments mentioned in the said Forms to KFinTech, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032. Members may also email the duly filled forms to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). This will enable the shareholders to receive electronic copies of the Integrated Annual Report for FY 2023-24 and this Notice.
  - b) Members holding shares in demat form may update their email address and other details with their respective Depository Participants.
2. Members who have already registered their email addresses are requested to get their

email addresses validated with their Depository Participants/ KFinTech to enable servicing of notices / documents / Annual Reports electronically to their email address.

**[g] Important Information for Shareholders:**

- Members may note that as per SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, it is mandatory for all holders of physical securities in listed entities to update their KYC and choice of Nomination with the Registrar and Share Transfer Agent ('RTA'), in case they have not updated the same. As per the SEBI Circular, effective from April 1, 2024, RTA i.e. KFinTech will attend to all service requests of the shareholders with respect to transmission, dividend, etc., only after updating the above details in the records.

As per the aforesaid SEBI Circular, members holding securities in physical form may note that any future dividend payable against their shareholding would be withheld if their KYC and choice of Nomination are not updated with the RTA.

For the purpose of updation of KYC and choice of Nomination, members are requested to send the necessary forms (ISR-1, ISR-2 and SH-13) along with the necessary attachments mentioned in the said Forms to KFinTech, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032.

Alternatively, members may send the documents by email to KFinTech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or upload on their webportal <https://ris.kfintech.com>, provided in both cases the documents furnished shall have digital signature of the holders.

- Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://investors.larsentoubro.com/>

[DownloadableForms.aspx#](#) and on the website of the KFinTech at <https://ris.kfintech.com>. It may be noted that any service request can be processed only after the folio is KYC compliant.

- SEBI on January 24, 2022 has amended SEBI Listing Regulations and has mandated that transfer of securities should be done in dematerialized form only. In view of the same and to eliminate all risks associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

**[h] Inspection of Documents:**

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the e-voting period and the AGM.

All shareholders will also be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents may send an email request to [LNTGOGREEN@larsentoubro.com](mailto:LNTGOGREEN@larsentoubro.com).

**[i] Transfer of unclaimed dividend and shares to IEPF:**

- Pursuant to Section 124 of the Act the unpaid dividends that are due for transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Dividend No.	Date of Declaration	For the year ended	Due for Transfer on
88	22.08.2017	31.03.2017	27.09.2024
89	23.08.2018	31.03.2018	28.09.2025
90	01.08.2019	31.03.2019	06.09.2026
91	18.03.2020	31.03.2020	24.04.2027
92	13.08.2020	31.03.2020	18.09.2027
93	28.10.2020	31.03.2021	02.12.2027
94	05.08.2021	31.03.2021	11.09.2028
95	04.08.2022	31.03.2022	10.09.2029
96	25.07.2023	31.03.2024	30.08.2030
97	09.08.2023	31.03.2023	14.09.2030

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



2. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has during FY 2023-24 transferred to the IEPF Authority all shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://investors.larsentoubro.com/shareholder-services.aspx>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

[j] **Investor Queries and Grievance Redressal:**

The Company has designated an exclusive e-mail id viz. [IGRC@Larsentoubro.com](mailto:IGRC@Larsentoubro.com) to enable Investors to register their grievances, if any.

Members seeking any information with regard to the accounts or any matter mentioned in the AGM Notice, are requested to write to the Company on or before the Cut-off Date i.e. **Thursday, June 27, 2024** at [IGRC@larsentoubro.com](mailto:IGRC@larsentoubro.com). The same will be replied by the Company suitably.

Members may note that in case they have any dispute against the Company and/or its Registrar and Share Transfer Agent, as per SEBI Circular SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated July 31, 2023, they can file for Online Resolution of Dispute which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. Members can use this mechanism only after they have lodged their grievance with the Company and SEBI SCORES system and are not satisfied with the outcome.

For more details, please see the following weblinks of the Stock Exchanges:

BSE: <https://bsecrecs.bseindia.com/ecomplaint/frmlInvestorHome.aspx>

NSE: <https://www.nseindia.com/complaints/online-dispute-resolution>

[k] **Instruction for attending the meeting through VC/OAVM:**

Convenience of different persons positioned in different time zones has been kept in mind before scheduling the time for this Meeting.

The Company has appointed NSDL, to provide VC facility for conducting of the AGM.

Members will be provided with a facility to attend the AGM through VC/OAVM using the NSDL e-voting system. Members may follow the steps mentioned in this Notice for access to NSDL e-voting system. After successful login, you can see the link of VC/OAVM placed under "Join General Meeting" menu against the Company name. You are requested to click on the VC/OAVM link placed under "Join General Meeting" menu.

Please note that the members who do not have the User ID and Password for e-voting or have forgotten their User ID and Password may retrieve the same by following the instructions mentioned in this Notice.

Members can participate in AGM through smart phone/laptop. However, for better experience and smooth participation it is advisable to join the Meeting using Google Chrome, with Laptops connected through broadband.

Further Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.

Please note that participants connecting from Mobile Devices or Tablets or through Laptop via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to avoid any disturbances.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to [LNTGOGREEN@larsentoubro.com](mailto:LNTGOGREEN@larsentoubro.com) on or before the Cut-off Date i.e. **Thursday, June 27, 2024**. Those Members who have registered themselves as a speaker and receive a confirmation from the Company will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

[l] **E-voting:**

The businesses as set out in the Notice will be transacted through electronic voting system and the Company will provide the facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules,

2014, Secretarial Standard 2 on General Meetings and Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means. The said facility of casting the votes by the members using electronic means (remote e-voting and e-voting during the AGM) will be provided by NSDL.

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off Date of **Thursday, June 27, 2024** shall be entitled to avail the facility of remote e-voting or e-voting during the AGM. Persons who are not members as on the Cut-off Date should treat this Notice for information purposes only.

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

The remote e-voting period commences on **Sunday, June 30, 2024 at 9.00 A.M** and ends on **Wednesday, July 3, 2024 at 5.00 P.M.** During this period, members of the Company holding shares either in physical or dematerialised form, as on the cut-off date of **Thursday, June 27, 2024** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

#### **Instructions for e-voting during the AGM:**

The e-voting window shall be activated upon instructions of the Chairman during the AGM proceedings.

Only those shareholders, who are present in the AGM and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

Member(s), whose names appear in the Register of Members / list of Beneficial Owners as on the Cut-off Date i.e. Thursday, June 27, 2024 are entitled to vote on the Resolutions set forth in this Notice. Any person who acquires shares of the Company and becomes a member of the Company after the notice is sent through e-mail and continues to hold shares as of the Cut-off Date i.e. Thursday, June 27, 2024, may obtain the login ID and password by sending a request to NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com) or the Company at [IGRC@larsentoubro.com](mailto:IGRC@larsentoubro.com) or follow the steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system". However, if you

are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call at 022 4886 7000.

Members are requested to follow the instructions given in this notice to cast their votes through e-voting.

The detailed steps on the process and manner for remote e-voting/e-voting at the AGM and to access the VC facility at the AGM are as follows:





#### **Step 1: Access to NSDL e-voting system**

##### **I. Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select "Register Online for IDeAS Portal" or visit URL <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-voting website of NSDL. Open web browser and type the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience. <b>NSDL Mobile App is available on</b>      </li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the</li> </ol>

Type of shareholders	Login Method
	<p>information provided by the Company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also link provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.</p> <ol style="list-style-type: none"> <li>If the user is not registered for Easi/ Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a>. Shareholders are requested to click on 'login' &amp; 'New System Myeasi' Tab and then click on 'registration' option.</li> <li>Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical**

### issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

## II. Login method for e-voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

1. Visit the e-voting website of NSDL. Open web browser and type the following URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders / Member" section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company. For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Password details for shareholders other than individual shareholders are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number / folio



number, your PAN, your name and your registered address.

- d) Members can also use the one-time password (OTP) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, home page of e-voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN 128746" to cast your vote during the remote e-voting period and casting your vote during the AGM. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or

"Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

2. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 4886 7000 or send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com).
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.com](mailto:evoting@nsdl.com) / or call at 022 4886 7000.
4. A Member can opt for only one mode of voting i.e. either through remote e-voting or at the Meeting. If a Member has cast his vote by remote e-voting then he will not be eligible to vote at the Meeting.
5. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer@snaco.net](mailto:scrutinizer@snaco.net), with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

### **Process for those shareholders whose email ids are not registered with the depositories for obtaining user id and password and registration of email ids for e-voting on the resolutions set out in this Notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and reverse), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) through email to [igrcl@larsentoubro.com](mailto:igrcl@larsentoubro.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [igrcl@larsentoubro.com](mailto:igrcl@larsentoubro.com). If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method

explained at point I above i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

- Alternatively, shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.

**The instructions for members for e-voting on the day of the AGM are as under:-**

- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The contact details for any grievances connected with respect to the facility for e-voting on the day of the AGM shall be the same as mentioned for remote e-voting.

**[m] Live Webcast of the AGM:**

Members will be able to view the live webcast of AGM provided by NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) following the steps mentioned above for login to NSDL e-voting system.

After successful login, you can see Webcast link placed under "Join Meeting" menu against the Company name. You are requested to click on Webcast link placed under "Join Meeting" menu.

**[n] Information regarding Scrutinizer and declaration of Voting results:**

The Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary, (Membership No. 4206, COP No. 1774) or failing him Mrs. Aparna Gadgil, Practicing Company Secretary, (Membership No. 14713, COP No. 8430), to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman or any person authorised by him, after completion of the scrutiny. The result of the voting on the

Resolutions moved at the Meeting shall be announced by the Chairman or any other person authorized by him, immediately after the results are declared.

Based on the report received from the Scrutinizer, the Company will submit details of the voting results within 2 working days to the stock exchanges as required under Regulation 44(3) of the Listing Regulations.

The results declared alongwith the Scrutinizer's report, will be hosted on the website of the Company [www.larsentoubro.com](http://www.larsentoubro.com) and on the website of NSDL at <https://evoting.nsdl.com> and will be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office immediately after the declaration of the result by the Chairman or any person authorised by him in writing and communicated to the Stock Exchanges.

**EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out material facts relating to the business under items 6 to 16 of the accompanying Notice dated May 8, 2024.

**Item No. 6**

**Appointment of M/s. MSKA & Associates as Statutory Auditors and fix their remuneration.**

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company's current auditors M/s. Deloitte Haskins and Sells LLP ('DHS') would be completing their tenure as Statutory Auditors of the Company on conclusion of the 80<sup>th</sup> Annual General Meeting of the Company to be held in the year 2025.

In accordance with provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, the Auditors post completion of 2 consecutive terms of total 10 years, need to step down from Auditorship from the conclusion of Annual General Meeting.

Accordingly, the Board of Directors ("Board") of the Company on the recommendation of the Audit Committee, has recommended the appointment of M/s. MSKA and Associates ('MSKA') (Firm registration number 105047W) as Statutory Auditors for a period of 5 continuous years i.e. from the conclusion of 79<sup>th</sup> Annual General Meeting till the conclusion of 84<sup>th</sup> Annual General Meeting of the Company in accordance with the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014.

**Basis of recommendation:**

The Board and the Audit Committee considered various parameters while recommending the appointment of MSKA as Statutory Auditors of the Company including but not limited to their capability to serve a diverse and complex business landscape as that of the Company, existing experience in the Company's business verticals and segments, market standing of the firm, clientele and technical knowledge. MSKA was found suitable to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

**Credentials of MSKA:**

Established in 1978, M S K A & Associates is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) and the US Public Company Accountancy Oversight Board (PCAOB) having offices across 12 cities in India at Mumbai, Gurugram, Chandigarh, Kolkata, Ahmedabad, Chennai, Goa, Pune, Bengaluru, Kochi, Hyderabad and Coimbatore. The audit firm has a valid peer review certificate. MSKA & Associates is a member firm of BDO International.

The Firm primarily provides Audit & Assurance services, tax and advisory services, to its clients. The Firm's Audit & Assurance practice has significant experience across various industries, markets and geographies.

**Joint Audit:**

Both the Auditors, DHS and MSKA would jointly conduct the audit from the conclusion of 79<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 80<sup>th</sup> Annual General Meeting and will be jointly and severally responsible for the audit. This would provide the new audit firm adequate time to get familiar with the Company's operations and processes.

**Terms and Conditions of appointment of MSKA:****Tenure:**

5 years from the conclusion of the 79<sup>th</sup> Annual General Meeting till the conclusion of the 84<sup>th</sup> Annual General Meeting.

**Remuneration:**

Fixed Remuneration for Statutory Audit, limited review and audit of Internal control over Financial Reporting - ₹ 1 crore for FY 2024-25 plus applicable taxes, travelling and other out of pocket expenses incurred by them in connection with the statutory audit. The proposed fees is based on the scope of work, team size, industry experience, expertise and the time & efforts required to be put by MSKA for FY 2024-25. The fees for services in the nature of statutory certifications and other professional work will be in

addition to the audit fee as above and will be decided by the Management in consultation with the Auditors and will be subject to approval by the Board of Directors and/or the Audit Committee.

Further, the remuneration for the remaining tenure of MSKA as Statutory Auditors for the FY 2025-26 to FY 2028-29 will be approved by the Board of Directors and/or the Audit Committee.

The remuneration of existing auditors i.e. DHS for FY 2023-24 is ₹ 7 crore. The scope of DHS includes Statutory Audit, limited review, audit of Internal control over Financial Reporting, tax audit and transfer pricing. Audit fee of DHS for the year 2024-25 will be decided by Audit committee considering the scope of work and time & efforts involved.

The fees are fixed after discussion with the respective Auditors considering the scope of work, team size, systems and process in place at their respective firms.

MSKA has given their consent to act as Statutory Auditors of the Company and have confirmed that the said appointment if made will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

Accordingly, the consent of the members is sought for appointment of MSKA as Statutory Auditors of the Company.

The Directors recommend this resolution for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

**Item No. 7:****Appointment of Mr. Siddhartha Mohanty (representing equity interest of LIC), as Director of the Company.**

On the recommendation of the Nomination & Remuneration Committee, Mr. Siddhartha Mohanty (DIN: 08058830) was appointed by the Board of Directors as a Director in casual vacancy caused due to withdrawal of nomination of Mr. Hemant Bhargava by Life Insurance Corporation of India (LIC). Pursuant to Section 161(4) of the Act, Mr. Siddhartha Mohanty will hold office up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member under the provisions of Section 160 of the Act proposing the candidature of Mr. Siddhartha Mohanty as Director.

**Brief Profile:**

Mr. Siddhartha Mohanty is Chairperson of LIC which with its more than \$500 billion reserves, is the fourth largest insurer globally. He is a post-graduate in Political Science, having Bachelor's degree in Law and a Post Graduate Certification in Business Management. Mr. Mohanty is an avid reader and embraces technological advances with enthusiasm.

He joined LIC as a Direct Recruit Officer in 1985. During his tenure of almost four decades, he has gained a 360 degree knowledge and experience in every domain of Life Insurance. He has worked in Marketing, HR, Legal and Investments. Among the positions he held, most notable were Sr. Divisional Manager In charge, Regional Manager of Marketing Vertical, Chief of Investment, Executive Director (Legal) and CEO of LIC Housing Finance Ltd , a listed Associate Company of LIC and one of the largest Housing Finance Companies in India. Immediately before becoming Chairperson, Mr. Mohanty had worked as Managing Director of LIC.

He chairs the Boards of various National and International Subsidiaries and Associate Companies of LIC. In addition, he is the Chairperson of the Council of Insurance Ombudsman, Chairman of the Governing Board of National Insurance Academy and a member of the Council of the Institute of Actuaries of India.

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

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

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

**Item No. 8:****Amendment to Articles of Association of the Company by deleting Article 107 pertaining to qualification shares.**

Article 107 of the Articles of Association (AOA) of the Company mandates Directors to hold 100 qualification shares at the time of appointment or acquire them within a period of two months from the date of appointment.

There is no regulatory requirement which mandates Directors to hold qualification shares. Considering the

same, it is proposed to amend the AOA of the Company by deleting Article 107 pertaining to qualification shares.

The amended draft AOA is available for inspection of the members in the manner specified in this Notice.

As per the provisions of the Act, alteration of the Articles of Association of the Company requires approval of the shareholders of the Company by means of a Special Resolution. The Board of Directors at its meeting held on May 8, 2024, has accorded its approval to the proposed alteration of the Articles of Association, subject to approval of the shareholders. Accordingly, approval of the shareholders is sought for amendment of the Articles of Association.

The Directors recommend this resolution for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 except to the extent of qualification shares held/to be acquired by Directors of the Company.

**Item Nos. 9 to 15:****Material Related Party Transactions**

Pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), material related party transactions require approval of the shareholders through a resolution.

For this purpose, a Related Party Transaction will be considered 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds ₹ 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. Considering that 10% of consolidated turnover of the Company as on March 31, 2024 was ₹ 22,111.30 crore, the materiality threshold for seeking shareholders' approval is ₹ 1,000 crore.

**Issuance of Parent Company Guarantees (PCGs) on behalf of Larsen Toubro Arabia LLC:**

Larsen Toubro Arabia LLC (LTA) was incorporated to bid and execute projects in the Kingdom of Saudi Arabia (KSA). The Company holds 75% stake in LTA with the remaining 25% being held by a local partner.

LTA has bid for certain large value contracts for engineering, procurement, construction and installation for various new offshore facilities and integration with existing installations in KSA. Generally, these bids have a condition which require issuance of PCGs for execution of the awarded projects. The value of these PCGs is equivalent



to the full value of the In Kingdom (IK) portion of the contract. Such PCGs are to be issued upfront and remain valid till completion of all obligations under the awarded contract.

Considering the increasing localization requirements in the Middle East, it has become imperative for the Company to bid for projects through its local subsidiaries. The Company had in the past provided similar PCGs in favour of various subsidiaries operating in the Middle East. However, post the amendment in the definition of material related party transactions, the aforesaid proposal now requires prior approval of the shareholders.

Based on the expected probability of winning the bid, the Company will be required to provide PCGs of value upto ₹ 12,500 crore or USD 1500 Mn, whichever is higher, in favour of LTA as per the requirements of the customers with respect to the projects.

Accordingly, an enabling approval of the shareholders is sought for issuance of PCGs on behalf of LTA upto ₹ 12,500 crore or USD 1500 Mn, whichever is higher.

The shareholders through a resolution passed by Postal Ballot on January 18, 2024, approved issuance of PCGs on behalf of LTA upto an amount not exceeding ₹ 12,500 crore or USD 1500 Mn, whichever is higher.

The Company is seeking renewal of approval at this AGM to ensure continuity of business. This will enable LTA to procure EPC contracts and benefit the group as a whole.

#### **Transactions with L&T Metro Rail (Hyderabad) Limited (LTMRHL):**

LTMRHL is a subsidiary of the Company formed for the development of Hyderabad Metro Rail Project. The Project spans 69.20 Km across three elevated corridors in Hyderabad City. The Project has been developed on DBFOT (Design, Build, Finance, Operate and Transfer) basis under a Public Private Partnership model.

LTMRHL has raised debt in the form of Non-Convertible Debentures and Commercial Papers. LTMRHL is contemplating setting up bank borrowing limits in case the market conditions are not favourable for borrowings through Non-Convertible Debentures and Commercial Papers. These borrowings would be utilized to pay off the existing Non-Convertible Debentures and Commercial Papers as per the respective maturities. The Company will be required to issue Parent Corporate Guarantee(s) for the bank borrowing of LTMRHL.

Additionally, LTMRHL has availed facilities from banks. In the eventuality LTMRHL is unable to meet its obligations under the terms of its agreement with the banks, the

Company will be required to provide funding support by way of an Inter Corporate Deposit (ICD) to LTMRHL.

Further, the Company also proposes to avail/render services from/to LTMRHL and also lease property to/from LTMRHL in the ordinary course of business.

Accordingly, approval of the shareholders is sought for issuance of PCGs on behalf of LTMRHL, providing ICDs and entering into other transactions in the ordinary course of business, for an amount not exceeding ₹ 4,800 crore.

The shareholders through a resolution passed by Postal Ballot on January 18, 2024, approved a proposal for entering into material related party transactions upto an amount not exceeding ₹ 3,600 crore with LTMRHL. The Company is seeking renewal of approval as well as approval for certain additional transactions at this AGM to ensure continuity of business.

#### **Transactions with Other Subsidiaries:**

Given the nature and scope of the business, the Company works closely with its related parties (including subsidiaries) to achieve its business objectives and enters into various operational transactions with its related parties, from time to time, in the ordinary course of business and on arm's length. Amongst the transactions that Company enters into with its related parties, the estimated value of the contracts/arrangements/transactions with L&T-MHI Power Boilers Private Limited, L&T Special Steels and Heavy Forgings Private Limited, L&T Modular Fabrication Yard LLC and LTIMindtree Limited, subsidiaries of the Company ("Related Parties"), are likely to exceed the threshold of material Related Party Transactions.

The Company has been undertaking transactions of similar nature in the past in the ordinary course of business and on arm's length after obtaining requisite approvals of the Audit Committee of the Company. The maximum annual value of the proposed transactions with the aforesaid related parties is estimated on the basis of the Company's current transactions with them and the future business prospects.

The proposed transactions, being operational and critical in nature, play a significant role in the Company's business. Therefore, in order to secure continuity of operations, the Company is proposing to seek approval of shareholders for the potential quantum of transactions with the aforesaid related parties.

The shareholders of the Company at the previous AGM held on August 9, 2023 had approved a similar proposal for entering/continuing to enter into material related party transactions with these Related Parties, which is valid till this AGM.

The Company is seeking renewal of approval at this AGM to ensure continuity of business.

### Transactions with Nuclear Power Corporation of India Limited:

Transactions between a listed entity and related parties of its subsidiaries are considered as a Related Party Transaction pursuant to amendment in the definition of related party transactions under the Listing Regulations. Hence, transactions between the Company and Nuclear Power Corporation of India Limited (NPCIL) (Related Party of a subsidiary viz. L&T Special Steels and Heavy Forgings Private Limited) shall be treated as Related Party Transactions.

NPCIL is a public sector undertaking owned by the Government of India and is responsible for design, construction, commissioning and operation of Nuclear Power Plants.

The Heavy Engineering vertical of the Company sells steam generators, end shields and fittings, etc. for the various Nuclear Power Plants of NPCIL. The Heavy Civil Infrastructure vertical of the Company carries out various civil and construction works and provides service package equipment, components, systems, etc for atomic power

plants of NPCIL. The estimated value of the contracts/arrangements/transactions with NPCIL, over the next one year is ₹ 2,800 crore, which shall exceed the threshold of material Related Party Transactions.

The Company has been undertaking transactions of similar nature in the past which were entered in the ordinary course of business and at arm's length. The value of the proposed transactions with NPCIL is estimated on the basis of the Company's current transactions and the future business prospects.

The proposed transactions, being operational and critical in nature, play a significant role in the Company's business and are equally critical for the Government of India. The said contracts/arrangements/transactions are commercially beneficial and in the interest of the Company.

The shareholders of the Company at the previous AGM held on August 9, 2023 had approved a similar proposal for entering/continuing to enter into material related party transaction(s) upto an amount not exceeding ₹ 3,000 crore with NPCIL which is valid till this AGM. The Company is seeking a renewal of the approval at this AGM to ensure continuity of business with NPCIL.

### ADDITIONAL DETAILS OF ALL RELATED PARTY TRANSACTIONS

Particulars	Resolution No. 9	Resolution No. 10	Resolution No. 11	Resolution No. 12	Resolution No. 13	Resolution No. 14	Resolution No. 15
<b>Name of the Related Parties</b>	Larsen Toubro Arabia LLC (LTA)	L&T Metro Rail (Hyderabad) Limited (LTMRL)	L&T Modular Fabrication Yard LLC (MFY)	L&T Special Steels and Heavy Forgings Private Limited (LTSSHF)	L&T-MHI Power Boilers Private Limited (LMB)	LTIMindtree Limited (LTIM)	Nuclear Power Corporation of India Limited (NPCIL)
<b>Nature of Relationship</b>	Subsidiary Company(ies)						NPCIL is Related Party of L&T Special Steels and Heavy Forgings Private Limited (Company's Subsidiary) as per Section 2(76) of the Act and hence transactions between the Company and NPCIL are Related Party Transactions pursuant to Regulation 2(1)(zc) of Listing Regulations
<b>Nature, duration, tenure, material terms, monetary value and particulars of the contract or arrangement</b>	Providing Parent Company Guarantees (PCGs) on behalf of LTA from this Annual General Meeting (AGM) till the next AGM or for a period of fifteen months, whichever is earlier and for an amount not exceeding ₹ 12,500 crore or USD 1500 Mn, whichever is higher, in accordance with the terms and conditions of the contract/agreement to be executed by LTA with its customers.	a) Sale, purchase, lease or supply of goods, assets or property or equipment; b) Availing or rendering of services ; c) Transfer or exchange of any resources, services or obligations to meet the Company's business objectives/requirements; d) Inter-corporate deposits** e) Providing parent company guarantees.** f) Availing inter-corporate borrowings.^ ** Only for LTMRL ^ Only for LMB The approval will be valid from this AGM till the next AGM or for a period of fifteen months, whichever is earlier in accordance with the terms and conditions of the contract/agreement for the below mentioned amounts:					
	<b>Name of the Company</b>	<b>LTMRL</b>	<b>MFY</b>	<b>LTSSHF</b>	<b>LMB</b>	<b>LTIM</b>	<b>NPCIL</b>
	Amount (₹ Crore)	4,800	4,300	1,500	1,200	2,000	2,800

Particulars	Resolution No. 9	Resolution No. 10	Resolution No. 11	Resolution No. 12	Resolution No. 13	Resolution No. 14	Resolution No. 15
	The PCGs will be valid till the completion of all statutory obligations under the relevant Engineering, Procurement and Construction (EPC) contract which is generally 3-5 years from the date of issuance.  The transaction is in the ordinary course of business since the Company has been issuing such PCGs for the past several years.						
<b>Transaction related to providing loan(s)/ advances(s) or securities for loan taken by a related party</b>	Not Applicable	The Company may be required to give an Inter Corporate Deposit (ICD) upto ₹ 750 crore and Parent Company Guarantee upto an amount of ₹ 4,000 crore.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Details of the source of funds in connection with the proposed transaction</b>	Not Applicable	Internal accruals	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>If any financial indebtedness is incurred to make or give such loans/ advances/ securities for loan and Nature of Indebtedness/ Cost of Funds/Tenure</b>	Not Applicable as no indebtedness shall be incurred by the Company	NIL, since funding, if any, will be through internal accruals.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</b>	The PCGs will be provided at an arm's length basis and a fee would be charged. The present charges are 0.30% per annum for Performance Guarantees, which is benchmarked with the Company's existing bank guarantee charges.	The tenure, interest rate, security and repayment schedule of the ICD will be determined based on the requirement of funds and will be done in compliance with the provisions of the Act.  The PCGs will be provided on an arm's length basis and a fee would be charged which will be benchmarked with the Company's existing bank guarantee charges (presently the charges are 0.35% p.a. for Financial Guarantees). The PCGs will be valid till the maturity of the borrowings to be availed by LTMRHL	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Purpose for which funds will be utilised</b>	Not Applicable	LTMRHL has availed facilities from banks. In the eventuality LTMRHL is unable to meet its obligations under the terms of its agreement with the banks, the Company will be required to provide funds to the subsidiary company.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Particulars	Resolution No. 9	Resolution No. 10	Resolution No. 11	Resolution No. 12	Resolution No. 13	Resolution No. 14	Resolution No. 15
Any advance paid or received for the transaction				NIL			
Percentage of the Company's annual consolidated turnover for the immediately preceding financial year (i.e FY 2023-24) that is represented by the value of the proposed transaction	5.65%	2.17%	1.94%	0.68%	0.54%	0.90%	1.27%
<b>Details about valuation, arms length and ordinary course of business</b>	<p>As the proposal relates to providing Parent Company Guarantees on behalf of LTA the question of valuation does not arise.</p> <p>The PCGs will be provided at an arm's length basis and a fee would be charged. The present charges are 0.30% per annum for Performance Guarantees, which is benchmarked with the Company's existing bank guarantee charges.</p>	<p>As the proposal relates to providing ICDs/Parent Company Guarantees on behalf of LTMRL the question of valuation does not arise.</p> <p>The ICD will be provided at an arm's length basis and interest will be charged in accordance with provisions of the Act.</p> <p>The PCGs will be provided at an arm's length basis and a fee would be charged. The present charges are 0.35% per annum for Financial Guarantees which is benchmarked with the Company's existing bank guarantee charges.</p>	<p>The Company is in the business of bidding for various EPC contracts in India as well as overseas. Most of the EPC projects involve use of customized fabricated structures as per the contract specifications. As far as Indian projects are concerned, the Company has its own fabrication facilities in India. In case of overseas projects, the Company generally uses such facilities outside India to save on logistics costs.</p> <p>Thus, availing fabrication services is an activity in the normal course of business. The Company obtains quotations from various parties for its fabrication activities and based on the price, quality, timelines, etc., the contract gets finalized.</p> <p>MFY also quotes for such contracts and gets selected only if the quote is competitive.</p>	<p>The Heavy Engineering business manufactures and supplies custom designed equipment &amp; critical piping to process industries such as fertilizer, chemical, refinery, petrochemical, and oil &amp; gas, as well as to sectors such as thermal &amp; nuclear power and aerospace.</p> <p>The Precision Engineering &amp; Systems business provides concept-to-design to -delivery customised solutions across chosen strategic segments with a focus on indigenous design and emphasis on creating Indian Intellectual Property (IP). The business is structured to provide direction to various segments of operations, as under:</p> <ol style="list-style-type: none"> <li>Marine Platforms, Equipment, and Systems</li> <li>Land Platforms, Equipment, and Systems</li> <li>Aerospace Systems</li> </ol> <p>Both these businesses require customized forging. Hence procurement of forgings is in the ordinary course of business of the Company.</p> <p>The businesses procure forgings from LTSSHF as well as external vendors and hence arm's length is decided based on comparable quotes. Factors such as timeliness and quality are also considered before deciding on the procurement.</p>	<p>The Power business of the Company is into construction and commissioning of power plants. Boilers are a critical component of the power plant and hence procurement of Boilers is in the ordinary course of business for the Company.</p> <p>LMB is a joint venture of the Company with Mitsubishi Heavy Industries Limited (MHI) and is part of the technical collaboration which is engaged in construction and commissioning of power plants.</p> <p>While bidding for a project, the technical qualifications of MHI adds to the pre-qualifications of the Company. The Company is charged a price comparable with what LMB charges to its other customers. Hence the transaction is at arm's length.</p> <p>The Company also avails infrastructure and business support services with respect to Boilers from LMB.</p> <p>LMB operates from common campuses across the country and expenses related to the same are apportioned by the Company to LMB.</p>	<p>LTIMindtree is a listed subsidiary of the Company engaged in the business of providing IT services. The Company, in the ordinary course of its business, generally procures various software and customized software solutions from LTIM. LTIM also provides the support required on the software subsequently.</p> <p>Buildings &amp; Factories (B&amp;F) business vertical of the Company is equipped with the domain knowledge, requisite expertise and wide-ranging experience to undertake Engineering, Procurement and Construction of all types of building and factory structures. It provides concept to commissioning solutions for IT parks, office spaces, high rise towers and green buildings, metro stations, etc.</p> <p>B&amp;F vertical of the Company proposes to construct commercial buildings/IT Parks for the use of LTIM.</p>	<p>The nuclear business segment of the Heavy Civil Infrastructure vertical of the Company offers turnkey services, civil, mechanical, electrical, instrumentation and modular construction technology and also manufactures and supplies custom designed critical equipment for Nuclear Power Plants.</p> <p>The Heavy Engineering vertical of the Company manufactures and supplies custom designed critical equipment for Nuclear Power Plants.</p> <p>The Company has been carrying out similar activities for several years in the past for these sectors and hence these transactions are in the ordinary course of business. The transactions being executed by different verticals of the Company are arising out of contracts received by the Company from NPCIL through competitive bidding. The commercial terms of transaction(s) are in line with usual business practices. Thus, the transactions can be deemed to be at arm's length.</p>



Particulars	Resolution No. 9	Resolution No. 10	Resolution No. 11	Resolution No. 12	Resolution No. 13	Resolution No. 14	Resolution No. 15
				<p>The Company also has other transactions such as sale of plant and machinery, scrap material, charges for lease of fabrication yard area, etc. with LTSSHF.</p> <p>LTSSHF operates from a common campus in Hazira and expenses related to the same are apportioned by the Company to LTSSHF.</p>		<p>The contracts will be awarded on competitive bidding basis and hence the transaction is at arm's length and in the ordinary course of business of the Company.</p>	
<p><b>Rationale/Benefit of the transaction and why this transaction is in the interest of the Company</b></p>	<p>The PCGs are an essential part of EPC contracts. LTA will not be awarded contracts without this requirement being fulfilled.</p> <p>Issuance of such PCGs enables LTA to bid for and execute more EPC contracts in its country of operations. This will benefit the group as a whole.</p>	<p>The ICD would enable LTMRL to service the interest component of the bank borrowings availed by LTMRL.</p> <p>The PCG is an essential part for enabling raising of funds by LTMRL. This will enable the subsidiary company to get the funds at competitive rates which will benefit the group as a whole.</p>	<p>The Energy &amp; Hydrocarbon business of the Company bids for various EPC contracts. Customized fabrication activities are an essential part of execution of such contracts. Such activities are normally done through MFY which has the technical expertise, facilities and execution capabilities.</p>	<p>The Heavy Engineering and Precision Engineering &amp; Systems business of the Company bids for various projects (including defence contracts of the Government).</p> <p>Some of these contracts require procurement of forgings. LTSSHF is a prequalified supplier for most of the clients</p>	<p>The Power business of the Company bids for execution of a power plant project after taking into consideration various costs involved.</p> <p>Procurement of Boilers is an integral part of the installation of a power plant.</p> <p>While bidding for the project, the Company states that the Boilers and other infrastructure support services will be procured from LMB which is pre-qualified as per the contractual conditions.</p>	<p>LTIM is an authorized supplier for various softwares and gets the benefit of bulk purchases. It also provides service support for such softwares. The Company is able to leverage these benefits for its business.</p> <p>With respect to construction of commercial buildings/ IT Park for LTIM, The Company will get the benefit of more business prospects and timely assured payments, while LTIM will be assured of timely completion of the project and superior quality of construction.</p>	<p>The Heavy Engineering and Heavy Civil Infrastructure verticals of the Company bid for various projects floated by NPCIL. Both these verticals have specific business segments that cater to the specialized needs of NPCIL.</p> <p>Considering that the Company has executed similar projects for NPCIL in the past, the technical qualification of the Company adds to the pre-qualification requirements stipulated by NPCIL for such projects.</p> <p>Execution of projects for NPCIL will broaden the revenue base of the Company and lead to effective utilization of the business resources that the Company has created to cater to the requirements of customers including NPCIL. This will ultimately lead to enhanced shareholder value creation.</p> <p>The transactions proposed with NPCIL is purely commercial in nature and approval is being sought on account of the change in definition of RPTs as stipulated under Listing Regulations.</p>
<p><b>Any other information relevant or important for the shareholders to take an informed decision</b></p>	<p>The Company is bound by confidentiality clause in the customer contract(s) and hence not in a position to disclose the exact particulars of the contracts including the name of the customers.</p>	<p>LTMRL requires working capital to fund its operations. It proposes to raise funds through bank borrowings. Considering its financial position, LTMRL may not be able to raise funds without the support of the Company. The amount of funds raised will depend on the requirement of LTMRL. Since the exact timing and amount of borrowing is not known at this point of time, an enabling approval is being sought from the shareholders.</p>	<p>The Company is expected to bid for various projects during the year.</p> <p>The above related party contracts/arrangements will materialize only if the Company succeeds in the tenders being participated.</p> <p>Since it is not possible to predict the exact amount of the contract(s), enabling approval of shareholders is being sought.</p>				

**Company's RPT Framework:**

The Company has in place a balanced and structured policy and process for approval of Related Party Transactions (RPT) which is reviewed periodically and was last revised on December 14, 2023. The Policy provides the details required to be provided to the Audit Committee for the purpose of review of such transactions and grant their approval for the proposed transactions. A justification for each and every related party transaction is provided to the Audit Committee which enables them to arrive at the right decisions. Additionally, an update on the actual related party transactions entered during every quarter is provided to the Audit Committee.

The Audit Committee of the Company comprises of only Independent Directors which helps in providing an objective judgement to all transactions proposed for approval.

Any subsequent material modification in the proposed transactions, as may be defined by the Audit Committee as a part of Company's Policy on Related Party Transactions, shall be placed before the shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

SEBI vide its circular dated April 8, 2022 has clarified that a related party transaction approved by the shareholders shall be valid from one AGM till the next AGM of the Company or for a period of fifteen months, whichever is earlier.

The Directors recommend the resolutions set out at Item Nos. 9 to 15 for approval of the Shareholders.

None of the Directors and Key Managerial Personnel (KMP) of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 9 to 15, except to the extent of their shareholding in the Company/subsidiary and Directorship in the respective subsidiaries.

The members may note that as per the provisions of the Listing Regulations, all related parties (whether such related party is a party to the above-mentioned transactions or not), shall not vote to approve the resolutions set out at item Nos. 9 to 15.

**Item No. 16****Ratification of remuneration payable to Cost Auditors for FY 2024-25:**

In accordance with the provisions of Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014 ("the Rules") the Company is required to appoint a Cost Auditor to audit the cost records of the Company, for products and services specified under Rules issued in pursuance to the above section. On the recommendation of the Audit Committee, the Board of Directors had approved the appointment of M/s. R. Nanabhoy & Co, Cost Accountants (Regn. No. 000010), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2024-25, at a remuneration of ₹ 18 lakhs plus applicable taxes and out of pocket expenses at actuals for travelling and boarding/ lodging.

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

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

The Directors recommend this resolution for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 16.

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

**SIVARAM NAIR A**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**  
**M.No – F3939**

**Mumbai, May 8, 2024**

**(ANNEXURE TO NOTICE DATED MAY 8, 2024)**
**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

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

<b>Name of the Director</b>	<b>Mr. R. Shankar Raman</b>	<b>Mr. Subramanian Sarma</b>	<b>Mr. Siddhartha Mohanty</b>
<b>Date of Birth</b>	December 20, 1958	February 4, 1958	June 8, 1963
<b>Date of Appointment on the Board</b>	October 1, 2011	August 19, 2015	May 28, 2024
<b>Qualifications</b>	B. Com, ACA and ACMA	Masters' Degree in Chemical Engineering from IIT Bombay	Bachelor's degree in Law, Post Graduate in Political Science and Post Graduate Certification in Business Management.
<b>Expertise</b>	Vast experience in the Finance, Taxation, Risk Management, Legal and Investor Relations	Expertise in managing large business portfolios in energy sector.	Vast experience in Insurance sector in various positions in marketing, HR, Investment and Legal functions.
<b>Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)</b>	<ol style="list-style-type: none"> <li>1. LTIMindtree Limited</li> <li>2. L&amp;T Realty Developers Limited</li> <li>3. L&amp;T Seawoods Limited</li> <li>4. L&amp;T Finance Limited</li> <li>5. L&amp;T Metro Rail (Hyderabad) Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. L&amp;T Valves Limited</li> <li>2. L&amp;T Energy Green Tech Limited</li> <li>3. L&amp;T Electrolysers Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Life Insurance Corporation of India</li> <li>2. LIC Card Services Limited</li> <li>3. LIC Housing Finance Limited</li> <li>4. LIC Mutual Fund Asset Management Limited</li> <li>5. LIC Pension Fund Limited</li> </ol>
<b>Details of Listed entities from which he resigned during the last three years.</b>	None	None	<ol style="list-style-type: none"> <li>1. The India Cements Limited</li> <li>2. Mahindra &amp; Mahindra Financial Services Limited</li> </ol> <p>(Note: Mr. Siddhartha Mohanty resigned from the above companies pursuant to withdrawal of nomination by LIC.)</p>
<b>Memberships/ Chairmanships of committees across all companies</b>	<p><b>Member:</b></p> <p><b>Audit Committee</b></p> <ol style="list-style-type: none"> <li>1. L&amp;T Finance Limited</li> <li>2. L&amp;T Metro Rail (Hyderabad) Limited</li> <li>3. LTIMindtree Limited</li> </ol> <p><b>Nomination and Remuneration Committee</b></p> <ol style="list-style-type: none"> <li>1. L&amp;T Finance Limited</li> </ol> <p><b>CSR &amp; Sustainability Committee</b></p> <ol style="list-style-type: none"> <li>1. Larsen &amp; Toubro Limited</li> </ol> <p><b>Risk Management Committee</b></p> <ol style="list-style-type: none"> <li>1. L&amp;T Finance Limited</li> </ol>	<p><b>Member:</b></p> <p><b>Risk Management Committee</b></p> <ol style="list-style-type: none"> <li>1. Larsen &amp; Toubro Limited</li> </ol>	<p><b>Member:</b></p> <p><b>Nomination &amp; Remuneration Committee</b></p> <ol style="list-style-type: none"> <li>1. Life Insurance Corporation of India</li> </ol> <p><b>Stakeholders Relationship Committee</b></p> <ol style="list-style-type: none"> <li>1. Larsen &amp; Toubro Limited (appointed effective from May 28, 2024)</li> </ol>
<b>Number of Meetings attended during the year</b>	6 out of 6	6 out of 6	NA
<b>Shareholding in the Company</b>	Please refer to page no. 345 of this Integrated Annual Report.		NIL
<b>Relationships between directors inter-se</b>	None	None	None

**INFORMATION AT A GLANCE:**

Sr. no	Particulars	Details
1.	<b>Day, Date and Time of AGM</b>	Thursday, July 4, 2024, 3:00 P.M.
2.	<b>Mode</b>	Video Conference (VC) or Other Audio Visual Means (OAVM)
3.	<b>Participation through VC/OAVM</b>	Members can login from 02.30 P.M. (IST) on the date of the AGM at <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> .
4.	<b>Helpline Number for VC/OAVM participation</b>	NSDL Helpline No. 022 4886 7000
5.	<b>Submission of Questions/Queries before AGM</b>	Members seeking any information with regard to the accounts or any matter mentioned in the AGM Notice, are requested to write to the Company on or before the Cut-off Date i.e. Thursday, June 27, 2024 via email at <a href="mailto:IGRC@larsentoubro.com">IGRC@larsentoubro.com</a> . The same will be replied by the Company suitably.
6.	<b>Speaker Registration before AGM</b>	Members may register themselves as a speaker by sending a request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to <a href="mailto:LNTGOGREEN@larsentoubro.com">LNTGOGREEN@larsentoubro.com</a> on or before the Cut-off Date i.e. Thursday, June 27, 2024.
7.	<b>Transcript</b>	Will be made available post AGM at <a href="http://www.larsentoubro.com">www.larsentoubro.com</a>
8.	<b>Dividend for FY 2023-24 recommended by the Board</b>	Final Dividend of ₹ 28 per equity share of face value of ₹ 2 each Special Dividend for FY 2023-24 of ₹ 6 per equity share has been paid to the shareholders on August 14, 2023.
9.	<b>Record Date</b>	Thursday, June 20, 2024
10.	<b>Dividend Payment Date</b>	Tentatively on Tuesday, July 9, 2024
11.	<b>Cut-off date for e-voting</b>	Thursday, June 27, 2024
12.	<b>Remote e-voting start time and date</b>	Sunday, June 30, 2024, 09.00 A.M
13.	<b>Remote e-voting end time and date</b>	Wednesday, July 3, 2024, 05.00 P.M
14.	<b>Remote e-voting website of NSDL</b>	<b>Shares held in Demat mode with NSDL:</b> 1. Shareholders registered for NSDL IDEAS facility: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 2. Others: <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> <b>Shares held in Demat mode with CDSL:</b> 1. Shareholders who have opted for Easi facility of CDSL: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> 2. Others: <a href="http://www.cdslindia.com">www.cdslindia.com</a> <b>Logging in through Depository Participants:</b> Members can also login using the login credentials of their demat account through your DP registered with NSDL /CDSL for e-voting facility.
15.	<b>Name, address and contact details of e-voting service provider and registrar and transfer agent</b>	<b>Registrar and Transfer Agent</b> KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032 Tel No: 1800-425-8998/1800-345-4001 Email: <a href="mailto:einward.ris@KFintech.com">einward.ris@KFintech.com</a> <b>E-voting Service Provider</b> National Securities Depositories Limited (NSDL) Trade World, A Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 Tel No: 022 4886 7000 Email: <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a>
16.	<b>Email Registration and Contact Updation Process</b>	<b>Demat Shareholders:</b> Contact respective Depository Participant <b>Physical Shareholders:</b> Please furnish Form ISR-1, Form ISR-2 and SH-13 (available on the Company's website at <a href="https://investors.larsentoubro.com/DownloadableForms.aspx">https://investors.larsentoubro.com/DownloadableForms.aspx</a> ) along with the necessary attachments mentioned in the said Forms to KFin Technologies Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032. Members may also email the duly filled forms to <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> .



# Board Report

Dear Members,

The Directors have pleasure in presenting their 79<sup>th</sup> Integrated Annual Report and Audited Financial Statements of Larsen & Toubro Limited for the year ended March 31, 2024.

## FINANCIAL RESULTS:

*The Company's financial performance for the year ended March 31, 2024 is summarised below:*

Particulars	₹ crore	
	2023-24	2022-23
Profit before depreciation, exceptional items & tax	12619.33	11204.34
Less: Depreciation, amortization, impairment, and obsolescence	1751.01	1371.64
Profit before exceptional items and tax	10868.32	9832.70
Add: Exceptional Items	586.47	–
Profit before tax	11454.79	9832.70
Less: Provision for tax (including tax on exceptional items)	2150.46	1983.73
Net profit after tax	9304.33	7848.97
Add: Balance brought forward from the previous year	35863.32	31131.14
Less: Dividend paid for the previous year	3373.56	3091.42
Less: Special dividend paid	843.39	–
Add/(Less): Gain/(loss) on remeasurement of the net defined benefits plans	10.43	(25.37)
Balance to be carried forward	40961.13	35863.32

## PERFORMANCE OF THE COMPANY:

The total income for the financial year under review was ₹ 131576.45 crore as against ₹ 114535.93 crore for the previous financial year, registering an increase of 14.88%. The Profit before exceptional items and tax was ₹ 10868.32 crore for the financial year under review as against ₹ 9832.70 crore for the previous financial year. The profit after tax was ₹ 9304.33 crore for the financial year under review as against ₹ 7848.97 crore for the previous financial year, registering an increase of 18.54%.

## BUYBACK OF SHARES:

The Company completed its maiden buyback during FY 2023-24. The Board of Directors at its meeting held on July 25, 2023, approved the buyback of equity shares through the Tender Offer route through stock exchange mechanism, amounting to ₹ 10000 crore (excluding tax and transaction costs). After seeking shareholders' approval through postal ballot, the Company bought back 3,12,50,000 equity shares representing 2.22% of the total issued and paid-up equity share capital of the Company as on March 31, 2023, at a price of ₹ 3200 per share. The buyback was offered to all eligible equity shareholders of the Company. Tendering period for the said buyback commenced on September 18, 2023 and concluded on

September 25, 2023 and the payment was made on September 28, 2023.

## AMOUNT TO BE CARRIED TO GENERAL RESERVE:

The Company has not transferred any amount from profit and loss to general reserve during FY 2023-24.

## GREAT PLACE TO WORK®

The Company has been certified by Great Place to Work® Institute, as a "Great Place to Work® in India", for the second year running. This prestigious recognition, valued by employees and employers globally, reflects the Company's unwavering commitment to fostering a culture of trust and care. Building on last year's employee survey, each business unit held in-depth action planning workshops led by senior leaders. These collaborative sessions identified key areas for improvement, resulting in well-defined action plans to strengthen our workplace. The leadership team in the businesses led the action plan based on the last year's survey results to connect and engage with employees, underscoring the Company's dedication to creating a truly exceptional work environment. This recognition is a testament to the Company's 8-decade legacy of prioritizing a positive work experience, a source of immense pride for the L&T family.

**DIVIDEND:**

During FY 2023-24, the Company paid special dividend of ₹ 6/- (300%) per equity share amounting to ₹ 843.39 crore.

The Directors recommend payment of final dividend of ₹ 28 per equity share of ₹ 2/- each on the share capital amounting to ₹ 3849.07 crore, working out to a payout ratio of 41.37%. Dividend is subject to approval of members at the ensuing Annual General Meeting and deduction of income tax at source. The final dividend, if approved by the members, would be paid to those members whose name appear in the Register of Members as on the Record Date mentioned in the Notice convening the AGM.

The Dividend payment is based upon the parameters mentioned in the Dividend Distribution Policy approved by the Board of Directors of the Company which is in line with regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Policy is uploaded on the Company's website at <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

**CAPITAL & FINANCE:**

During FY 2023-24, the Company allotted 4,36,429 equity shares of ₹ 2/- each upon exercise of vested stock options by the eligible employees under the Employee Stock Option Schemes.

During FY 2023-24, the Company repaid Non-convertible Debentures amounting to ₹ 4800 crore as per the repayment schedule.

The Company has issued and allotted on private placement basis, Unsecured, Rated, Listed, Redeemable Non-convertible Debentures (NCDs) aggregating ₹ 7000 crore during FY 2023-24. These NCDs are listed on the Wholesale Debt Market Segment of National Stock Exchange of India Limited. During FY 2023-24, the Company also received ₹ 450 crore (₹ 2.5 lakh each on 18,000 Debentures) towards the third and final call on partly paid-up Debentures issued by the Company in FY 2020-21. The funds raised through issuance of NCDs were utilized as per the objects stated in the Information Memorandum of the respective NCDs. The Company has been regular in making payments of principal and interest on the NCDs.

The Company has issued Commercial Papers amounting to ₹ 46975 crore during FY 2023-24. As on March 31, 2024,

the outstanding amount of Commercial Papers is ₹ 2700 crore. These Commercial Papers are listed on the Wholesale Debt Market Segment of BSE Limited.

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

The Company's borrowing programmes have received the highest credit ratings from CRISIL Ratings Limited, ICRA Limited and India Ratings and Research Private Limited. The details of the same are given on page 355 in Annexure 'B' – Report on Corporate Governance forming part of this Board Report and is also available on the website of the Company.

**CAPITAL EXPENDITURE:**

As at March 31, 2024, the gross value of property, plant and equipment, investment property and other intangible assets, including leased assets, were at ₹ 21993.62 crore and the net value of property, plant and equipment, investment property and other intangible assets, including leased assets, were at ₹ 12463.33 crore. Capital Expenditure during FY 2023-24 amounted to ₹ 2916.46 crore.

**DEPOSITS:**

During the year under review, the Company has not accepted any deposits falling within the ambit of section 73 of the Companies Act, 2013 and the rules framed thereunder. The requisite return for FY 2022-23 with respect to amount(s) not considered as deposits has been filed. The Company does not have any unclaimed deposits as of date.

**SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES:**

A statement containing the salient features of the financial statement of subsidiary / associate / joint venture companies and their contribution to the overall performance of the Company is provided on pages 648 to 659 of this Integrated Annual Report.

The Company has formulated a policy on identification of material subsidiaries in accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is placed on the Company's website at <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>. The Company did not have any material subsidiary during FY 2023-24.

During the year under review, the Company subscribed to / acquired equity shares in various subsidiary / associate / joint venture companies. The details of investments / divestments in subsidiary / associate / joint venture companies during the year are as under:

**A) Shares subscribed/ acquired during the year:**

Name of the Company	Type of Shares	No. of shares
L&T Semiconductor Technologies Limited	Equity	95,50,000
L&T Offshore Private Limited	Equity	4,000
L&T Energy Green Tech Limited	Equity	5,10,00,007
GH4India Private Limited	Equity	10,00,000
Corporate Park (Powai) Private Limited	Equity	20,50,000
Business Park (Powai) Private Limited	Equity	20,50,000
L&T Finance Limited	Equity	205
L&T Electrolysers Limited	Equity	50,000
L&T Metro Rail (Hyderabad) Limited	Equity	2,77,40,00,000

**Amalgamation of L&T Innovation Campus (Chennai) Limited ("LTICCL") with L&T Seawoods Limited ("LTSL"):**

The Board of Directors of LTICCL and LTSL approved the Scheme of Arrangement for merger of LTICCL with LTSL (wholly owned subsidiaries of the Company). The Scheme of Amalgamation was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench and became effective from March 22, 2024. The Appointed date for the Scheme was April 1, 2023. The Company was allotted 74,38,796 equity shares of LTSL as consideration pursuant to the aforesaid Scheme.

**B) Companies Struck off/liquidated:**

During the year under review, Kesun Iron and Steel Company Private Limited was struck off by the Registrar of Companies on August 16, 2023. L&T Hydrocarbon Caspian LLC, a Joint Venture of the Company based in Azerbaijan was liquidated on October 5, 2023.

**C) Equity shares sold / transferred / reduced during the year:**

**a. Sale of stake in L&T Infrastructure Engineering Limited**

During the year, the Company has completed the sale of its entire stake in L&T Infrastructure Engineering Limited to STUP Consultants Private Limited, a subsidiary of Assystem SA of France consequent to completion of customary

conditions precedent, agreed under the Share Purchase Agreement dated November 2, 2023.

**b. Sale of stake in L&T Infrastructure Development Projects Limited**

The Company has concluded sale of its entire equity stake in L&T Infrastructure Development Projects Limited ('LTIDPL') to Epic Concesiones Private Limited on April 10, 2024. LTIDPL was a joint venture between Larsen & Toubro Limited and Canada Pension Plan Investment Board (CPP Investments) holding 51% and 49% shares respectively. LTIDPL and all its subsidiaries have ceased to be subsidiaries of the Company.

**SCHEME OF AMALGAMATION OF L&T ENERGY HYDROCARBON ENGINEERING LIMITED (LTEHE) AND L&T OFFSHORE PRIVATE LIMITED (LTOPL) WITH THE COMPANY ("THE SCHEME"):**

During the year under review, the Board of Directors of the Company approved a Scheme of Amalgamation of LTEHE and LTOPL with the Company. The said Scheme is subject to the approval of the Hon'ble National Company Law Tribunals having jurisdiction over these subsidiary companies. The rationale for the Scheme is to improve synergies and optimize administrative and other operational costs. Upon the Scheme becoming effective all shares held by the Company in LTEHE and LTOPL shall stand cancelled.

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

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided during the year, as required under section 186 of the Companies Act, 2013, Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in Note 57 forming part of the financial statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy with clear threshold limits for related party transactions. During the year under review, the policy was reviewed by the Audit Committee and the Board and the thresholds for related party transactions were revised.

The updated Related Party Transactions Policy has been uploaded on the Company's website <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

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

All related party transactions entered into during FY 2023-24 were in the ordinary course of business and at arm's length. The Audit Committee has approved the related party transactions for FY 2023-24 and the estimated related party transactions for FY 2024-25.

There were no Related Party Transactions that have conflict of interest with the Company.

The Company is seeking an enabling approval for certain material related party transactions at the ensuing Annual General Meeting (AGM). Shareholders are requested to refer to the AGM notice at pages 295 to 317 of this Integrated Annual Report, for details of the proposed related party transactions.

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

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

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

Information as required to be given under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure 'A' forming part of this Board Report.

**DETAILS OF CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. A. M. Naik stepped down as Non- Executive Chairman of the Company with effect from September 30, 2023. He has been conferred the status of "Chairman Emeritus" by the Board.

Mr. M. V. Satish ceased to be a Whole-time Director of the Company with effect from April 7, 2024, on account of superannuation from the services of the Company.

Mr. M. M. Chitale, Mr. M. Damodaran and Mr. Vikram Singh Mehta ceased to be the Independent Directors of the Company on completion of their tenure on March 31, 2024.

The Board places on record its appreciation towards valuable contribution made by them during their tenure as Directors of the Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee (NRC), Mr. S.N Subrahmanyam was appointed as Chairman and designated as Chairman & Managing Director of the Company with effect from October 1, 2023.

During the FY 2023-24, based on the recommendation of the NRC and the Board, the shareholders have approved the appointment of Mr. Ajay Tyagi and Mr. P. R. Ramesh as Independent Directors of the Company for a term of 5 years with effect from October 31, 2023 upto October 30, 2028. The NRC considered the appointment of Mr. Ajay Tyagi and Mr. P. R. Ramesh as Independent Directors after evaluating the skills, knowledge and experience required on the Board as per the approved skill matrix.

Mr. R. Shankar Raman and Mr. Subramanian Sarma retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. The notice convening the AGM includes the proposal for re-appointment of Directors.

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

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

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

This information is given in Annexure 'B' - Report on Corporate Governance forming part of this Report. Members are requested to refer to page no. 334 of this Integrated Annual Report.

**AUDIT COMMITTEE:**

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to pages 338 to 341 of this Integrated Annual Report.



**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company has constituted a Stakeholders Relationship Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to pages 345 and 346 of this Integrated Annual Report.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Company has constituted a Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to pages 341 to 345 of this Integrated Annual Report.

**RISK MANAGEMENT COMMITTEE:**

The Company has constituted a Board Risk Management Committee in terms of the requirements of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any. The details relating to the same are given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to pages 347 and 348 of this Integrated Annual Report.

**CSR & SUSTAINABILITY COMMITTEE:**

The Company has in place a CSR & Sustainability (CSR) Committee in terms of the requirements of section 135 of the Companies Act, 2013 read with the rules made thereunder.

The CSR policy framework is available on the Company's website at <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/> and the Annual Action Plan is available on the Company's website at <https://investors.larsentoubro.com/listing-compliance-disclosuresunderstatutes.aspx>

A brief note regarding the Company's initiatives with respect to CSR and the composition of the CSR Committee is given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Please refer to pages 346 and 347 of this Integrated Annual Report.

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

The Chief Financial Officer of the Company has certified that CSR funds so disbursed for the projects have been utilized for the purposes and in the manner as approved by the Board.

**COMPANY POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The NRC has formulated a policy on Directors' appointment and remuneration including recommendation of remuneration of the key managerial personnel and senior management personnel, and the criteria for determining qualifications, positive attributes, and independence of a Director. Nomination and Remuneration Policy is provided as Annexure 'F' forming part of this Board Report and also disclosed on the Company's website at <https://investors.larsentoubro.com/Listing-Compliance.aspx>. The NRC has also formulated a separate policy on Board Diversity.

**DECLARATION OF INDEPENDENCE:**

The Company has received Declaration of Independence as stipulated under section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Independent Directors confirming that he/she is not disqualified from being appointed/re-appointed/continue as an Independent Director as per the criteria laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same are also displayed on the website of the Company <https://investors.larsentoubro.com/Listing-Compliance.aspx>. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs (IICA). In terms of section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, all Independent Directors are exempted from undertaking the online proficiency self-assessment test conducted by the IICA.

**PERFORMANCE EVALUATION:**

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Individual Directors and the Chairman & Managing Director has to be made. All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual Directors and the Chairman & Managing Director.

As in the previous years, an external consultant was engaged to receive the responses of the Directors and consolidate/ analyze the responses. The same external consultant's IT platform was used from initiation till conclusion of the entire board evaluation process. This ensured that the process was transparent and independent of involvement of the Management or the Company's IT system. This has enabled unbiased feedback.

The Board Performance Evaluation inputs, including areas of improvement for the Directors, Board processes and related issues for enhanced Board effectiveness were discussed in the meetings of the Nomination and Remuneration Committee and the Board of Directors held on May 8, 2024.

**DISCLOSURE OF REMUNERATION:**

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

The information in respect of employees of the Company pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is provided in Annexure 'G' forming part of this report. In terms of section 136(1) of the Companies Act, 2013 and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Board of Directors of the Company confirms:

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

- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have laid down an adequate system of Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating efficiently;
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2024, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

**DEPOSITORY SYSTEM:**

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2024, 99.14% of the Company's total paid up capital representing 136,28,46,427 shares are in dematerialized form.

Pursuant to amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities in physical form, shall not be processed by the Company and all requests for transmission, transposition, issue of duplicate share

certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/split of securities certificate and consolidation of securities certificates/folios need to be processed only in dematerialized form. In such cases, the Company will issue a letter of confirmation, which needs to be submitted to Depository Participant(s) to get credit of the securities in dematerialized form. Shareholders desirous of availing these services are requested to refer to the detailed procedure for availing these services provided on the website of the Company at <https://investors.larsentoubro.com/InvestorKit.aspx>.

The Company has availed a special contingency insurance policy towards the risks arising out of the requirements of relating to issuance of duplicate securities, pursuant to SEBI Circular dated May 25, 2022, which is renewed yearly.

In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical form are advised to avail of the facility of dematerialization from either of the Depositories.

In adherence to SEBI's circular to enhance the due diligence for dematerialization of the physical shares, the Company has provided the static database of the shareholders holding shares in physical form to the depositories which would augment the integrity of its existing systems and enable the depositories to validate any dematerialization request.

#### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:**

The Company has been regularly sending communications to members whose dividends are unclaimed requesting them to provide/update bank details with Registrar and Transfer Agents (RTA)/Company, so that dividends paid by the Company are credited to the investor's account on time. Efforts are also made by the Company in co-ordination with the RTA to locate the shareholders who have not claimed their dues.

Despite these efforts, an amount of ₹ 12.47 crore towards dividend and bonus fractional entitlement which were due and payable and remained unclaimed and unpaid for a period of seven years, were transferred to Investor Education and Protection Fund (IEPF) as provided in section 125 of the Companies Act, 2013 and the rules made thereunder.

Cumulatively, the amount transferred to the said fund was ₹ 70.11 crore as on March 31, 2024.

In accordance with the provisions of the section 124(6) of the Companies Act, 2013 and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has transferred 4,04,158 equity shares of ₹ 2 each (0.03% of total number of shares) held by 2,749 shareholders (0.18% of total shareholders) to IEPF. The said shares correspond to the dividend which had remained unclaimed for a period of seven consecutive years from the financial year 2015-16. Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on [www.iepf.gov.in](http://www.iepf.gov.in) and on submission of such documents as prescribed under the IEPF Rules. The detailed procedure for claiming shares/dividend transferred to IEPF is made available on the Company's website at <https://investors.larsentoubro.com/Investor-FAQ.aspx>.

The Company sends specific advance communication to the concerned shareholders at their address registered with the Company and also publishes notice in newspapers providing the details of the shares due for transfer to enable them to take appropriate action. All corporate benefits accruing on such shares viz. bonus shares, etc. including dividend except rights shares shall be credited to IEPF.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:**

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

#### **PROTECTION OF WOMEN AT WORKPLACE:**

The Company believes that all the women employees should have the opportunity to work in an environment free from any conduct which can be considered as Sexual Harassment.

The Company is committed to treating every employee with dignity and respect. The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules thereunder ('POSH Act & Rules'). The policy is applicable to all L&T establishments located in India. The policy has been widely disseminated. The Company has constituted Internal Complaints Committees to ensure implementation and compliance with the provisions of the aforesaid Act and the Rules.

This Policy encompasses the following objectives:

- To define Sexual Harassment;
- To lay down the guidelines for reporting acts of Sexual Harassment at the workplace; and
- To provide the procedure for the resolution and redressal of complaints of Sexual Harassment.

A detailed procedure for making a Complaint, initiating an enquiry, redressal process and preparation of report within a stipulated timeline is laid out in the Policy document.

The Policy also covers Disciplinary Action for Sexual Harassment. The Policy is uploaded on the Company's website at <https://www.larsentoubro.com/corporate/about-It-group/corporate-policies/>.

Training programs and workshops for employees are organised throughout the year. The orientation programs for new recruits include awareness sessions on prevention of sexual harassment and upholding the dignity of employees. Specific programs have been created on the digital platform to sensitize employees to uphold the dignity of their colleagues and prevention of sexual harassment. During FY 2023-24, about 17,426 employees have undergone training through the programs/ workshops including the awareness sessions held on digital platform.

There were 3 complaints received during FY 2023-24. One complaint has been redressed as per provision of POSH Act and Rules. The balance two complaints received during Q4 of FY 2023-24 are under inquiry. These complaints are being redressed within the timelines prescribed in POSH Act and Rules.

#### OTHER DISCLOSURES:

- **ESOP Disclosures:** There has been no material change in the Employee Stock Option Schemes (ESOP schemes) during the current financial year.

The disclosure relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 (SBEB Regulations) is provided on the website of the Company <https://investors.larsentoubro.com/listing-compliance-agm.aspx>.

A certificate obtained from the Secretarial Auditors, confirming that the ESOP Schemes of the Company are in compliance with the SBEB Regulations and that the Company has complied with the provisions of the Companies Act, 2013 is also provided in Annexure 'B' forming part of this Report.

- **Corporate Governance:** Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming compliance with Corporate Governance requirements provided in the aforesaid Regulations, are provided in Annexure 'B' forming part of this Report.
- **Business Responsibility and Sustainability Reporting:** As per Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate section on Business Responsibility and Sustainability Reporting forms a part of this Integrated Annual Report (refer pages 242 to 294).
- **Integrated Reporting:** The Company is complying with the applicable requirements of the Integrated Reporting Framework. The Integrated Report tracks the sustainability performance of the organization and its interconnectedness with the financial performance, showcasing how the Company is adding value to its stakeholders. The Integrated Report forms a part of this Integrated Annual report.
- **Annual Return:** The Annual Return of the Company for the FY 2023-24 is available on our website <https://investors.larsentoubro.com/listing-compliance-agm.aspx>.
- **Statutory Compliance:** The Company has adequate systems and processes in place to comply with all applicable laws and regulations, pay applicable taxes on time, and ensures statutory CSR spend .
- **MSME:** The Company has registered itself on Trade Receivables Discounting System platform (TReDS) through the service providers Receivables Exchange of India Limited. The Company complies with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.
- **Insolvency and Bankruptcy Code (IBC):** There are no proceedings admitted against the Company under the Insolvency and Bankruptcy Code, 2016.
- **KYC registration for holders of physical shares:** All shareholders of the Company holding shares in physical form are requested to update their PAN, Address, Email ID, Bank account details (KYC details) and Nomination details with the Company's Registrar and Share Transfer Agent (RTA) at the earliest, in case the same are not updated.

The relevant forms for updating the KYC information and Nomination details are provided on the website



of the Company at <https://investors.larsentoubro.com/DownloadableForms.aspx>

- **Reporting of fraud:** There were no frauds committed against the Company during FY 2023-24 by its officers or employees which are required to be disclosed as per Section 143(12) of the Companies Act, 2013.

#### **VIGIL MECHANISM:**

The Company has a Whistle-blower Policy in place since 2004. The Policy has been modified to meet the requirements of Vigil Mechanism under the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Whistle Blower Policy is available on the Company's website <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

Also see page 348 and 349 forming part of Annexure 'B' of this Board Report.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

#### **CONSOLIDATED FINANCIAL STATEMENTS:**

Your Directors are pleased to attach the Consolidated Financial Statements pursuant to section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS).

#### **AUDIT REPORT:**

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

#### **SECRETARIAL AUDIT REPORT:**

The Secretarial Audit Report issued by M/s. S. N. Ananthasubramanian & Co., Company Secretaries is attached as Annexure 'E' forming part of this Board Report. The Secretarial Audit Report does not contain any qualification, reservation or disclaimer or adverse remark.

#### **AUDITORS:**

M/s. Deloitte Haskins & Sells LLP are the Statutory Auditors of the Company and shall hold office till the conclusion of 80th Annual General Meeting of the Company.

In view of the mandatory requirement of rotation of auditors, the Board of Directors in its meeting held on March 26, 2024, appointed M/s. MSKA & Associates ("MSKA") as the Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of 79<sup>th</sup> Annual General Meeting till the conclusion of 84<sup>th</sup> AGM of the Company, subject to approval of the shareholders. A proposal for their appointment from the conclusion of the 79<sup>th</sup> AGM till the conclusion of the 84<sup>th</sup> AGM has been included in the Notice of the ensuing AGM.

In order to ensure a smooth transition, both the Auditors would jointly conduct the audit from the conclusion of 79<sup>th</sup> AGM of the Company till the conclusion of the 80<sup>th</sup> AGM.

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

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

The Auditors attend the Annual General Meeting of the Company. Also see pages 349 and 350 forming part of Annexure 'B' of this Board Report.

#### **COST AUDITORS:**

The provisions of section 148(1) of the Companies Act, 2013 are applicable to the Company and accordingly the Company has maintained cost accounts and records in respect of the applicable products for the year ended March 31, 2024.

Pursuant to the provisions of section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Board, on the recommendation of the Audit Committee, at its meeting held on May 8, 2024, has approved the appointment of M/s R. Nanabhoy & Co., Cost Accountants, as the Cost Auditors for the Company for the financial year ending March 31, 2025 at a remuneration of ₹ 18 lakhs plus taxes and out of pocket expenses.

A proposal for ratification of remuneration of the Cost Auditor for the FY 2024-25 is placed before the Shareholders for approval in the ensuing Annual General Meeting.

The Report of the Cost Auditors for the financial year ended March 31, 2024 is under finalization and shall be filed with the Ministry of Corporate Affairs within the prescribed period.

**ACKNOWLEDGEMENT:**

The Directors take this opportunity to thank the Members, Customers, Supply Chain Partners, Employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory Authorities, Stock Exchanges and

various other stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Joint Venture Partners and Associates.

*For and on behalf of the Board*

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

Date : May 8, 2024

Place : Mumbai

## Annexure 'A' to the Board Report

Information as required to be given under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

### [A] CONSERVATION OF ENERGY

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

##### (a) Upgradation of Electrical Equipment:

Upgrading and modernizing electrical equipment and appliances to enhance energy efficiency, which includes converting and retrofitting ceiling fans; updating Flux baking and holding ovens as well as Computer Numerical Control (CNC) machines.

Replacing conventional Air Conditioner (AC) units with inverter-type energy-efficient ACs and substituting old motors with energy-efficient models.

##### (b) Use of LED lights and energy efficient fans:

Usage of LED Lights as a replacement of conventional lighting systems complemented by adoption of energy efficient fans with Variable Frequency Drives (VFD) has reduced the energy consumption significantly.

##### (c) Motion sensors:

Strategic Integration of advanced motion sensors at project sites to ensure adequate consumption of electricity, leading to substantial energy savings.

Installation of timers at over 2000 streetlights to curtail their operational hours resulting in reduced energy consumption.

##### (d) Natural lighting integration:

Installed translucent roofing panels and sheets at project sites to capitalize natural daylight as energy resource to illuminate store areas and sheds.

##### (e) Process redesign:

Optimized energy efficiency by adopting inverter-based power sources and installing magnetic resonators in all furnaces.

Enhancement of system integrity by identifying and addressing air leakages in flow lines using the ultrasonic detection method.

##### (f) Variable frequency drives (VFD):

Implementation of VFD in rolling machines and upgradation of Electric Overhead Traveling (EOT)

Cranes with Variable Voltage Variable Frequency (VVVF) Drive technology at few Manufacturing Facilities has resulted in considerable reduction in energy usage.

#### (g) Awareness campaigns:

Our organization actively promotes environmental stewardship through campaigns and training focused on energy saving and water conservation, complemented by the celebration of Earth Day and Environment Day to heighten awareness and commitment to energy conservation among our stakeholders.

#### (h) Digital initiatives:

Investment in digital solutions to enhance energy management across major projects, utilizing digitally enabled fuel browsers and smart meters for precise tracking and optimization of fuel and electrical consumption.

Deployment of IoT technologies for monitoring High Speed Diesel (HSD) consumption and digital fuel sensors on plant and machinery equipment ensured effective utilization and conservation of resources.

#### (i) Improvements in equipment efficiency and energy savings:

Upgrading industrial processes by enhancing furnace insulation, transitioning to induction and electric plate heating instead of gas preheating, and installing energy-efficient column-mounted boards.

Streamlining welding operations by shifting to inverter-based machines and replacing conventional transformers, thereby reducing emissions, and improving energy utilization.

#### (j) Fuel consumption reduction and conversion to electrically operated equipment:

Significant fuel savings with productivity improvement in DG sets and concrete chain.

Converting air compressors and concrete pumps to electrically operated equipment compared to traditionally fossil fuel based equipment.

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

##### (a) Renewable Energy Adoption:

Installation of solar panels at multiple Project sites and use of solar electric vehicles lead to a

reduction in reliance on grid and Diesel Generator (DG) set electricity and reduction in greenhouse gas emissions.

Replacement of traditional DG light masts with Hybrid Solar light masts at project sites helped to reduce carbon emissions.

Heavy Engineering business of the Company entered into a hybrid power purchase agreement for renewable energy and installed solar rooftop plants.

The strategic use of solar lighting around compound walls of Kanchipuram manufacturing facility of Rubber Processing Machinery (RPM) business of the Company lead to significant energy savings.

**(b) Wind energy:**

During the FY 2023-24, Wind energy has been utilized at various project sites of the Company, contributing to reduced reliance on traditional energy sources.

**(c) Use of alternate fuels:**

Usage of Compressed Biogas (CBG) in place of Liquefied Petroleum Gas (LPG) for Galvanizing Furnace in Tower parts manufacturing plant resulted in reduced emissions.

Usage of Piped Natural Gas (PNG) and cleaner energy source at few projects to power the Hot Mix Plants.

Replacing Fossil fuel-based burners with Pallet burners at multiple project sites helped reduce Greenhouse Gas emissions.

Usage of renewable biological resources based Biofuel for few project as an alternative to conventional fossil fuels.

Usage of CNG based vehicles and water tankers at various project sites of Transportation Infrastructure business of the Company.

**(d) Green energy:**

Usage of natural skylight polycarbonate sheets on the roofs for augmenting lighting in manufacturing plants leading to reduced electricity consumption during daytime.

Adoption of Green Energy Tariff is helping us reduce Scope-2 emissions at project sites of the Company.

Integration of a green hydrogen plant for furnace operations in shop areas and secured Green Power Purchase Agreements to ensure eco-friendly power consumption.

Power Purchase Agreement for establishing 2.5 Megawatt Peak (MWp) Solar Plant to replace 45% of energy usage with renewable energy at Kansbahal Works. The initiative is poised to reduce 3200 MT Co2 emissions per year by lower thermal power consumption.

Additionally, Talegaon unit of Precision Engineering Systems (PES) business has signed an agreement to establish a 500 KWp onsite Solar plant.

**(iii) Capital investment on energy conservation equipment:**

- During FY 2023-24, Heavy Engineering business of the Company has made a Capex investment of ₹ 4 Crore on energy conservation and renewable energy.
- Capital investment of ₹ 0.23 Crore on Solar Installations, Pallet Burners, Solar Electric Vehicles and Hybrid Solar light masts by the Transportation Infrastructure business of the Company.
- Energy - Power business of the Company has installed 450TR (Ton of Refrigeration) energy efficient water cooler chiller at a cost of ₹ 1.35 Crore.
- Installation of VFD based cranes, Inverter based ACs and energy efficient water coolers at a cost of ₹ 0.70 crore at Hazira based Manufacturing facility of Energy- Hydrocarbon business of the Company.

**[B] TECHNOLOGY ABSORPTION:**

**(i) Efforts made towards technology absorption:**

- Development of technology for design and supply of Cryogenic Vaporiser for petrochemical industry.
- Development of Chemical process technology in the area of Aqueous Phase Reforming, residue up-gradation (Petroleum Refining) and Coal/ Petcoke Gasification.
- Design development for Multi-tubular Reactor Systems and slug catcher.
- Usage of advanced manufacturing simulation technology for optimisation of heat input and distortion reduction through selection of appropriate number of welding guns for site repair.



- Utilization of 3D concrete printing technology for the construction of the post office building in Bengaluru and other buildings in Tamil Nadu.
  - Development of VFD (Variable Frequency Drive) concrete pump, aiming to reduce diesel consumption and carbon emissions while improving energy efficiency in concrete pumping operations.
  - Usage of magnetic wire rope tester to detect potential faults in tower crane wire ropes, ensuring safety and reliability.
  - Introduction of in-house developed Electric Vehicle (EV) trolley for transporting finishing materials like gypsum and sandbags.
  - Development of Pie Arm Erector with lifting capacity of upto 55 Metric Ton (MT) for Elevated Metros in order to find an alternative to the portal frame arrangement.
  - Implementation of the Tunnel Segment Monitoring System (TSMS) enabling end-to-end tracking and digital documentation of precast segments, enhancing quality control, and streamlining the supply chain process for efficient production and delivery to the construction site.
  - Implementation of AI-based vision analytics across few projects focusing on ensuring data privacy and security, addressing ethical considerations, and enhancing algorithm robustness to optimize safety monitoring and surveillance.
  - Development of bladder type T-ring for 2-wheeler tyre building machines for continental tyres.
  - Development of an algorithm to calculate the winding coordinates automatically to wind the steel around various drum profiles in 2-wheeler tyre building Machine.
  - Attached Batch Growth Bio-Reactor (AGBR) technology developed by Water & Effluent Treatment (WET) business of the Company in collaboration with CES - Anna University, Chennai, combines attached and suspended growth processes with zonal separation for enhanced organics and nutrients removal. It utilizes specially customized polymeric material with high surface area, reducing footprint and achieving lower sludge production and power consumption.
  - Development of "Hybrid Tandem Tippler" and "Long Arm Side Arm Charger" for one of the projects for Metallurgical & Material Handling business, capable of unloading both bottom discharge wagons and top open wagons. This machine features unique tailor-made capabilities, allowing it to unload 50 wagons within one hour.
  - Development of straddle carrier, launching Girder controlling algorithms and data dashboards for the purpose of better monitoring and improving machine performance.
  - Improvement in Drum Cooler design for better life and reliability.
  - Capability development in new energy transition technologies viz. Blue/Green Ammonia, Sustainable Aviation Fuels, Ammonia Cracking, Biomass Gasification, Atmospheric Carbon Capture.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**
- Increased self-reliance and savings in Foreign Exchange in process plant and refinery equipment sector.
  - Reduction in production cycle time, cost, and rework due to implementation of advanced manufacturing simulation technology.
  - Enhanced and refined on-site fabrication capabilities through continuous improvement initiatives.
  - Implementation of erectors has improved pier arm segment erection, reducing the cycle time from 50 days to 23 days and enhancing safety.
  - Implementation of the Tunnel Segment Monitoring System (TSMS) has led to considerable time savings and reduced reliance on third-party applications, resulting in improved operational efficiency and cost savings.
  - Engineering optimization by implementing concept of combined building for Wet Ball mill and Gypsum Dewatering system enabling reduction in overall footprint and concrete quantity.
  - Redefining operation of Flue-gas desulfurization (FGD) systems to suit Indian conditions and thereby facilitate achieving performance of FGD.

- Usage of AGRB Technology offers advantages wherein technical and environmental sustainability is intertwined viz. power savings and footprint reduction, lesser sludge production and assured removal of Nitrogen and Phosphorus in sewage nutrient removal process.

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

Sr. No.	Technology Imported	Year of Import	Status of absorption & reasons for non-absorption, if any
1	Full Span Construction Methodology	2021-22	Fully absorbed
2	Straddle carrier	2021-22	Fully absorbed

**(iv) Expenditure incurred on Research & Development:**

	₹ crore
	<b>2023-24</b>
Capital	5.86
Recurring	163.15
<b>Total</b>	<b>169.01</b>
Total R&D expenditure as a percentage of total turnover	0.13%

**[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	₹ crore
	<b>2023-24</b>
Foreign Exchange earned	16131.44
Foreign Exchange saved / deemed exports	2491.72
<b>Total</b>	<b>18623.16</b>
Foreign Exchange used	18448.48

## Annexure 'B' to the Board Report

### A. CORPORATE GOVERNANCE

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

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

### B. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

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

The Company strives to adopt policies and practices that meet the highest ethical standards. Commitment to good governance has a distinctive competitive advantage, enhances trust and creates long-term sustainability. The Company has been guided by the belief that the strong relationship between culture and strategy will consistently produce improved financial performance, better employee engagement, ethical behaviour and stakeholder satisfaction.

### C. THE GOVERNANCE STRUCTURE

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

- (i) **Strategic Supervision** – by the Board of Directors comprising the Executive Directors, Non-Executive Directors and Independent Directors.
- (ii) **Executive Management** – by the Executive Committee (ECom) comprising the Chairman & Managing Director, all Executive Directors and senior leaders.
- (iii) **Strategy & Operational Management** – by the Independent Company Boards of each Independent Company (IC) (not legal entities) comprising representatives from the Company's Board, Senior Executives from the IC and independent members.
- (iv) **Operational Management** – by the Business Unit (BU) Heads.

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

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

#### a. Board of Directors (the Board):

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also provides strategic direction, reviews and approves management's business objectives, plans and oversees risk management.

#### b. Executive Committee (ECom):

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

- Review of major order prospects (Standalone/ Group) / "Integrated offerings"

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

**c. The Chairman & Managing Director (CMD):**

The CMD is fully accountable to the Board for the Company's business development, operational excellence, business results, leadership development and other related responsibilities.

**d. Executive Directors / Senior Management Personnel:**

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

The profiles and expertise of all Executive Directors who are responsible for various business of the Company are available on the Company's website at <https://larsentoubro.com/corporate/about-lt-group/leadership/>.

Senior Management Personnel means all members of management one level below the Executive Directors including the Chief Financial Officer and Company Secretary. Presently, persons in Sr. Vice President grade and F&A heads of Independent Companies reporting to Whole-time Directors are covered as Senior Management Personnel. During the year, Mr. Sthaladipti Saha was elevated as Senior Vice President & IC Head (designate), Buildings & Factories IC with effect from April 7, 2023, Mr. Shrinath Rao was elevated as Senior Vice President & IC Head Transportation Infrastructure IC with effect from July 17, 2023 and Mr. E. P. Sajit was elevated as Senior Vice President & Head, Water & Effluent Treatment IC with effect from October 2, 2023.

**e. Non-Executive Directors / Independent Directors:**

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

The profiles and expertise of all Independent Directors/Non-executive Directors of the Company are available on the Company's website at <https://larsentoubro.com/corporate/about-lt-group/leadership/>.

**f. Independent Company Board (IC Board):**

The Company has a Hybrid Holdco Structure comprising 'Independent Companies' (ICs) (not legal entities).



Each IC is governed by an IC Board comprising 2 to 3 Independent Members akin to Independent Directors and senior executive members. The IC Board, *inter alia*, oversees:

- Implementation of Lakshya i.e. the Company's strategic plan
- Leadership pipeline/ succession planning
- Revenue, capital & manpower Budget
- ESG matters and Risk assessments as necessary
- Assist in solving problems pertaining to specific issues.

## E. BOARD OF DIRECTORS

### a. Composition of the Board:

The Company's policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors. As on March 31, 2024, the Board comprised the CMD, 6 Executive Directors, 1 Non-Executive Director (representing a financial institution) and 9 Independent Directors, including one Independent Woman Director. This excludes 3 Independent Directors who completed their tenure on March 31, 2024. The composition of the Board, as on March 31, 2024, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations').

Details of changes in composition of the Board forms part of Board Report.

### b. Meetings of the Board:

The Meetings of the Board are generally held at the Registered Office of the Company at L&T House, Ballard Estate, Mumbai 400 001 and whenever necessary, in locations, where the Company operates. During the year under review, 6 meetings were held on May 10, 2023, July 25, 2023, September 30, 2023, October 31, 2023, January 30, 2024 and March 26, 2024.

The Independent Directors met on May 9, 2023, July 24, 2023 and September 30, 2023 to discuss, *inter alia*, the performance evaluation of the Board as a whole, succession planning and assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors further met on May 8, 2024 and discussed *inter alia* the Board Evaluation Report for FY 2023-24. The topics, *inter alia*, discussed were with regard to need for making presentation on Human Resource Strategy and detailed discussions on new businesses of the Company.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the CMD and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board meets at least once every quarter, *inter alia*, to review the quarterly results. Additional meetings are held, whenever necessary. Presentations are made on business operations to the Board by Independent Companies/ Business Units. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary. The respective Chairperson of the Board Committees apprise the Board Members of the important issues and discussions in the Committee Meetings. Minutes of Committee meetings are also circulated to the Board.

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

The following is the composition of the Board of Directors as on March 31, 2024. Their attendance at Board Meetings during the year and at the previous Annual General Meeting is as under:

Name of Director	Category	Meetings held during the year	No. of Board Meetings attended	Attendance at previous AGM
Mr. S. N. Subrahmanyam	CMD	6	6	Yes
Mr. R. Shankar Raman	ED & CFO	6	6	Yes
Mr. M. V. Satish <sup>&amp;</sup>	ED	6	6	Yes
Mr. Subramanian Sarma	ED	6	6	Yes
Mr. S. V. Desai	ED	6	6	Yes
Mr. T. Madhava Das	ED	6	6	Yes
Mr. Anil V Parab	ED	6	6	Yes
Mr. M. M. Chitale <sup>§</sup>	ID	6	6	Yes
Mr. M. Damodaran <sup>§</sup>	ID	6	6	Yes
Mr. Vikram Singh Mehta <sup>§</sup>	ID	6	6	Yes
Mr. Adil Zainulbhai	ID	6	5	Yes
Mr. Sanjeev Aga	ID	6	6	Yes
Mr. Narayanan Kumar	ID	6	5	Yes
Mr. Hemant Bhargava (Note 1)	NED	6	6	No
Mrs. Preetha Reddy	ID	6	5	Yes
Mr. Pramit Jhaveri	ID	6	6	Yes
Mr. Rajnish Kumar <sup>^</sup>	ID	5	5	Yes
Mr. Jyoti Sagar <sup>^</sup>	ID	5	5	Yes
Mr. Ajay Tyagi <sup>*</sup>	ID	3	3	–
Mr. P. R. Ramesh <sup>*</sup>	ID	3	3	–

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

<sup>&</sup> Ceased as Executive Director of the Company w.e.f. April 7, 2024.

<sup>§</sup> Ceased as Independent Director of the Company w.e.f. March 31, 2024.

<sup>^</sup>Appointed as an Independent Director of the Company w.e.f. May 10, 2023.

<sup>\*</sup>Appointed as an Independent Director of the Company w.e.f. October 31, 2023.

Note 1: Representing equity interest of Life Insurance Corporation of India.

CMD - Chairman & Managing Director

ED - Executive Director

NED - Non-Executive Director

ID - Independent Director

ED & CFO - Executive Director and Chief Financial Officer

- None of the above Directors are related inter-se.
- None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 17A of the SEBI LODR Regulations.

As on March 31, 2024, the number of other directorships and the number of positions held as Member/Chairperson of Committees of the Board of Directors along with the names of the listed entities (whose equity shares are listed) wherein the Director holds directorships are as follows:

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairpersonships	Names of other Equity Listed entities where he/she holds Directorship	Category of Directorship
Mr. S. N. Subrahmanyam	6	0	0	LTIMindtree Limited	Non- Executive Vice- Chairman
				L&T Technology Services Limited	Non- Executive Vice- Chairman
				L&T Finance Limited (Formerly L&T Finance Holdings Limited)	Non-Executive Chairman
Mr. R. Shankar Raman	6	4	0	LTIMindtree Limited	Non-Executive Director
				L&T Finance Limited (Formerly L&T Finance Holdings Limited)	Non-Executive Director

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairpersonships	Names of other Equity Listed entities where he/ she holds Directorship	Category of Directorship
Mr. M. V. Satish	1	0	0	None	
Mr. Subramanian Sarma	3	0	0	None	
Mr. S. V. Desai	2	0	0	None	
Mr. T. Madhava Das	0	1	0	None	
Mr. Anil V Parab	2	1	0	None	
Mr. Adil Zainulbhai	7	2	5	Network18 Media & Investment Limited	Chairman and Independent Director
				Cipla Limited	Independent Director
				TV18 Broadcast Limited	Chairman and Independent Director
Mr. Sanjeev Aga	3	2	2	LTIMindtree Limited	Independent Director
				Pidilite Industries Limited	Independent Director
				Mahindra Holidays & Resorts India Limited	Independent Director
Mr. Narayanan Kumar	3	1	2	L&T Technology Services Limited	Independent Director
				Entertainment Network (India) Limited	Independent Director
Mr. Hemant Bhargava	3	3	1	UGRO Capital Limited	Independent Director
				ITC Limited	Independent Director
				SMC Global Securities Limited	Independent Director
Mrs. Preetha Reddy	8	2	0	Apollo Hospitals Enterprise Limited	Whole-time Director
Mr. Pramit Jhaveri	2	2	0	Bajaj Finance Limited	Independent Director
				Bajaj Finserv Limited	Independent Director
Mr. Rajnish Kumar	3	0	1	Ambuja Cements Limited	Independent Director
				Hero Motocorp Limited	Independent Director
Mr. Jyoti Sagar	0	0	0	-	-
Mr. Ajay Tyagi	1	0	1	-	-
Mr. P. R. Ramesh	8	3	4	Nestle India Limited	Independent Director
				Crompton Greaves Consumer Electricals Limited	Independent Director
				Tejas Networks Limited	Independent Director
				Cipla Limited	Independent Director

- Other Company Directorships includes directorships in all public limited companies and excludes private limited companies, foreign companies and Section 8 companies.
- The details of positions held as Member/Chairperson of Committees are disclosed as per Regulation 26 of the SEBI LODR Regulations and covers only Stakeholders' Relationship Committee and Audit Committee of public companies.

**c. Information to the Board:**

The Board of Directors are provided information relating to the Company, which *inter alia* includes -

- Annual revenue budgets and capital expenditure plans
- Quarterly results and results of operations of ICs and business segments
- Financing plans of the Company
- Minutes of meetings of Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Board Risk Management Committee and CSR & Sustainability Committee
- Details of any joint venture, acquisitions of companies or collaboration agreement or sale of investments, subsidiaries, assets and quarterly report on fatal or serious accidents or dangerous occurrences

- Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any
- Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company
- Developments in respect of human resources/industrial relations
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any

**d. Post-meeting internal communication system:**

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

**e. Board Skill Matrix:**

The matrix setting out the skills/expertise/competence of the Board of Directors, as identified by the Board of Directors in the context of the Company's businesses, is given below:

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

The mapping of the Skill Matrix for all Directors is as follows:

Sr. No	Name of the Director	Skill Attribute					
		Leadership	Industry knowledge and experience	Experience and Exposure in policy shaping and industry advocacy	Governance including legal compliance	Expertise/ Experience in Finance and Accounts/ Audit /Risk Management areas	Global Experience / International Exposure
1.	Mr. S. N. Subrahmanyam	√	√	√	√	√	√
2.	Mr. R. Shankar Raman	√	√	√	√	√	X
3.	Mr. Subramanian Sarma	√	√	√	X	X	√
4.	Mr. M. V. Satish #	√	√	X	√	X	√
5.	Mr. S. V. Desai	√	√	X	√	X	√
6.	Mr. T. Madhava Das	√	√	X	√	X	√
7.	Mr. Anil V Parab	√	√	X	√	X	√



Sr. No	Name of the Director	Skill Attribute					
		Leadership	Industry knowledge and experience	Experience and Exposure in policy shaping and industry advocacy	Governance including legal compliance	Expertise/ Experience in Finance and Accounts/ Audit /Risk Management areas	Global Experience / International Exposure
8.	Mr. Adil Zainulbhai	√	X	√	√	X	√
9.	Mr. Sanjeev Aga	√	X	√	√	√	X
10.	Mr. Narayanan Kumar	√	√	√	X	√	X
11.	Mr. Hemant Bhargava	√	X	√	√	√	X
12.	Mrs. Preetha Reddy	√	X	√	√	X	√
13.	Mr. Pramit Jhaveri	√	X	X	√	√	√
14.	Mr. Rajnish Kumar*	√	X	√	√	√	√
15.	Mr. Jyoti Sagar*	√	X	√	X	√	√
16.	Mr. Ajay Tyagi^	√	X	√	√	√	√
17.	Mr. P. R. Ramesh^	√	X	√	√	√	√

# Ceased to be a Director with effect from April 7, 2024.

\* Appointed as an Independent Director with effect from May 10, 2023.

^ Appointed as an Independent Director with effect from October 31, 2023.

Note: Absence of any skill does not necessarily mean that the Director does not possess the skill.

## F. BOARD COMMITTEES

The Board currently has 5 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) CSR & Sustainability Committee and 5) Board Risk Management Committee. The terms of reference of the Board Committees are in compliance with the provisions of the Companies Act, 2013, SEBI LODR Regulations and are also reviewed by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the Company Secretary in consultation with the respective Committee Chairperson. The role and composition of these Committees including the number of meetings held during the financial year and the related attendance are provided in the subsequent paragraphs.

### 1) Audit Committee

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

#### i) Terms of reference:

The role of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure

that the financial statement is correct, sufficient and credible.

- Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and fixation of remuneration of statutory auditors.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing, with the management, the annual financial statements and the audit report before submission to the Board for approval, with particular reference to:
  1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board report in terms of sub-section (5) of section 134 of the Companies Act, 2013

2. Changes, if any, in accounting policies and practices and reasons for the same
  3. Major accounting entries involving estimates based on the exercise of judgment by management
  4. Significant adjustments made in the financial statements arising out of audit findings
  5. Compliance with listing and other legal requirements relating to financial statements
  6. Disclosure of any related party transactions
  7. Modified Opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of public or rights issue or Qualified Institutional Placement, and making appropriate recommendations to the Board to take up steps in this matter, if any.
  - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors about any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - To review the functioning of the Whistle Blower mechanism.
  - Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate, if any.
  - The recommendation for appointment, remuneration and terms of appointment of cost auditors of the Company.
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process.
  - Review the management discussion and analysis of financial condition and results of operations.
  - Approval or any subsequent material modification of transactions of the Company with related parties.
  - Reviewing the utilization of loans and/ or advances from/investment in the subsidiary companies exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments.
  - Valuation of undertakings or assets of the company, wherever it is necessary.
  - Evaluation of internal financial controls and risk management systems.
  - Monitoring the end use of funds raised through public offers and related matters.
  - Consider and comment on rationale, cost benefit and impact of Schemes involving mergers, demerger, amalgamation etc. on the entity and its shareholders.
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Apart from the quarterly meetings for discussing the financial results, additional Audit Committee meetings are held wherein matters like Internal Audit findings, Internal Audit plan, Statutory Audit plan, treasury framework, material vendor complaints, Insider trading compliances, major litigations, related party transactions, cost audit, etc are discussed. The Audit Committee also reviews and approves the permitted non-audit services proposed to be availed by the Company or its subsidiaries from the statutory auditors.

**ii) Composition:**

As on March 31, 2024, the Audit Committee comprised of four Independent Directors.

**iii) Meetings:**

During the year ended March 31, 2024, 8 meetings of the Audit Committee were held on April 18, 2023, May 9, 2023, July 24, 2023, August 23, 2023, October 30, 2023, November 29, 2023, January 29, 2024 and March 11, 2024.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings eligible to attend during the year	No. of Meetings Attended
Mr. M. M. Chitale <sup>§</sup>	Chairman	8	8
Mr. M. Damodaran <sup>§</sup>	Member	8	8
Mr. Sanjeev Aga	Member	8	8
Mr. Vikram Singh Mehta <sup>§</sup>	Member	8	8

<sup>§</sup> Ceased to Member of the Committee with effect from March 31, 2024.

Effective from April 1, 2024, Mr. P. R. Ramesh, Independent Director, has been appointed as Chairman of the Audit Committee and Mr. Rajnish Kumar, Independent Director has been appointed as member of the Committee.

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

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

**iv) Internal Audit:**

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

The CAS team while drawing out their Audit Plan for the year, also plans for some theme-based audits (Revenue recognition, HR, Treasury, Insurance etc.) which is incorporated in the overall audit programme and also performs certain joint audits with other corporate departments for specific functions. The Company being predominantly a project-oriented Company, CAS emphasizes a risk-based focus areas in project audits. It encourages its team members to obtain globally renowned Certified Information Systems Auditor (CISA), Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE) Certification, etc., which will add strength to the Department. Every year, CAS reviews the Audit Universe which is an exhaustive list of businesses, functions, activities and locations across the Company. The yearly plan details out the scope and coverage of audits proposed for the year and it is ensured that, on an average, all operations in the Audit Universe gets into an audit coverage, at least once in 2 years. The CAS team has its offices at Mumbai and Chennai and all overseas audits are shared between these two teams.

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

The CAS team of the Company also covers the internal audit of all ICs and Subsidiary Companies. An in-depth audit is conducted by the team. The major deviations are

highlighted and discussed with the concerned IC and / or subsidiary company Board and significant observations are also placed before the Audit Committee of the Company once in every quarter. Internal Audits of few subsidiaries and few other service functions have been out sourced to external firms.

## 2) Nomination & Remuneration Committee (NRC)

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

### i) Terms of reference:

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

### ii) Composition:

As at March 31, 2024, the Committee comprised 3 Independent Directors and the Chairman & Managing Director.

### iii) Meetings:

During the year ended March 31, 2024, 4 meetings of the Nomination & Remuneration Committee were held on May 10, 2023, July 25, 2023, October 31, 2023 and January 30, 2024.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings eligible to attend during the year	No. of Meetings Attended
Mr. Adil Zainulbhai	Chairman	4	3
Mr. A. M. Naik <sup>^</sup>	Member	2	2
Mr. Narayanan Kumar	Member	4	4
Mr. Pramit Jhaveri	Member	4	4
Mr. S. N. Subrahmanyam <sup>*</sup>	Member	2	2

<sup>^</sup> Ceased to be a member of the Committee with effect from September 30, 2023

<sup>\*</sup>Appointed as a member of the Committee with effect from October 1, 2023.

### iv) Board Membership Criteria:

While screening, selecting and recommending to the Board new members, the Committee ensures that the Board is objective, there is no conflict of interest, availability of diverse perspectives, business experience, legal, financial and other expertise, integrity, leadership and managerial qualities, practical wisdom, ability to read and understand financial statements, commitment to ethical standards and values of the Company.

While appointing/re-appointing any Independent Director/Non- Executive Director on the Board, the NRC considers the criteria as laid down in the Companies Act, 2013 and the SEBI LODR Regulations.

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

The Independent Directors satisfy and fulfill the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and all the applicable provisions of the SEBI LODR Regulations.

Each Independent Director gives a certificate confirming that they meet the "independence criteria" as mentioned in section 149(6) of the Companies Act, 2013 and SEBI LODR Regulations.



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

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

The role, responsibilities and duties of Independent Directors are set out in the letter of appointment issued to them. Copy of the draft letter of appointment issued to Independent Directors is available on the Company's website at <https://investors.larsentoubro.com/listing-compliance-disclosuresunderstatutes.aspx>

**v) Remuneration Policy:**

The remuneration of the Board members is based on the Company's size and global presence, its economic and financial position, industrial trends, compensation paid by the peer companies, etc. Compensation reflects each Board member's performance and accountability. The level of compensation to Executive Directors is competitive and matches industry standards.

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

The Independent Directors / Non-Executive Directors are paid remuneration by way of commission and sitting fees. The Company paid sitting fees of ₹ 1,00,000/- per meeting of the Board and ₹ 50,000/- for Audit Committee (AC), Nomination and

Remuneration Committee (NRC) and Board Risk Management Committee (BRMC) meetings and ₹ 35,000/- for Stakeholders Relationship Committee (SRC) and CSR & Sustainability (CSR) Committee meetings, till June 30, 2023, to the Independent Directors/ Non-Executive Directors. Effective July 1, 2023, the sitting fees have been revised to ₹ 75,000 for AC, NRC and BRMC meetings and ₹ 50,000 for SRC and CSR Committee meetings. The Board meeting sitting fee remains the same at ₹ 1,00,000 per meeting. The commission is paid in accordance with the provisions of section 197 of the Companies Act, 2013.

The commission to the Independent Directors / Non-Executive Directors is distributed broadly on the basis of their attendance, contribution at the Board, the Committee meetings, Chairmanship of Committees and participation in IC meetings.

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

As required by the provisions of Regulation 46 of the SEBI LODR Regulations, the criteria for payment to Independent Directors / Non-Executive Directors is made available on the investor page of our Company's website <https://investors.larsentoubro.com/listing-compliance-disclosuresunderstatutes.aspx>

**Performance Evaluation Criteria for Independent Directors:**

The performance evaluation questionnaire covers qualitative/ subjective criteria with respect to the structure, culture, Board processes and selection, effectiveness of the Board and Committees, strategic decision making, functioning of the Board and Committees, Committee composition, information availability, remuneration framework, succession planning, adequate participation, assessment of their independence, etc. It also contains specific criteria for evaluating the CMD and individual Directors. An external consultant is engaged to receive the responses of the Directors and consolidate/analyze the responses. This is done through a software platform of the external consultant.

The Chairman of the NRC discusses the performance evaluation results with the CMD of the Company and the CMD of the Company interacts with all the Non-Executive Directors and Independent Directors. The NRC Chairman interacts with the Executive Directors.

Key suggestions made by the Directors as part of the Board evaluation exercise of FY 2022-23 included holding Board meeting at / visits to places where the Company has operations, assessment of board composition, optimisation of time involvement between mandatory board requirements and strategic directional involvement and compensation benchmarking of Independent Directors. The Company has taken necessary actions on the suggestions given by the Board members viz. Board visits were arranged to Varanasi & Ayodhya during FY 2023-24, strategic sessions were part of board meetings held in March & May 2024 and the compensation of Independent Directors was benchmarked with the industry during FY 2023-24.

Members are also requested to refer to page 323 of the Board Report.

**vi) Training & Succession Planning:**

The company places significant emphasis on the continuous growth of its workforce. It is committed to developing internal talent and capable leaders. To achieve this, the Company has established robust processes for creating and sustaining a leadership and talent pipeline through Development Centres, its Leadership Development initiatives, and Talent Review Process.

The Development Centres, pivotal to the Company's core philosophy of grooming internal talent, ensure the right leadership talent is identified through an objective selection process. The Development Centres supports the development of company's high performing talent by seamlessly conducting an objective assessment through a structured process. This process is followed up with the creation of individualised development plans as a map to enable talent to navigate their unique development journey.

The company's Leadership Development initiatives are designed to cater development needs of its talent at three stages. The

company enhances managerial capabilities at all levels through Management Development Programs, nurtures potential of its high performers through Leadership Competency Development Programs, and prepares its talent with proven track record & recognized potential through its signature Seven-Step Leadership Pipeline Programs.

The Company's Seven-Step Leadership Pipeline Programs is an established best practice in talent development which serves to provide leadership inputs to high potential employees. These programs are carefully curated in association with prominent International & Indian institutions such as Harvard Business School, London Business School, INSEAD, Ross School of Business, and IIM Ahmedabad. These programs are regularly reviewed and aligned with the evolving landscape of business. The leaders who move up the Seven-Step Leadership Pipeline Program are mentored by the Chairman Emeritus and Chairman and MD of the Company.

The company has initiated Leadership Competency Development Programs for senior managers with the Great Lakes Institute of Management, Chennai, and launched similar programs for early and middle managers in collaboration with IIM Vishakhapatnam and KREA University, conducted at their Leadership Development Academy in Lonavala.

The Company also conducts its Management Development programs in tie-up with reputed Indian B-Schools like Narsee Monjee, IIM Mumbai, XLRI and IIM-Bangalore to provide inputs to our current and potential leaders and in the process builds a strong pipeline of managers at every level.

The Company, recognizing the importance of increasing visibility of its top talent for continuous development and succession planning, has established a Talent Review Process. This process enables the businesses to identify, deliberate, and plan the development and deployment of its top talent in strategic roles. To ensure the success of this initiative, a Talent Management Council led by Business & HR heads has been established dovetailing the Talent Review discussions with annual appraisal process.

In the fiscal year 2023-24, the Company's commitment to its workforce was recognized by Great Place to Work for the second consecutive year. The company recognizes the shifts taking place in the workforce due to changing macro-economic conditions, talent demographics & aspiration, and emphasis on Diversity, Equity & Inclusion. These changes require a renewed form of leadership that can integrate high-performance with changing talent needs. To address this need, the Company has launched its own People Leadership Excellence Framework. This is a five-dimension framework which will guide several initiatives for assessing and nurturing people leadership capabilities across the Company.

The Company's own HR Excellence Model ensures that the above practices are continuously evaluated and kept in alignment with contemporary people dimensions, thus enhancing people strategy and practices aiding organizational performance.

Moving to the Company's digital initiatives in the learning space, the Company has taken further strides in its digitalization by launching a new Learning Management System (LMS) on SAP Success Factors platform. The LMS hosts an extensive array of training programmes and integrates external resources from platforms like Coursera, Percipio, and Harvard Manage Mentor offering a rich & adaptable learning environment for all employees, thus, making learning democratised and learner centric.

Additionally, the Company has established niche learning academies, such as the Academy of Digital Transformation and Academy of GenAI, to address domain-specific needs. The Company's digital learning solutions provide role-specific and skill-focused learning, using platform-based skill benchmarking. In 2023-24, the Company logged 5.20 lakh training hours from 38,500 L&T employees via digital learning modes.

The Nomination and Remuneration Committee discussed matters relating to succession planning of Directors and senior officials of the Company.

For more details on training and succession planning, please refer to the Human Capital section of the Integrated Report.

## vii) Details of remuneration paid / payable to Directors for the year ended March 31, 2024:

### (a) Executive Directors:

The details of remuneration paid / payable to the Executive Directors for FY 2024 is as follows:

₹ crore						
Names	Salary	Perquisites	Perquisites related to ESOP*	Retirement Benefits	Commission	Total
Mr. S. N. Subrahmanyam <sup>^</sup>	3.60	1.67	-	10.50	35.28	51.05
Mr. R. Shankar Raman	2.25	1.08	-	6.50	21.83	31.66
Mr. D. K. Sen <sup>@</sup>	0.03	0.46	-	22.26	0.18	22.93
Mr. M. V. Satish <sup>\$</sup>	1.71	0.74	-	2.78	8.57	13.80
Mr. Subramanian Sarma	2.07	0.84	9.99	5.57	18.56	37.03
S. V. Desai	1.23	0.62	-	3.95	13.41	19.21
T. Madhava Das	1.23	0.59	-	3.86	13.06	18.74
Mr. Anil V Parab	1.05	0.24	-	2.61	8.62	12.52

<sup>^</sup> Appointed as Chairman & Managing Director with effect from October 1, 2023

<sup>@</sup> Ceased to be Whole-time Director with effect from April 7, 2023.

<sup>\$</sup> Ceased to be Whole-time Director with effect from April 7, 2024.

\*Represents perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by the Company and includes tax on ESOPs borne by the Company wherever applicable.

- Notice period for termination of appointment of Chairman & Managing Director and other Whole-time Directors is six months on either side.
- No severance pay is payable on termination of appointment.
- Details of Options granted under Employee Stock Option Schemes are provided on the website of the Company <https://investors.larsentoubro.com/listing-compliance-agm.aspx>.
- Mr. Subramanian Sarma has exercised 25,000 stock options in the Company vested during the year. The perquisite amount on exercise of these options is considered as a part of his remuneration.

### (b) Non-Executive Directors:

The details of remuneration paid / payable to the Non-Executive Directors for FY 2023-24 is as follows:

₹ crore				
Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meetings	Commission	Total
Mr. A. M. Naik <sup>^</sup>	0.03	0.01	1.65	1.69
Mr. M. M. Chitale <sup>\$</sup>	0.06	0.07	0.59	0.72

₹ crore

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meetings	Commission	Total
Mr. M. Damodaran <sup>§</sup>	0.06	0.06	0.53	0.65
Mr. Vikram Singh Mehta <sup>§</sup>	0.06	0.06	0.45	0.57
Mr. Adil Zainulbhai	0.05	0.03	0.50	0.58
Mr. Sanjeev Aga	0.06	0.07	0.40	0.53
Mr. Narayanan Kumar	0.05	0.04	0.44	0.53
Mr. Hemant Bhargava <sup>#</sup>	0.06	0.01	0.22	0.29
Mrs. Preetha Reddy	0.05	-	0.17	0.22
Mr. Pramit Jhaveri	0.06	0.03	0.28	0.37
Mr. Rajnish Kumar <sup>@</sup>	0.05	-	0.17	0.22
Mr. Jyoti Sagar <sup>@</sup>	0.05	-	0.17	0.22
Mr. Ajay Tyagi <sup>*</sup>	0.03	-	0.10	0.13
Mr. P. R. Ramesh <sup>*</sup>	0.03	-	0.10	0.13

Note – Remuneration of Mr. A. M. Naik excludes ₹ 1.5 crore paid to him during the financial year towards pension.

<sup>#</sup> Payable to the Institution he represents.

<sup>^</sup> Ceased to be a Director of the Company with effect from September 30, 2023

<sup>@</sup> Appointed as an Independent Director of the Company with effect from May 10, 2023.

<sup>\*</sup> Appointed as an Independent Director of the Company with effect from October 31, 2023.

<sup>§</sup> Ceased to be an Independent Director with effect from March 31, 2024.

Details of shares of the Company held by the Directors and Key Managerial Personnel, as on March 31, 2024, are as follows:

Name	No. of Shares	Shareholding Percentage
Mr. S. N. Subrahmanyam	2,65,584	0.02
Mr. R. Shankar Raman	2,96,616	0.02
Mr. M. V. Satish	46,457	0.00
Mr. Subramanian Sarma	1,84,053	0.01
Mr. S. V. Desai	25,810	0.00
Mr. T. Madhava Das	16,265	0.00
Mr. Anil V. Parab	1,11,040	0.01
Mr. M. M. Chitale <sup>@</sup>	3,568	0.00
Mr. M. Damodaran <sup>@</sup>	225	0.00
Mr. Vikram Singh Mehta <sup>@</sup>	1,327	0.00
Mr. Adil Zainulbhai	150	0.00
Mr. Sanjeev Aga	100	0.00
Mr. Narayanan Kumar	1,500	0.00
Mr. Hemant Bhargava <sup>*</sup>	188	0.00
Mrs. Preetha Reddy	180	0.00
Mr. Pramit Jhaveri	20,550	0.00
Mr. Rajnish Kumar	100	0.00
Mr. Jyoti Sagar	100	0.00
Mr. Ajay Tyagi	100	0.00
Mr. P. R. Ramesh	100	0.00
Mr. Sivaram Nair A	10,384	0.00

<sup>@</sup> Ceased to be Independent Directors with effect from March 31, 2024 on account of completion of tenure.

<sup>\*</sup> 100 shares held jointly with the Institution he represents.

### 3) Stakeholders' Relationship Committee:

#### i) Terms of reference:

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

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

#### ii) Composition:

As on March 31, 2024, the Stakeholders' Relationship Committee comprised 1 Non-Executive Director, 1 Independent Director and 1 Executive Director.

#### iii) Meetings:

During the year ended March 31, 2024, 2 meetings of the Stakeholders' Relationship Committee were held on June 14, 2023 and January 10, 2024.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings eligible to attend during the year	No. of Meetings Attended
Mr. Narayanan Kumar	Chairman	2	2
Mr. Hemant Bhargava	Member	2	2
Mr. T Madhava Das <sup>#</sup>	Member	2	2

<sup>#</sup> Appointed as a member of the Committee with effect from April 8, 2023

Mr. Sivaram Nair A, Company Secretary is the Compliance Officer.



**iv) Number of Requests / Complaints:**

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

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

Particulars	Opening Balance	Received	Resolved	Pending*
<b>Complaints:</b>				
SEBI / Stock Exchange	2	156	157	1
Shareholders	3	504	503	4
<b>Shareholder Queries:</b>				
Dividend Related	35	9,490	9,520	5
Transmission/ Others	287	9,497	9,684	100
Demat / Remat	7	7,113	7,117	3

\* Investor complaints / queries shown outstanding as on March 31, 2024 have been subsequently resolved to the complete satisfaction of the investors. The Company repeatedly sends reminders to shareholders regarding unclaimed shares and dividends. This results in an increase in the number of queries received.

Pursuant to the amendments in SEBI LODR Regulations, transfer of securities in physical form are not being processed by the Company. Further, all requests for transmission, transposition, issue of duplicate share certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate and consolidation of securities certificates/folios are being processed only in demat form. In such cases the Company issues a letter of confirmation, which needs to be submitted to Depository Participant to get credit of these securities in dematerialized form.

**4) CSR & Sustainability Committee:**
**i) Terms of reference:**

The CSR & Sustainability ("CSR") Committee has been entrusted with the task of reviewing the sustainability and Corporate Social Responsibility initiatives of the Company.

**A. Corporate Social Responsibility:**

- i. Formulate and recommend to the Board a Corporate Social Responsibility Policy and suggest any changes thereto

- ii. Provide guidance for the development of annual CSR Action Plan
- iii. Recommend the CSR annual budget to the Board for approval
- iv. Monitor the implementation of the CSR Action Plan of the Company from time to time; and
- v. Identify and recommend to the Board the CSR projects that will qualify to be ongoing projects

**B. Sustainability:**

- i. Formulate and recommend to the Board a Sustainability Policy and suggest any changes thereto
- ii. Provide guidance for the development of the long-term Sustainability Plan; and
- iii. Monitor the implementation of the Sustainability Plan of the Company from time to time
- iv. Review of Business Responsibility and Sustainability Report of the Company.

**ii) Composition:**

As on March 31, 2024, the CSR Committee comprised 1 Independent Director and 2 Executive Directors.

**iii) Meetings:**

During the year ended March 31, 2024, 3 meetings of the CSR Committee were held on April 29, 2023, October 7, 2023 and March 15, 2024.

The Members at the Committee are as follows-

Name	Status	No. of meetings eligible to attend during the year	No. of Meetings Attended
Mr. M. M. Chitale <sup>#</sup>	Chairman	3	3
Mr. R. Shankar Raman	Member	3	3
Mr. S. V. Desai*	Member	3	3

<sup>#</sup> Ceased as Chairman & member of the Committee with effect from March 31, 2024

\* Appointed as member of the Committee with effect from April 8, 2023

Effective April 1, 2024, Mr. Ajay Tyagi, Independent Director, has been appointed as the Chairman of the Committee and Mr. Jyoti

Sagar, Independent Director, has been appointed as member of the Committee.

**iv) CSR Activities & Impact Assessment:**

The Company, through its CSR & Sustainability Committee, is committed to improve the social infrastructure / fabric of the Country. The Company's CSR programmes are well-entrenched, focusing on areas that align with the global and national matrices of development: water & sanitation, health, education and skill-building.

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

The Company has launched programs towards holistic development in the following areas based on need assessment:

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

All CSR projects have defined goals and milestones which are tracked as per the periodicity defined for the project. The progress is compared with the baseline data that is gathered before the commencement of the project. This is carried out through an onsite evaluation as well as the reports generated from the project. The indirect impact that accrued are also factored and

documented in the monthly reporting process. These are subsequently vetted / measured during the external Social Audit or Impact Assessment. The Social Audit/ Impact Assessment report is discussed during the CSR & Sustainability Committee meetings and it forms a part of Annexure C to this Board Report.

The detailed disclosures of CSR spending during the year has been given in Annexure 'C' forming part of this Board Report. Please refer to page 365 of this Integrated Annual Report.

**5) Board Risk Management Committee:**

**i) Terms of reference:**

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

- Review of the existing Risk Management Policy, framework and processes, Risk Management Structure and Risk Mitigation Systems. Broadly, the key risks will cover strategic risks of the group at the domestic and international level including sectoral developments, risk related to market, financial, geographical, political and reputational issues, Environment, Social and Governance (ESG) risks, etc.
- Evaluate risks related to cyber security.

The Committee periodically reviews the risk status to ensure that executive management mitigates the risks by means of a properly designed framework.

The Company also has an Apex Risk Management Committee, comprising of Executive Directors, which reviews the operational risks including client quality, manpower availability, logistic and other aspects which impact the Company and the Group.

**ii) Composition:**

As on March 31, 2024, the Board Risk Management Committee comprised of 2 Independent Directors and 1 Executive Director.

**iii) Meetings:**

During the year ended March 31, 2024, 2 meetings of the Board Risk Management Committee were held on April 19, 2023 and October 16, 2023.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings held during the year	No. of meetings attended
Mr. Adil Zainulbhai	Chairman	2	2
Mr. Sanjeev Aga	Member	2	2
Mr. Subramanian Sarma	Member	2	2

Members are also requested to refer to page 322 of the Board Report.

## G. OTHER INFORMATION

### a) Directors' Familiarization Program:

The Directors of the Company are updated on changes/developments in the domestic/global markets and industry scenario through presentations made at Board, Committee, IC meetings and interactions with senior company personnel. The Directors are also updated about changes in statutes/legislations and economic environment, and on matters significantly affecting the Company, to enable them to take well informed and timely decisions. The Board meetings are also held in locations where the Company has operations to apprise the Directors about its operations.

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

Presentations are made regularly to the Board, NRC, AC, BRMC, SRC and CSR & Sustainability Committee, where Directors get an opportunity to interact with senior managers. Minutes of AC, NRC, SRC, BRMC and CSR Committees are circulated to the Board. Presentations, *inter alia*, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of internal audit, risk management framework, operations of subsidiaries and associates, etc.

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

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

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

This information is also available on the website of the Company <https://investors.larsentoubro.com/listing-compliance-disclosuresunderstatutes.aspx>.

### b) Policy for determination of materiality of events or information

The Company has a policy for determination of materiality of events or information for disclosure to the stock exchanges. The policy has clearly defined guidelines and materiality thresholds for determination of materiality of certain events or transaction or information with respect to the Company, its Subsidiaries and Associate Companies. During FY 2023-24, the Policy was reviewed and revised to align the same with the amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also implemented a software application to assist employees to report potential material event / information to authorised Key Managerial Personnel. The Policy is available on the Company's website at <https://www.larsentoubro.com/corporate/about-It-group/corporate-policies/>.

### c) Vigil Mechanism / Whistle Blower Policy:

The Company has a Whistle Blower Policy in place since April 2004. The said policy was modified in line with the requirements of the Vigil Mechanism under the Companies Act, 2013 and subsequently in 2018 to include reporting of instances of leakage of unpublished price sensitive information as per SEBI (PIT) Amendment Regulations, 2018. The Company has a Whistle Blower Investigation Committee (WBIC) to manage complaints from "Identified" Whistle Blowers. In addition, WBIC considers "Anonymous" complaints which in their judgement are serious in nature and require investigation. The WBIC has five members viz. Chief Financial Officer, Company Secretary, Head-Corporate HR, Chief Internal Auditor and a senior Finance & Accounts person from business. The WBIC is responsible for end-to-end management of the investigations, from the time

of receipt of complaints to bringing them to a logical conclusion, keeping in mind the interest of the Company. Suitable actions are taken against employees, wherever investigation confirms the allegations.

Employees are encouraged to report any acts of unacceptable behaviour inconsistent with the Company's Code of Conduct, having an adverse effect on the Company's financials/image and instances of sharing of unpublished price sensitive information. An employee can report any such conduct in oral or written form. Whistle-blowers are assured by the Management of full protection from any kind of harassment, retaliation, victimization, or unfair treatment.

Complaints under the Whistle Blower Policy are received by the Corporate Audit Services of the Company from various sources. The Chief Internal Auditor reviews the same and after screening the complaint, decides on the further course of action which will include requesting the complainant to provide further details, internal investigation by the CAS department, investigation by external agencies, wherever necessary, opportunity to the defendant to present his/her case, etc. Based on the findings of the investigation, the Corporate Audit Services takes the approval of WBIC for the action recommended by them to be taken.

The WBIC is appraised on the complaints received, current status, actions contemplated and closure of the cases. The WBIC reviews the complaints and their progress. Queries by the WBIC members are immediately attended to by CAS and the implementation of the recommended actions are undertaken by the respective HR/Accounts Departments.

The policy provides for adequate safeguards against victimisation of Whistle Blowers and provides for direct access to the Chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy.

The Audit Committee is periodically briefed about the various cases received, the status of the investigation, findings and action taken, if any and a comprehensive update is provided semi-annually which is presented and discussed at the Audit Committee Meeting. During the year, no person has been denied access to the Audit Committee, wherever desired.

The Company has a zero-tolerance policy towards breach of Code of Conduct and to this extent, the Company has built a robust framework around

the Whistle Blower mechanism to actively address all complaints received.

The Company also has a separate Whistle Blower Policy for its vendors and channel partners. This policy provides all stakeholders an opportunity to report genuine concerns about unethical behaviour, improper practices, misconduct, any violation of legal or regulatory requirements, actual or suspected fraud without fear of punishment or unfair treatment. The details of the same are available on the Company's website <https://larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

Also refer to page 326 of the Board Report.

#### **d) Statutory Auditors:**

In the case of appointment of new auditors, an internal team is formed to carry out the selection process. The internal team works under the guidance of the Chairman of the Audit Committee. The criteria for shortlisting / selection are identified and firms are evaluated based on those criteria. The internal team considers factors such as experience, expertise, size, availability of time of a senior partner and reach etc. during the process of evaluation. Based on merit and the factors mentioned above, the Internal team shortlists the firm to be appointed and recommends the same to the Audit Committee. The Audit Committee reviews the same before recommending to the Board and shareholders for approval.

The Auditing Partners are rotated periodically to ensure objectivity in the audit processes. The Company also appoints joint auditors prior to end of the term of the existing auditors to ensure smooth transition and enable the new auditors to understand the systems and processes of the Company.

Deloitte Haskins & Sells LLP ("DHS LLP" or "Firm") is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). DHS LLP has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. The registered office of the Firm is One International Center, Tower 3, 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India.

M/s. MSKA & Associates ("MSKA") were appointed as the Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of 79th Annual General Meeting till



the conclusion of 84th Annual General Meeting of the Company, subject to approval of the shareholders. DHS LLP would be completing their tenure as Statutory Auditors of the Company on conclusion of the 80th Annual General Meeting of the Company to be held in the calendar year 2025. In order to provide the new auditors adequate time to get familiar with the Company's operations & processes and to ensure a smooth transition, both, DHS LLP and MSKA would jointly conduct the audit from the conclusion of 79th Annual General Meeting of the Company till the conclusion of the 80th Annual General Meeting.

MSKA & Associates is an Indian Partnership Firm registered with the Institute of Chartered Accountants of India (ICAI) and the US Public Company Accountancy Oversight Board (PCAOB) having offices across 12 cities in India at Mumbai, Gurugram, Chandigarh, Kolkata, Ahmedabad, Chennai, Goa, Pune, Bengaluru, Kochi, Hyderabad and Coimbatore. The head office of the firm is at 602, Floor 6, Raheja Titanium, Western Express Highway, Geetanjali Railway Colony, Ram Nagar, Goregaon (E), Mumbai 400063, India.

For FY 2023-24, the total fees paid by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, Statutory Auditor and all entities in the network firm/network entity of which the statutory auditors are a part thereof for all the services provided by them is ₹ 12 crore.

Also refer to page 326 of the Board Report.

**e) Code of Conduct:**

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the Company <https://www.larsentoubro.com/>. The declaration of the CMD is given below:

**To the Shareholders of Larsen & Toubro Limited**

Sub: Compliance with Code of Conduct

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

**S. N. Subrahmanyam**

Chairman & Managing Director

Date: May 8, 2024

Place: Mumbai

**f) General Body Meetings:**

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

Financial Year	Date	Venue	Time
2022-2023	August 9, 2023	Birla Matushri Sabhagar, 19, Marine Lines, Mumbai – 400 020 and through Video Conferencing / Other Audio-Visual Means	3.00 p.m.
2021-2022	August 4, 2022	Meeting was held through Video Conferencing / Other Audio-Visual Means	3:30 p.m.
2020-2021	August 5, 2021	Meeting was held through Video Conferencing / Other Audio-Visual Means	3:30 p.m.

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

**Annual General Meeting held on August 9, 2023:**

None.

**Annual General Meeting held on August 4, 2022:**

- To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 4,500 crore.

**Annual General Meeting held on August 5, 2021:**

- To re-appoint Mr. Sanjeev Aga as an Independent Director of the Company for a five-year term upto May 24, 2026.
- To re-appoint Mr. Narayanan Kumar as an Independent Director of the Company for a five-year term upto May 26, 2026.
- To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 4,500 crore.

Note: There were no invalid votes cast in any of the previous 3 Annual General Meetings.

**g) Resolution(s) passed through Postal Ballot:**

There were 3 Postal Ballots conducted by the Company during FY 2023-24. All the resolutions

were passed with requisite majority of votes. Details of the Resolutions passed through postal ballot during FY 2023-24 are given below.

Description of the resolution	Postal Ballot Notice date	Date of publication of voting results	Voting Pattern	
			Votes in favour	Votes against
Appointment of Mr. Jyoti Sagar (DIN:00060455) as an Independent Director of the Company w.e.f. May 10, 2023			97.76%	2.24%
Appointment of Mr. Rajnish Kumar (DIN:05328267) as an Independent Director of the Company w.e.f. May 10, 2023	May 10, 2023	June 22, 2023	97.06%	2.94%
Approval of Related Party Transaction(s) with Larsen Toubro Arabia LLC			99.99%	0.01%
Approval of Buyback of Equity Shares	July 25, 2023	August 25, 2023	99.91%	0.09%
Appointment of Mr. Ajay Tyagi (DIN:00187429) as an Independent Director of the Company w.e.f. October 31, 2023			97.42%	2.58%
Appointment of Mr. P. R. Ramesh (DIN:01915274) as an Independent Director of the Company w.e.f. October 31, 2023	December 14, 2023	January 18, 2024	96.29%	3.71%
Approval of material Related Party Transaction(s) with Larsen Toubro Arabia LLC			96.63%	3.37%
Approval of material Related Party Transaction(s) with L&T Metro Rail (Hyderabad) Limited			96.64%	3.36%

Mr. S. N. Ananthasubramanian, Practising Company Secretary, (M. No: FCS 4206, COP No. 1774) and failing him, Ms. Aparna Gadgil, Practising Company Secretary (M. No: ACS 14713,

COP No. 8430), was appointed as Scrutinizer for conducting the Postal Ballots in a fair and transparent manner. There were no invalid votes cast in any of the Postal Ballots conducted during FY 2023-24.

#### h) Disclosures:

1. During the year, there were no transactions of material nature with the Directors or the Management or relatives or the subsidiaries that had potential conflict with the interests of the Company.
2. Details of all related party transactions form a part of the accounts as required under IND AS 24 and the same are given in Note No. 47 forming part of the financial statements.
3. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.
4. The Company makes presentations to Institutional Investors and Equity Analysts on the Company's performance on a quarterly basis. These presentations are provided to the Stock Exchanges and also available on our website <https://investors.larsentoubro.com/Analyst-Presentation-Archives.aspx>.
5. There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges on any matter related to the capital markets, during the last three years except as mentioned below:

National Stock Exchange of India Limited and BSE Limited vide their notices dated April 15, 2024, levied a fine of ₹ 10,000 each for delayed submission of intimation of Board meeting held on March 26, 2024 where the proposal of fund raising was approved. The Company has paid the said fine. The Company has also made waiver application to the Stock Exchanges towards the same.

6. The policies for determining material subsidiaries and related party transactions are available on the Company's website <https://www.larsentoubro.com/corporate/about-It-group/corporate-policies/>.
7. Details of risk management including foreign exchange risk, commodity price risk and hedging activities form a part of the

Management Discussion & Analysis. Please refer to pages 18 to 127 of this integrated Annual Report.

8. As required under the provisions of SEBI LODR Regulations, a certificate confirming that none of the Directors on the Board have been debarred or disqualified by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority, obtained from M/s S. N. Ananthasubramanian & Co., Company Secretaries, is a part of the Corporate Governance report.
9. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 form a part of the Board Report. Please refer to pages 324 to 325 of this integrated Annual Report.
10. The Company has not provided any loans or advances in the nature of loans to firms/ companies in which directors are interested.
11. There are no agreements which impact the management or control of the Company or impose any restriction or create any liability upon the Company as specified under Regulation 30A read with clause 5A to para A of part A of schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**i) Means of communication:**

Financial Results and other Communications	Quarterly & Annual Results are published in prominent daily newspapers viz. The Financial Express, Hindu Business Line & Loksatta. The results are also posted on the Company's website: <a href="http://www.larsentoubro.com">www.larsentoubro.com</a> . Advertisements relating to IEPF, E-Voting, AGM related compliances, etc. are published in The Financial Express & Loksatta.
News Releases	Official news releases that carry material information as per the Company's policy for determination of materiality of events or information, are sent to stock exchanges as well as displayed on the Company's website: <a href="http://www.larsentoubro.com">www.larsentoubro.com</a> .

Website	The Company's corporate website <a href="http://www.larsentoubro.com">www.larsentoubro.com</a> provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the stock exchanges. The entire Annual Report including Accounts of the Company and subsidiaries are available in downloadable formats.
Filing with Stock Exchanges	Information to Stock Exchanges is now being also filed online on NEAPS for NSE, BSE Online for BSE and RNS for London Stock Exchange.
Annual Report and Annual General Meeting	Annual Report is circulated to all the members and all others like auditors, equity analysts, etc. To enable a larger participation of shareholders for the Annual General Meeting, the Company has provided Webcast facility at its last three Annual General Meetings in co-ordination with NSDL. This year, the Company will be conducting the Annual General Meeting through Audio Visual Means, as permitted by Ministry of Corporate Affairs. The Annual Report is e-mailed to all members who have registered their email IDs with the Company and to those shareholders who request for the same. The Annual Report would also be made available on the website of the Company. The Chairman suitably responds to the queries raised by the shareholders during the AGM.
SEBI Complaints Redress System (SCORES)/Online Dispute Resolution (ODR) Portal:	Investor complaints are processed at SEBI in a centralized web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status. The Company submits ATR on timely basis with respect to the complaints received from SCORES.  In case any investor is still not satisfied with the outcome of the resolution, they can initiate dispute resolution through the ODR Portal.  The ODR Portal has the necessary features and facilities to, <i>inter alia</i> , enrol the investor to file the complaint/ dispute. Your Company has done necessary enrolment on the ODR Portal.

Management Discussion & Analysis	This forms a part of the Annual Report which is mailed to the shareholders of the Company.
Presentations made to Institutional Investors and Analysts	The schedule of analyst / institutional investor meets and presentations made to them on a quarterly basis are informed to the Stock Exchanges and also displayed on the Company's website. The audio recordings and transcripts of these meetings are also uploaded on the Company's website and weblink for the same is intimated to the Exchanges.

## J. Investor FAQs

FAQs regarding rights and benefits entitled to Shareholders are available on the Company's website at <https://investors.larsentoubro.com/Investor-FAQ.aspx>

## H. Unclaimed Shares

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

In accordance with the provisions of the section 124(6) of the Companies Act, 2013 and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has transferred to IEPF equity shares on which dividend has remained unclaimed for a period of seven consecutive years upto the FY 2015-16. The details are given in the Board Report. Please refer to page 324 of this integrated Annual Report.

All corporate benefits on such shares viz. dividends, bonus shares, etc. shall be transferred in accordance with the provisions of IEPF Rules read with Section 124(6) of the Companies Act, 2013. The eligible shareholders are requested to note the same and make an application to IEPF Authority in accordance with the procedure available on [www.iepf.gov.in](http://www.iepf.gov.in) and submit such documents as prescribed under the IEPF Rules to claim these shares. Mr. Sivaram Nair A Company Secretary has been appointed as the Nodal officer of the Company.

## I. GENERAL SHAREHOLDERS' INFORMATION

### a) Annual General Meeting:

The Annual General Meeting of the Company has been convened on Thursday, July 4, 2024 at 3:00 p.m. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") pursuant to the MCA Circular dated September 25, 2023. Members can attend the AGM virtually at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

### b) Financial calendar:

1. Annual Results of FY 2023-24	May 8, 2024
2. Mailing of Annual Reports	Second week of June 2024
3. First Quarter Results	During the last week of July 2024*
4. Annual General Meeting	July 4, 2024
5. Payment of Dividend	July 9, 2024*
6. Second Quarter results	During last week of October 2024*
7. Third Quarter results	During last week of January 2025*

\* Tentative

### c) Record Date:

The Record date to determine the members entitled to the final dividend for FY 2023-24 is **Thursday, June 20, 2024.**

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

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

GDRs are listed on Luxembourg Stock Exchange and admitted for trading on London Stock Exchange.

### e) Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for FY 2024-25 to BSE and NSE in April 2024. The fees to London Stock Exchange has been paid in March 2024 and to Luxembourg Stock Exchange has been paid in May 2024.

### f) Custodial Fees to Depositories:

The Company has paid the custodial fees to National Securities Depository Limited. The fees to Central Depository Services (India) Limited (CDSL) shall be paid on the receipt of their invoice.



**g) Stock Code / Symbol:**

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

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

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

**h) Stock market data for the FY 2023-24:**

Month	L&T BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
2023						
April	2,368.75	2,155.55	2,364.75	61,209.46	58,793.08	61,112.44
May	2,416.00	2,168.65	2,206.45	63,036.12	61,002.17	62,622.24
June	2,482.95	2,202.20	2,474.50	64,768.58	62,359.14	64,718.56
July	2,687.90	2,419.95	2,679.90	67,619.17	64,836.16	66,527.67
August	2,767.00	2,586.75	2,706.00	66,658.12	64,723.63	64,831.41
September	3,057.00	2,688.55	3,021.95	67,927.23	64,818.37	65,828.41
October	3,114.00	2,856.85	2,928.80	66,592.16	63,092.98	63,874.93
November	3,122.00	2,872.00	3,111.65	67,069.89	63,550.46	66,988.44
December	3,559.75	3,125.05	3,527.05	72,484.34	67,149.07	72,240.26
2024						
January	3,738.90	3,387.40	3,480.15	73,427.59	70,001.60	71,752.11
February	3,511.95	3,264.00	3,481.60	73,413.93	70,809.84	72,500.30
March	3,812.00	3,481.00	3,774.10	74,245.17	71,674.42	73,651.35

Month	L&T NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close
2023						
April	2,369.00	2,155.00	2,364.40	18,089.15	17,312.75	18,065.00
May	2,416.35	2,168.50	2,205.65	18,662.45	18,042.40	18,534.40
June	2,483.50	2,202.15	2,475.55	19,201.70	18,464.55	19,189.05
July	2,690.00	2,420.00	2,681.35	19,991.85	19,234.40	19,753.80
August	2,766.80	2,586.30	2,702.70	19,795.60	19,223.65	19,253.80
September	3,058.35	2,688.30	3,023.55	20,222.45	19,255.70	19,638.30
October	3,114.95	2,856.15	2,929.05	19,849.75	18,837.85	19,079.60
November	3,124.55	2,871.05	3,109.20	20,158.70	18,973.70	20,133.15
December	3,559.95	3,121.05	3,526.00	21,801.45	20,183.70	21,731.40
2024						
January	3,737.90	3,387.05	3,479.75	22,124.15	21,137.20	21,725.70
February	3,513.00	3,263.05	3,477.55	22,297.50	21,530.20	21,982.80
March	3,813.35	3,481.00	3,763.90	22,526.60	21,710.20	22,326.90

**i) Registrar and Share Transfer Agents (RTA):**

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

**j) Share Transfer System:**

Pursuant to SEBI notification dated January 24, 2022, requests for effecting transfer of securities in physical form, shall not be processed by the Company.

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

As required under Regulation 40 of the SEBI LODR Regulations, a certificate on yearly basis confirming due compliance from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

**k) Distribution of Shareholding as on March 31, 2024:**

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
upto 500	14,69,775	93.97	8,92,29,541	6.49
501 – 1000	46,153	2.95	3,37,01,309	2.45
1001 – 2000	25,717	1.64	3,59,59,801	2.62
2001 – 3000	8,662	0.56	2,11,63,905	1.54
3001 – 4000	3,789	0.24	1,31,21,326	0.95
4001 – 5000	2,391	0.15	1,07,74,130	0.79
5001 - 10000	4,069	0.26	2,81,05,651	2.04
10001 and above	3,529	0.23	1,14,26,12,956	83.12
<b>TOTAL</b>	<b>15,64,085</b>	<b>100.00</b>	<b>1,37,46,68,619</b>	<b>100.00</b>

**l) Categories of Shareholders is as under:**

Category	31.03.2024		31.03.2023	
	No. of Shares	%	No. of Shares	%
Financial Institutions	18,41,59,970	13.40	19,71,96,424	14.03
Foreign Institutional Investors	33,02,78,309	24.02	33,97,97,270	24.18
Shares underlying GDRs	1,88,37,260	1.37	176,47,986	1.26
Mutual Funds	24,20,78,635	17.61	24,42,12,576	17.37
Bodies Corporate & Qualified Institutional Buyers	9,48,47,826	6.90	10,41,86,514	7.41
Directors & Relatives	10,80,537	0.08	17,84,805	0.13
L&T Employees Trust	19,48,87,516	14.18	19,25,58,158	13.70
Others	30,84,98,566	22.44	30,80,98,457	21.92
<b>TOTAL</b>	<b>1,37,46,68,619</b>	<b>100.00</b>	<b>140,54,82,190</b>	<b>100.00</b>

**m) Dematerialization of shares & Liquidity:**

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

The number of shares held in dematerialized and physical mode as on March 31, 2024 is as under:

	No. of shares	% of total capital issued
Held in dematerialized form in NSDL	128,37,72,465	93.39
Held in dematerialized form in CDSL	7,90,73,962	5.75
Physical	1,18,22,192	0.86
<b>Total</b>	<b>137,46,68,619</b>	<b>100.00</b>

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

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

**o) Listing of Debt Securities:**

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

**p) Listing of Commercial Paper:**

The Commercial Papers issued by the Company are listed on BSE Limited.

**q) Debenture Trustees (for privately placed debentures):**

IDBI Trusteeship Services Limited  
Universal Insurance Building,  
Ground Floor, Sir P. M. Road,  
Fort, Mumbai - 400001

**r) Credit Rating:**

The Company has obtained rating from CRISIL Ratings Limited, ICRA Limited and India Ratings and Research Private Limited during FY 2023-24. There has been no revision in credit ratings during FY 2023-24. The ratings given by these agencies are as follows:

Rating Agency	Type of Instrument	Rating
CRISIL Limited	Non-Convertible Debentures	'CRISIL AAA/Stable'
	Bank Loan Facilities	'CRISIL AAA/Stable'
	Commercial Paper	'CRISIL A1+'

Rating Agency	Type of Instrument	Rating
ICRA Limited	Non-Convertible Debentures Programme	'[ICRA] AAA (stable)'
	Commercial Paper	'[ICRA] A1+'
India Ratings and Research Private Limited	Non-Convertible Debentures	'IND AAA/ Stable'
	Commercial Paper	'IND A1+'

Further, S&P Global Ratings vide its letter dated May 8, 2024 has assigned 'BBB+ with Stable Outlook' long term issuer credit rating to the Company

**s) Plant Locations:**

The L&T Group's facilities for design, engineering, manufacture, modular fabrication and production are based at multiple locations within India including, Bengaluru, Chennai, Coimbatore, Faridabad, Hazira (Surat), Kattupalli (near Chennai), Kancheepuram, Mumbai, Pithampur, Puducherry, Rajpura, Kansbahal (Rourkela), Talegaon, Vadodara and Visakhapatnam. L&T's international manufacturing footprint covers Oman, Saudi Arabia and USA. The L&T Group also has an extensive network of offices in India and around the globe. See page 14 of this integrated Annual Report.

**t) Address for correspondence:**

Larsen & Toubro Limited,  
L&T House, Ballard Estate,  
Mumbai 400 001.  
Tel. No. (022) 6752 5656,  
Fax No. (022) 6752 5858

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

- KFin Technologies Limited  
Unit: Larsen & Toubro Limited  
Selenium Tower B,  
Plot 31 & 32, Gachibowli,  
Financial District,  
Nanakramguda,  
Hyderabad,  
Telangana - 500 032  
Tel : (040) 6716 2222  
Toll free number: 1-800-3094-001  
Fax: (040) 2342 0814  
Email: einward.ris@kfintech.com  
Website: www.kfintech.com

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

**u) Investor Grievances:**

The Company has designated an exclusive e-mail ID viz. [IGRC@LARSENTOUBRO.COM](mailto:IGRC@LARSENTOUBRO.COM) to enable investors to register their complaints, if any.

**v) Securities Dealing Code:**

The objective of the Securities Dealing Code ('Code') is to prevent purchase and / or sale of shares of the Company by an Insider based on Unpublished Price Sensitive Information. Under this Code, Designated Persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. Directors and designated employees who buy and sell shares of the Company are prohibited from executing contra-trades during the next six months following the prior transactions.

The Company has a policy for acting against Directors and employees who violate the SEBI PIT Regulations / Code. Pursuant to the enactment of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has suitably modified the provisions of the Code which are effective from April 1, 2019.

Mr. Sivaram Nair A., Company Secretary has been designated as the Compliance Officer.

The Company has appointed Mr. P. Ramakrishnan, Executive Vice President (Corporate Accounts, Taxation & Investor Relations), as Chief Investor Relations Officer. The Company also formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is available on Company's Website <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

**w) Stakeholder Engagement:**

The Company recognizes that its stakeholders form a vast and heterogeneous community. Our customers, shareholders, employees, suppliers, community, etc. have been guideposts of our decision-making process. The Company engages

with its identified stakeholders on an ongoing basis through business level engagements and structured stakeholder engagement programs. The Company maintains its focus on delivering value to all its stakeholders, especially the disadvantaged communities.

The communication channels with the Company's stakeholders include:

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

Each of the businesses have their internal mechanisms to address the grievances of its stakeholders. In addition, at the corporate level, there are committees which can be approached if the stakeholders are not satisfied with the functioning of such internal mechanisms. As part of the vigil mechanism, the Whistle Blower Policy provides access to the Chairperson of the Audit Committee. The Whistle Blower Policy for Vendors & Channel Partners is displayed on the website of the Company <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

For more information regarding the initiatives undertaken by the Company to engage with its stakeholders please refer to the Relationship Capital section of the Integrated Report and disclosures given under Principle 4 of the Business Responsibility and Sustainability Report.

**X) Supplier/Contractor management:**

The Company strives to foster responsible behaviour in the supply chain in accordance with the highest standards of ethics and integrity, respect for the law, human and labour rights, and environmental protection. Various initiatives

undertaken by the Company in this regard are given below:

- Mandatory signing of Code of Conduct as apart of vendor onboarding process, laying down minimum requirements for ESG compliance.
- Evaluation of key suppliers on ESG parameters.
- Conducting awareness programmes for vendors and suppliers.

For more information regarding supplier/contractor management please refer to Relationship Capital section of the Integrated Report.

**y) Awareness Sessions / Workshops on Governance practices:**

Employees across the Company as well as the group are being sensitized about the various policies and governance practices of the Company. The Company has designed in-house training workshops on Corporate Governance with the help of an external faculty covering basics of Corporate Governance as well as internal policies and compliances under Code of Conduct, Whistle Blower Policy, Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, 2015, etc.

The Company has established a scalable, multi-featured and externally integrated digital learning platform called ATLNext. It offers a gamut of online courses including competency courses, behavioural courses, and business-specific technical courses. ATLNext also provides for a course on Governance where employees can learn about Governance practices and give a self-assessment test after completion of the course.

The Company has created a batch of trainers across businesses who in turn conduct training / awareness sessions within their business regularly.

**z) Anti-bribery and Anti-corruption policy:**

The Company has adopted the Anti-Bribery and Anti-Corruption (ABAC) Policy which acts as a guiding framework for ensuring compliance with various legislations and standards of behaviour to which the Company and all its officials must adhere to. This Policy is applicable to all employees of the Company working at all levels and is widely disseminated across the Company.

The Policy is also available on the Company's website at <https://www.larsentoubro.com/corporate/about-It-group/corporate-policies/>.

**aa) ISO 9001:2015 Certification:**

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

**bb) Audit as per SEBI requirements:**

As stipulated by SEBI, M/s. S. N. Ananthasubramanian & Co., Company Secretaries, Secretarial Auditors of the Company carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit has provided a reconciliation of total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

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

**cc) Secretarial Audit**

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and Regulation 24A of SEBI LODR Regulations, M/s. S. N. Ananthasubramanian & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

Pursuant to Chapter IV-A of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, the Company has obtained an annual secretarial compliance report from M/s. S. N. Ananthasubramanian & Co., Company Secretaries and submitted the same to the Stock Exchanges within the prescribed timelines.

**dd) Statutory Compliance System:**

The Company has in places system to ensure compliance with applicable laws, rules and regulations. These comprise of Central and



State Acts / Rules where the Company carries on business. The list of applicable laws are reviewed by an External Consultant along with the Legal & Finance & Accounts functions of each Business.

Each Business head certifies compliance of all applicable laws on a quarterly basis. Based on these confirmations, the Company Secretary gives a compliance certificate to the Board of Directors. The Company verifies the compliances through a random review of the process / system / documentation with the Business / Corporate function.

To strengthen & make the compliance monitoring process more robust, the Company has implemented a web-based portal known as "iCompliance portal", which enables us to monitor the regulatory compliance performance, remediation plans for non-conformities. This portal also helps us maintain updated list of applicable laws and compliance checklist(s) which are monitored & tracked through the portal.

The Company also engages external consultants to prepare as well as review compliance checklists for the new geographies and update the existing checklist(s) of compliances. Compliance tasks are mapped in iCompliance portal to process owners who update the status with supporting evidence. Identified key stakeholders across functions ensure and confirm compliance with the provisions of all applicable laws on a regular basis.

#### **ee) Group Governance Policy:**

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

"Corporate Governance" in the Company and its subsidiaries broadly includes strategic supervision by the Board and its Committees, compliance of Code of Conduct, Statutory Compliance including compliance of Companies Act, 2013 / applicable SEBI Regulations, avoiding conflict of interest, Risk Management, Internal Controls and Audit.

The Company has three listed entities within the group. Each of these entities have their own Board and Board Committees in compliance with the Companies Act, 2013 and SEBI LODR Regulations. The oversight of their subsidiaries is as per

Companies Act, 2013 and SEBI LODR Regulations. The Board Report and its annexures of these listed companies contains various disclosures dealing with subsidiary companies.

All these listed entities have one Executive Director of the Company and L&T Technology Services Limited and LTIMindtree Limited have one Independent Director of the Company on its Board. Any financial assistance to the above companies or purchase/sale by the Company of their shares, is dealt with by the Company's Board.

These listed entities publish their Independent Auditor's certificate on Corporate Governance, Secretarial Audit Report of Practising Company Secretary and CEO/CFO's certificate for internal controls for financial reporting.

The Company has entered into brand/trademark licensing agreement with its equity listed subsidiaries and fees are charged based on turnover/profits/assets.

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

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

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

Major unlisted subsidiaries have some Executive Directors of the Company on their Board. The subsidiary companies' performance is reviewed by the Company's Board periodically (included in quarterly results presented to the Company's Board). F&A heads of some of the subsidiary

companies functionally report to select senior finance officers of the Company.

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

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

The Company's Code of Conduct (Code) is required to be adhered by all unlisted group companies covering employees, directors, suppliers, contractors, etc. In addition to this, the subsidiaries also have their own vigil mechanism, if they meet the thresholds given in the Companies Act, 2013. The Audit Committee/Board of these companies monitor this mechanism. The Vigil Mechanism Framework to report breach of code is a structured process, which encourages and facilitates all covered, to report without fear, wrongdoings or any unethical or improper practice which may adversely impact the image, credibility and/or the

financials of the Company, through an appropriate forum.

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

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

Appropriate disclosures related to subsidiaries are made in Financial Statements / Directors' Report of the Company as well as its subsidiaries as per Companies Act, 2013 / applicable SEBI Regulations and applicable Accounting Standards. All companies are subject to Statutory Audit and applicable Secretarial Audit.

# Independent Auditor's Certificate on Corporate Governance

## TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated September 12, 2023.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Larsen & Toubro Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations").

### MANAGEMENT'S RESPONSIBILITY

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

### AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the

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

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

### OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366WW100018)

**Rishabh Sanghvi**  
(Partner)  
(Membership No. 066926)  
UDIN: 24066926BKBMZV8178

Place: Mumbai  
Date: May 8, 2024

# Secretarial Auditor's Certificate in respect of the Implementation of Employee Stock Option Schemes of the Company

[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,  
**The Members,**  
**Larsen & Toubro Limited**  
CIN: L99999MH1946PLC004768  
L&T House, Ballard Estate,  
Mumbai – 400001

(Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the ICSI Auditing Standards, issued by the Institute of Companies Secretaries of India.

## BACKGROUND

1. This Certificate is issued in accordance with the terms of our engagement dated May 16, 2023.
2. We, Secretarial Auditor of Larsen & Toubro Limited ("the Company"), pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("the Regulations") are required to certify that, for the Financial Year ended March 31, 2024, the Employees Stock Option Schemes, Larsen & Toubro Limited Employee Stock Ownership Scheme – 2003 and Larsen & Toubro Limited Employee Stock Option Scheme – 2006 (collectively referred to as "the Schemes") have been implemented in accordance with the Regulations and in accordance with the Special Resolutions passed at the General Meetings held on August 26, 1999 & August 22, 2003 and August 25, 2006, respectively (the "Resolutions")

## MANAGEMENT RESPONSIBILITY

3. It is the responsibility of the Management of the Company to implement the Schemes including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

## AUDITOR'S RESPONSIBILITY

4. It is our responsibility to certify whether the Company has complied with the applicable provisions of the Regulations and the Resolutions, during the year ended March 31, 2024, in implementing the Schemes on the basis of information compiled or collated by the Management and the accounting and other relevant supporting records and documents provided to us for our examination.
5. We have conducted our examination and obtained the explanations in accordance with Referencer on SEBI

## VERIFICATION

6. We have verified the following:
  - (a) the Schemes;
  - (b) the Resolutions;
  - (c) Note on Accounting Treatment followed by the Company.

## CERTIFICATION

7. Based on our verification of the records and documents maintained by the Company as aforesaid and according to the information, explanations and written representations provided to us, we certify that the Company has complied with the applicable provisions of the Regulations and the Resolutions in implementing the Schemes during the year ended March 31, 2024.

## RESTRICTION ON USE

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

For **S. N. ANANTHASUBRAMANIAN & Co.**

*Company Secretaries*

*ICSI Unique Code: P1991MH040400*

*Peer Review Cert. No.: 5218/2023*

**S. N. Ananthasubramanian**

*Founding Partner*

*FCS: 4206 | COP No.: 1774*

*ICSI UDIN: F004206F000322381*

*Place: Thane*

*Date: May 8, 2024*



## Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
**The Members of  
Larsen & Toubro Limited**  
L&T House, Ballard Estate,  
Mumbai 400001

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of the Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interest as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of **Larsen & Toubro Limited** ('the Company') bearing CIN: L99999MH1946PLC004768 and having its registered office at L&T House, Ballard Estate, Mumbai 400001, to the Board of Directors of the Company ('the Board') for the **Financial Year 2023-24** and **Financial Year 2024-25** and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

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

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that during the **Financial Year ended March 31, 2024**, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
01	Mr. Anilkumar Manibhai Naik	00001514	23-11-1989	30-09-2023
02	Mr. Sekharipuram Narayanan Subrahmanyam	02255382	01-07-2011	–
03	Mr. Ramamurthi Shankar Raman	00019798	01-10-2011	–
04	Mr. Maddur Venkata Rao Satish	06393156	29-01-2016	07-04-2024
05	Mr. Subramanian Sarma	00554221	19-08-2015	–
06	Mr. Sudhindra Vasantryao Desai	07648203	11-07-2020	–
07	Mr. Tharayil Madhava Das	08586766	11-07-2020	–
08	Mr. Anil Vithal Parab	06913351	05-08-2022	–
09	Mr. Mukund Manohar Chitale	00101004	06-07-2004	31-03-2024
10	Mr. Meleveetil Damodaran	02106990	22-10-2012	31-03-2024
11	Mr. Vikram Singh Mehta	00041197	22-10-2012	31-03-2024
12	Mr. Adil Siraj Zainulbhai	06646490	30-05-2014	–
13	Mr. Sanjeev Aga	00022065	25-05-2016	–
14	Mr. Narayanan Kumar	00007848	27-05-2016	–

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Director Identification Number (DIN)</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>
15	Mr. Hemant Bhargava	01922717	28-05-2018	–
16	Mrs. Preetha Reddy	00001871	01-03-2021	–
17	Mr. Pramit Jhaveri	00186137	01-04-2022	–
18	Mr Rajnish Kumar	05328267	10-05-2023	–
19	Mr. Jyoti Sagar	00060455	10-05-2023	–
20	Mr Ajay Tyagi	00187429	31-10-2023	–
21	Mr. P.R. Ramesh	01915274	31-10-2023	–

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the **Financial Year ended March 31, 2024**.

For **S. N. ANANTHASUBRAMANIAN & Co.**

*Company Secretaries*

*ICSI Unique Code P1991MH040400*

*Peer Review Cert. No. 5218/2023*

**S. N. Ananthasubramanian**

*Founding Partner*

*FCS: 4206 | COP No. : 1774*

*ICSI UDIN: F004206F000270450*

*Date : April 29, 2024*

*Place : Thane*

**To the Board of Directors of Larsen & Toubro Limited**

Dear Sirs,

**Sub: CEO / CFO Certificate****[Issued in accordance with provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We have reviewed the consolidated financial statements, read with the consolidated cash flow statement of Larsen & Toubro Limited for the year ended March 31, 2024 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) that there were no significant changes in internal controls over financial reporting during the year;
  - (ii) that there were no significant changes in accounting policies made during the year; and
  - (iii) that there were no instances of significant fraud of which we have become aware.

Yours sincerely,

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**R. Shankar Raman**  
*Whole-time Director &  
Chief Financial Officer*  
DIN: 00019798

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**S. N. Subrahmanyam**  
*Chairman &  
Managing Director*  
DIN: 02255382

Date: May 8, 2024

# Annexure 'C' to the Board Report

## ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2024

### 1. Brief outline on CSR Policy of the Company

L&T strives to promote initiatives that enhance the quality of life for communities to achieve inclusive growth through empowerment and work towards social equity. L&T CSR has been working towards the social and economic development of communities at various locations across the country. The Company has a well-entrenched CSR program that contributes to inclusive growth and accelerating development through interventions in Water and Sanitation, Health, Education and Skill Development.

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

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

- **Water & Sanitation** – includes but not limited to watershed development - access to water, promoting rainwater harvesting, soil and moisture conservation, enhancing ground water levels by facilitating setting up of community-based institutions such as village development committees, Self-help groups, farmer groups and community management of water resources for improving conditions related to sanitation, health, education, and livelihoods of communities through an integrated approach.
- **Education** - includes but not limited to education infrastructure support to educational Institutions, educational programs & nurturing talent at various levels. Promoting learning enhancement amongst children, both in schools and in communities through interventions in pre-school education, innovative teaching methodology and training teachers in schools, providing interesting "teaching learning material", with special focus on Science, Technology Engineering and Maths (STEM) subjects.

This is achieved through support to Balwadis and Anganwadis, strengthening the in-school interventions and providing after school study classes in the community. A renewed focus on kindling curiosity and scientific temper amongst students through experiential learning is deployed through the STEM programme which also focuses on training teachers to deploy imaginative pedagogy in the classroom.

- **Health** - Activities including but not limited to community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programs, support to HIV / AIDS, Tuberculosis control programs continued with renewed focus in the post COVID scenario. A renewed impetus was provided to improve health awareness and promote health seeking behaviour in communities.
- **Skill Development** - includes but not limited to vocational training such as skill building, computer training, women empowerment, support to ITI's, support to specially-abled (infrastructure support & vocational training), Construction Skills Training Centres and providing employability skills to women and youth.

In line with the 'Skill India Mission', initiatives such as digitization of curriculum, deploying hands-on-teaching learning methodology and providing platform skills training to Master Trainers through the Skill Training Institute provided an impetus to the skilling ecosystem within the country.

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



## 2. Composition of CSR & Sustainability Committee.

The CSR & Sustainability Committee of the Board comprised of:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. M. M. Chitale*	Chairman (Independent Director)	3	3
2	Mr. R. Shankar Raman	Member (Whole-time Director)	3	3
3	Mr. S. V. Desai§	Member (Whole-time Director)	3	3

\* Ceased to be a member of the committee effective closure of March 31, 2024.

§ Appointed as a member of the committee with effect from 8th April, 2023.

Mr. Ajay Tyagi (Independent Director) has been appointed as the Chairman of the Committee and Mr. Jyoti Sagar (Independent Director) has been appointed as member of the Committee with effect from April 1, 2024.

Mr. Sivaram Nair A., Company Secretary & Compliance Officer of the Company, acts as the Secretary of the Committee.

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Annual Action Plan for FY 2023-24 approved by the Board are disclosed on the website of the Company.

The Composition of CSR Committee, CSR Policy Framework and CSR Annual Action Plan for FY 2023-24 approved by the Board are available in the Corporate Governance section on the website of the Company. Please see the following links:

- Composition of CSR Committee - <https://investors.larsentoubro.com/governance-architecture.aspx>
- CSR Policy - <https://www.larsentoubro.com/corporate/about-It-group/corporate-policies/>
- CSR Annual Action Plan for FY 2023-24 - <https://investors.larsentoubro.com/listing-compliance-disclosuresunderstatutes.aspx>

## 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

25 CSR projects which were implemented in FY 2021-22, qualified for the 3rd party social impact assessment. Out of these, 15 projects were assessed by **4th Wheel Social Impact** and 10 projects were assessed by **Thinkthrough Consulting** during FY 2023-24.

The Impact Assessment reports are made available on the website of the Company at <https://investors.larsentoubro.com/listing-compliance-agm.aspx>. An executive summary of the same is provided below:

### Key findings from Thinkthrough Consulting:

Thinkthrough Consulting utilized the Organization for Economic Co-operation and Development (OECD) Development Assistance Committee's (DAC) framework to evaluate the relevance, effectiveness, impact, and sustainability of the CSR programs. The study was done by using mixed methodology wherein both quantitative and qualitative data was collected.

In terms of **relevance**, the analysis of both qualitative and quantitative data indicates that health programs and integrated community development initiatives are in alignment with Section 135 and Schedule VII of Companies Act 2013 and several Sustainable Development Goals (SDGs) namely SDG 1: No poverty, SDG 3: Ensure healthy lives and promote well-being for all at all ages, SDG 4: Quality education, SDG 6: Clean water and sanitation, and SDG 10: Reduced inequalities. Furthermore, these programs resonate with state and national priorities and schemes, while also addressing the specific needs of the communities where they have been implemented.

The projects have been found to be **effective**. Findings from the report reveal the meticulous planning, overall target achievement within the planned timeline and capacity building of relevant stakeholders ensuring **efficiency** of the programs and its implementation.

The projects have created **impact** on the lives of the project participants/beneficiaries. The projects have led to an enhanced quality of life by fostering improved livelihood opportunities, increased income and savings, and better access to essential services such as healthcare, education, and knowledge for sustainable living.

Regarding **sustainability**, the programs have been structured to actively involve local communities, empowering them to champion positive practices for the future.

Overall, it can be concluded that together all these elements formed the backbone of successful programs, driving positive change and societal development.

## Key findings from 4th Wheel Social Impact

4th Wheel Social Impact assessed the impact and sustainability of the projects implemented in the FY 2021-22, using the criteria outlined by OECD/DAC (Relevance, Coherence, Efficiency, Effectiveness, Impact and Sustainability) to delve into the measurable, concrete outcomes and the less tangible, qualitative effects on the beneficiaries and the broader community. A mixed-methods approach was employed to ensure a holistic understanding of the projects.

### Relevance and Coherence

Relevance and coherence were evident in all CSR projects, which effectively addressed the needs of marginalized communities such as rural youth, tribal groups, and disadvantaged women. These initiatives are aligned with Schedule VII of the Companies Act 2013, particularly Sections 1 and 2, and contributed to Sustainable Development Goals 1 (No Poverty), 4 (Quality Education), 5 (Gender Equality), 9 (Industry, Innovation, and Infrastructure) and 10 (Reduced Inequalities), highlighting their alignment with broader societal objectives.

### Effectiveness and Efficiency

Construction Skills Training Institute (CSTI) achieved a 71% placement rate for 6,400 participants. Skill Training Academy (STA) benefited 436 trainees with an NPS (Net Promoter Score - which Indicates the likelihood of stakeholders recommending the programme to others) of 87, indicating high satisfaction. Construction of Residential School and Skill Institute project provided well-equipped facilities and focused skill training for school dropout tribal children. E-content Development project ensured standardized, reliable, and consistent delivery of technical information to bridge the gap between conventional training methods and technical learning.

Under the STEM Education project, all schools received smart class tools, with 88% of teachers trained in science, math, and STEM model-making displaying a high acceptance and inclination towards utilizing digital tools in classrooms. L&T's School Support Program improved the school infrastructure, facilitated digital learning access, and ensured teacher salaries, reflecting efficient resource allocation. Equipped with computer labs and digital tools, teachers underwent comprehensive training, and digital classes were integrated into the curriculum for all subjects, indicating effective use of technology in education. Education initiatives in Mumbai and Chennai improved health and hygiene by constructing toilets and enhanced student proficiency through remedial classes.

Health projects in Mumbai provided comprehensive support to mentally challenged women and children with cancer, including medical, psychological, educational and vocational assistance. For vocational skill centers, 271 women candidates were trained in West Bengal, Gujarat, Odisha, Karnataka, and Tamil Nadu.

### Impact and Sustainability

Skill Development initiatives like CSTIs and STA significantly enhanced technical skills and soft skills among trainees, ensuring their readiness for the workforce. E-content provision across CSTIs effectively addressed language barriers, leading to improved learning outcomes for trainees. 74% of alumni acknowledged its benefits. Infrastructure support in tribal communities such as Bodeli and Kansbahal boosted school attendance and laid a robust foundation for providing enhanced learning opportunities.

Digital and STEM support to schools bolstered student proficiency in mathematics and science while nurturing 21st-century skills and STEM aspirations. Prayas Trust's Community Development Activities resulted in establishing solid educational foundations in low-resourced government schools, enhanced health and well-being among disadvantaged communities, and self-employment among women through vocational training.

	₹ Crore
5. (a) Average net profit of the company as per sub-section (5) of section 135.	7,548.78
(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	150.98
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	-
(d) Amount required to be set-off for the financial year, if any.	8.81
(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	142.17

	₹ Crore
6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	146.97
b) Amount spent in Administrative Overheads	7.37
c) Amount spent on Impact Assessment, if applicable	0.49
d) Total amount spent for the Financial Year [(a)+(b)+(c)].	154.83

**e) CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (in ₹ crore)	Amount Unspent (in ₹ crore)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
154.83	NIL			NIL	

**f) Excess amount for set-off, if any:**

Sl. No	Particulars	Amount (in ₹ crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	150.98
(ii)	Total amount spent for the Financial Year @	163.64
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	12.66
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	12.66

@ this includes ₹ 8.81 crore excess CSR amount spent during FY 2022-23 and adjusted against the required CSR spend for FY 2023-24.

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Sub-section (6) of Section 135 (in ₹ crore)	Balance Amount in Unspent CSR Account under Sub-section (6) of Section 135 (in ₹ crore)	Amt. Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ crore)	Deficiency, if any
					Amount (in ₹ crore)	Date of Transfer		
1	FY-1							
2	FY-2							
3	FY-3							

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

YES       NO

If Yes, enter the number of capital assets created/ acquired: 1387

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

Details of capital assets created or acquired through Corporate Social Responsibility amount is available on the Company's website <https://investors.larsentoubro.com/listing-compliance-agm.aspx>.

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.**

NOT APPLICABLE

**S. N. Subrahmanyam**

Chairman & Managing Director  
DIN: 02255382

**Ajay Tyagi**

Chairman - CSR Committee  
DIN: 00187429

Date : May 8, 2024

Place : Mumbai



## Annexure 'D' to the Board Report

**A. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY 2023-24, the percentage increase in remuneration of each Director & Company Secretary during FY 2023-24 and comparison of the remuneration of each of the Director/Key Managerial Personnel (KMP) against the performance of the Company:**

₹ crore

Name of the Director/KMP	Designation	Total Remuneration	Ratio of remuneration of director to the median remuneration ***	Percentage increase in Remuneration
Mr A.M. Naik <sup>%</sup>	Non-executive Chairman	1.69	35.44	~
Mr. S. N. Subrahmanyam <sup>%%</sup>	Chairman & Managing Director	51.05	534.57	43.11%
Mr. R. Shankar Raman	President, Whole-time Director & CFO	31.66	331.52	42.84%
Mr. D. K. Sen <sup>#</sup>	Whole-time Director & Senior Executive Vice President (Development Projects)	22.92	~	~
Mr. M. V. Satish <sup>§</sup>	Whole-time Director & Senior Executive Vice President (Buildings)	13.80	144.47	11.79%
Mr. Subramanian Sarma	Whole-time Director & President (Energy)	37.04	387.83	46.50%
Mr. S. V. Desai	Whole-Time Director & Senior Executive Vice President (Civil Infrastructure)	19.22	201.24	43.82%
Mr. T. Madhava Das	Whole-Time Director & Senior Executive Vice President (Utilities)	18.73	196.13	63.22%
Mr. Anil V Parab	Whole-Time Director & Senior Executive Vice President (Heavy Engineering and Valves)	12.52	131.11	132.15% <sup>+</sup>
Mr. M. M. Chitale <sup>@</sup>	Independent Director	0.72	7.49	4.00%
Mr. M. Damodaran <sup>@</sup>	Independent Director	0.65	6.75	6.09%
Mr. Vikram Singh Mehta <sup>@</sup>	Independent Director	0.56	5.87	5.25%
Mr. Adil Zainulbhai	Independent Director	0.58	6.10	2.84%
Mr. Sanjeev Aga	Independent Director	0.52	5.48	5.21%
Mr. Narayanan Kumar	Independent Director	0.53	5.53	-5.30%
Mr. Hemant Bhargava <sup>^</sup>	Nominee of Life Insurance Corporation of India	0.29	2.99	-6.37%
Mrs. Preetha Reddy	Independent Director	0.22	2.27	-20.51%
Mr. Pramit Jhaveri	Independent Director	0.37	3.86	1.57%
Mr. Jyoti Sagar <sup>*</sup>	Independent Director	0.22	2.54	~
Mr. Rajnish Kumar <sup>*</sup>	Independent Director	0.22	2.54	~
Mr. Ajay Tyagi <sup>**</sup>	Independent Director	0.13	3.25	~

₹ crore

Name of the Director/KMP	Designation	Total Remuneration	Ratio of remuneration of director to the median remuneration ***	Percentage increase in Remuneration
Mr. P. R. Ramesh**	Independent Director	0.13	3.25	~
Mr. Sivaram Nair A	Company Secretary & Compliance Officer	1.72	17.98	7.91%

% Remuneration of Mr. A. M. Naik excludes ₹ 1.5 crore paid to him during the financial year towards pension. Mr. Naik ceased to be the Non-executive Chairman with effect from September 30, 2023

%% Appointed as Chairman and re-designated as Chairman & Managing Director with effect from October 1, 2023.

\$ Ceased to be a Whole-time Director with effect from April 7, 2024 on account of superannuation.

# Ceased to be Whole-time Director with effect from April 7, 2023 on account of superannuation.

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

@ Ceased to be Independent Directors with effect from March 31, 2024 on account of completion of tenure

+ Impact of full year remuneration of new director/KMP appointed during FY 2022-23

\* Appointed as Independent Directors with effect from May 10, 2023

\*\* Appointed as Independent Directors with effect from October 31, 2023

\*\*\* Ratio of remuneration of director to the median remuneration is calculated on pro-rata basis for those directors who served for only part of FY 2023-24

~ Details not given as the Director was there for part of the year.

#### B. Percentage increase in the median remuneration of all employees in FY 2023-24:

The median remuneration of employees of the Company during the financial year was ₹ 9.55 lakh. In the financial year, there was an increase of 1.32% in the median remuneration of employees.

#### C. Number of permanent employees on the rolls of the Company as on March 31, 2024:

There were 59,018 permanent employees on the rolls of the Company as on March 31, 2024.

#### D. Average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in

#### the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration

Average percentage increase made in the salaries of employees other than the managerial personnel for the FY 2023-24 was 1.74% whereas there is an increase in the managerial remuneration by 20.38%. Increase in managerial remuneration is mainly on account of higher profits and increase in commission rates.

#### E. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

# Annexure 'E' to the Board Report

## Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members,**  
**Larsen & Toubro Limited**  
CIN: L99999MH1946PLC004768  
L&T House, Ballard Estate,  
Mumbai – 400001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Larsen & Toubro Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable as there was no reportable event during the financial year under review;**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review;**
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ;
- h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ;
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- vi. The Company has informed that there are no laws which are specifically applicable to the Company.

We have also examined compliance with the applicable provisions of the following:

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and a Woman Director. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors of the schedule of the Board and Committee Meetings and Agenda & detailed notes on agenda were sent at least seven days in advance and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting;
- All decisions of Board and Committee meetings were carried unanimously.

**We further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the following events have occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

The Company has:

- redeemed Non-Convertible Debentures of ₹ 1,250 crore on April 20, 2023, ₹ 3,450 crore on April 24, 2023 and ₹ 100 crore on May 24, 2023, respectively on their due dates;

- raised ₹ 450 crore by way of receipt of call money pursuant to Third Balance Payment (Final) notice of ₹ 2,50,000 each towards 18,000 partly paid Non-Convertible Debentures on April 24, 2023;
- raised ₹ 7,000 crore by issue and allotment of 7,00,000 Non-Convertible Debentures of ₹ 1 Lac each aggregating to a) ₹ 3,500 Crore on June 8, 2023, b) ₹ 1,500 Crore on November 2, 2023 and c) ₹ 2,000 Crore on November 9, 2023;
- completed Buy-back of 3,12,50,000 fully paid up equity shares of the Company of face value of ₹ 2/- (Rupees Two only) each at a price of ₹ 3,200/- (Rupees Three Thousand Two Hundred Only) per equity share aggregating ₹ 10,000 crore on a proportionate basis from the Equity Shareholders of the Company, through the tender offer process on September 30, 2023;
- The Board at its meeting held on January 30, 2024 has approved Merger of L&T Energy Hydrocarbon Engineering Limited and L&T Offshore Private Limited, wholly owned subsidiaries, with the Company. The Company has made application(s) with necessary statutory and regulatory Authorities for the approval of Merger Scheme including to National Company Law Tribunal (NCLT).

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

**For S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 5218/2023

**S. N. Ananthasubramanian**

Founding Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206F00322293

Date : May 8, 2024

Place : Thane



**Annexure – A**

To,

**The Members,  
Larsen & Toubro Limited**

CIN: L99999MH1946PLC004768

L& T House, Ballard Estate,  
Mumbai – 400001.

Our Secretarial Audit Report for the Financial Year ended March 31, 2024, of even date is to be read along with this letter.

**Management’s Responsibility**

- 1 It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor’s Responsibility**

- 2 Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- 3 We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
- 4 We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.

- 5 Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
- 6 Wherever required, we have obtained the Management’s representation about the compliance of laws, rules and regulations and happening of events, etc.

**Disclaimer**

- 7 The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- 8 We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 5218/2023

**S. N. Ananthasubramanian**

Founding Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206F000322293

Date : May 8, 2024

Place : Thane

## Annexure 'F' to the Board Report

### NOMINATION & REMUNERATION POLICY

#### (As per Companies Act, 2013)

The Board of Directors of Larsen & Toubro Limited ("the Company") had constituted the "Nomination & Remuneration Committee" which is in compliance with the requirements of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

#### 1. OBJECTIVE:

The Nomination & Remuneration Committee and this Policy shall be in compliance with Section 178 of the Act read along with the applicable rules thereto and Regulation 19 of LODR. The Key Objectives of the Committee would be:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out by the Board or the Nomination & Remuneration Committee or by an Independent External Agency and review its implementation and compliance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Devising a policy on Board diversity;

#### 2. DEFINITIONS:

**2.1. Act** means the Companies Act, 2013 or Companies Act, 1956 as may be applicable and Rules framed thereunder, as amended from time to time.

**2.2. Board** means Board of Directors of the Company.

**2.3. Directors** mean Directors of the Company.

**2.4. Executive Directors** means the Executive Chairman if any, Chief Executive Officer and Managing Director, Deputy Managing Director, if any and Whole-time Directors.

#### 2.5. Key Managerial Personnel means

- Chief Executive Officer or the Managing Director or the Manager;
- Whole-time Directors;
- Chief Financial Officer;
- Company Secretary;
- Senior Management Personnel designated as such by the Board; and
- Such other officer as may be prescribed.

**2.6. Senior Management Personnel** means all members of management one level below the Executive Directors including the Chief Financial Officer and Company Secretary. Presently, persons in Sr. Vice President grade and F&A heads of Independent Companies reporting to Whole-time Directors will be covered as Senior Management Personnel.

#### 3. ROLE OF COMMITTEE:

##### 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

##### 3.2. Policy for appointment and removal of Director, KMP and Senior Management

###### 3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience

of the person for appointment as Director and recommend to the Board his / her appointment.

Appointment and Remuneration of KMP or Senior Management Personnel is in accordance with the HR Policy of the Company. The Company's policy is committed to acquire, develop and retain a pool of high calibre talent, establish systems and practises for maintaining transparency, fairness and equity and provides for payment of competitive pay packages matching industry standards.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Director who has attained the retirement age fixed by the Board or as approved by the Shareholders pursuant to the requirement of the Act / LODR.

### 3.2.2. Term / Tenure

#### a) Executive Directors:

The Company shall appoint or re-appoint any person as its Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### b) Independent Directors:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The rationale for such re-appointment shall also be provided in the Notice to Shareholders proposing such re-appointment.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the

Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### c) Maximum Number of Directorships:

- A person shall not be appointed as a Director in case he is a Director in more than eight listed companies after April 1, 2019 and seven listed companies after April 1, 2020. For the purpose of this clause listed companies would mean only those companies whose equity shares are listed.

### 3.2.3. Evaluation

The Committee shall by itself or through the Board or an independent external agency carry out evaluation of performance of the Board / Committee(s), Individual Directors and Chairman at regular interval (yearly) and review implementation and compliance.

The Company may disclose in the Annual Report:

- a. Observation of the Board Evaluation for the year under review
- b. Previous years observations and actions taken
- c. Proposed actions based on current year's observations

### 3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### 3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act or the prevailing policy of the Company, as applicable. The Board / Committee will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or

otherwise even after attaining the retirement age, for the benefit of the Company.

### 3.3. Policy relating to the Remuneration of Executive Director, KMP and Senior Management Personnel

#### 3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Executive Directors shall be in accordance with the percentage / limits / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Executive Directors.
- d) Where any insurance is taken by the Company on behalf of its Executive Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- e) Remuneration of other KMP or Senior Management Personnel, in any form, shall be as per the policy of the Company based on the grade structure in the Company.

#### 3.3.2. Remuneration to Executive Directors/KMP and Senior Management Personnel:

##### a) Fixed pay:

The Executive Directors / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee or policy of the Company. In case of remuneration to Directors, the breakup of the pay scale and quantum of perquisites including, employer's

contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board / the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

##### b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

##### c) Provisions for excess remuneration:

If any Chairman/Managing Director/Whole-time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

##### d) Stock Options in Subsidiary Companies:

Executive Directors may be granted stock options in subsidiary companies as per their Schemes and after taking necessary approvals. Perquisites may be added to the remuneration of concerned Directors and considered in the limits applicable to the Company.

#### 3.3.3. Remuneration to Non- Executive / Independent Director:

##### a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Act.

##### b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.



**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act. The Board of Directors will fix the Commission payable to Directors on the basis of number of Board/Committee meetings attended during the year and Chairmanships of Committees.

**d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company. Non-Executive Directors are eligible for Stock options in accordance with Schemes formulated by the Company. Nominee Directors are not entitled to stock options as per their respective nomination letters received by the Company.

**4. MEMBERSHIP**

- 4.1** The Committee shall consist of a minimum three (3) non-executive Directors, half of them being independent.
- 4.2** Minimum two (2) members or one-third of the members whichever is greater including at least one Independent Director shall constitute a quorum for the Committee meeting.
- 4.3** Membership of the Committee shall be disclosed in the Annual Report.
- 4.4** Term of the Committee shall be continued unless terminated by the Board of Directors.

**5. CHAIRPERSON**

- 5.1** Chairperson of the Committee shall be an Independent Director.
- 5.2** Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3** In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4** Chairperson of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at least once in a year and at such regular intervals as may be required.

**7. COMMITTEE MEMBERS' INTERESTS**

- 7.1** A member of the Committee is not entitled to be present/participate in discussion when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2** The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**8. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

**9. VOTING**

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

**10. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- 10.1** Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.2** Determining the appropriate size, diversity and composition of the Board;
- 10.3** Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.4** Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.5** Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.6** Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or

termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- 10.7 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.8 Recommend any necessary changes to the Board; and
- 10.9 Considering any other matters, as may be requested by the Board.

#### **11. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- 11.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 To ensure the remuneration maintains a balance between fixed and incentive pay reflecting short and

long term performance objectives appropriate to the working of the Company.

- 11.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 To consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

#### **12. MINUTES OF NOMINATION AND REMUNERATION COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

#### **13. REVIEW & AMENDMENT:**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Executive Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.

# **Standalone Financial Statements**

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of Larsen & Toubro Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and which includes 31 joint operations accounted on proportionate basis.

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 referred to in the Other Matters section below, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the 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 Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### Key Audit Matters

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

#### Revenue recognition – accounting for construction contracts

Key audit matter description	<p>There are significant accounting judgements in estimating revenue to be recognised on contracts with customers, including estimation of costs to complete. The Company recognises 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.</p> <p>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 Company, 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.</p> <p>Refer to Note No. [1](II)(e) and 31 to the Standalone Financial Statements</p>
Principal Audit Procedures	<p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We selected a sample of contracts with customers and performed the following procedures:             <ol style="list-style-type: none"> <li>a. Obtained and read contract documents for each selection, change orders, and other documents that were part of the agreement.</li> <li>b. 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.</li> </ol> </li> </ul>



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**Revenue recognition – accounting for construction contracts**


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- c. Compared costs incurred with Company'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.
  - d. 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.
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**Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices.**


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Key audit matter description	<p>The Company, in its contract with customers, promises to transfer distinct services to its customers, which may be rendered in the form of engineering, procurement, and construction ("EPC") services through design-build contracts, and other forms of construction contracts. The recognition of revenue is based on contractual terms, which could 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 Company'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 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 Nos. [1](II)(e), [1](II)(m), 11 and 16 to the Standalone Financial Statements</p>
Principal Audit Procedures	<p>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 Company's Board of Directors included the following amongst others:</p> <ul style="list-style-type: none"> <li>• We tested the design, implementation and operating effectiveness of internal 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>

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**Impairment of Investment in a Subsidiary**


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Key audit matter description	<p>As at March 31, 2024, the Company held investment with a carrying amount of ₹ 7412.99 crore (excluding investment of ₹ 436.36 crore in debentures) in L&amp;T Metro Rail (Hyderabad) Limited, a wholly owned subsidiary. This investment is carried at cost less impairment in the Company's Standalone Financial Statements. Consequent to accumulation of losses incurred by the subsidiary, the Company's management has tested this investment for impairment in accordance with Ind AS 36 by comparing its recoverable amount with its carrying amount as at March 31, 2024. The recoverable amount of the investment in the subsidiary is assessed based on future discounted cash flows of the subsidiary.</p> <p>We considered this as a key audit matter due to significant judgement involved in estimating future cash flows of the subsidiary and in determining the discount rate to be used. Changes in inputs and assumptions could impact the results of the impairment assessment.</p> <p>Refer to Note Nos. [1](II)(m) and 5 to the Standalone Financial Statements.</p>
Principal Audit Procedures	<p>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:</p> <ul style="list-style-type: none"> <li>• We tested the effectiveness of controls over forecasts of future traffic, revenue, free cash flows and selection of the discount rate;</li> <li>• 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;</li> </ul>

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**Impairment of Investment in a Subsidiary**

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- 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.
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**Information Other than the Financial Statements and Auditor's Report Thereon ('other information')**

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Standalone Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Standalone 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 Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- We did not audit the financial information of 30 joint operations included in the Standalone Financial Statements of the company whose financial information reflects total assets of ₹ 3509.61 crore as at March 31, 2024, total revenues of ₹ 4434.70 crore and net cash flows of ₹ (377.92) crore for the year ended March 31, 2024, respectively, as considered in the Standalone Financial Statements. The financial information of these joint operations has been audited by the other auditors whose reports have been furnished to us by the Management of the Company, 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 reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our opinion on the Standalone Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the these matters.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and based on the consideration of the reports of other auditors on the separate financial information of the joint operations, referred to in 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company and its joint operation companies so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Standalone 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 as on March 31, 2024 taken on record by the Board of Directors, none of the directors 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 Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
  - 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, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements (Refer Note No 29 to the Standalone Financial Statements);

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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; and
  - c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement; and
  - v. The amount of dividend is in accordance with Section 123 of the Act.
    - a) The final dividend paid by the Company during the year in respect of the same declared for the previous year and the interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
    - b) As stated in note 17 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
  - vi. Based on our examination which included test checks, the Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024, which have 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 our audit, we did 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. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

**Rupen K. Bhatt**

Partner

(Membership No. 046930)

UDIN: 24046930BKEZVP9659

Place: Mumbai

Date: May 08, 2024



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

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

We have audited the internal financial controls with reference to Standalone Financial Statements of Larsen and Toubro Limited (the "Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls with reference to Standalone Financial Statements of one of the Company's 31 joint operations which is a company incorporated in India.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 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 Company's internal financial controls with reference to Standalone Financial Statements of the Company and its joint operations company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing ("SA"s) prescribed under Section 143(10) of the Companies Act, 2013 (the "Act"), to the extent applicable to an audit of internal financial controls with reference to Standalone 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 Standalone 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 Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone 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 the other auditor of the joint operation which is a company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

#### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial control with reference to Standalone 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 Standalone 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 Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone 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 on internal financial controls with reference to Standalone Financial Statements of the joint operation referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**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 Standalone Financial Statements insofar as it relates to one joint operation which is a company incorporated in India, is based on the corresponding report of the other auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

**Rupen K. Bhatt**

Partner

(Membership No. 046930)

UDIN: 24046930BKEZVP9659

Place: Mumbai

Date: May 08, 2024

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Larsen & Toubro Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of the Company's property, plant and equipment and intangible assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in progress, investment properties and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of its property, plant and equipment and investment properties so to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain assets were due for verification during the year and were physically verified by the Management during the year. No material discrepancies were noticed on such verification.
  - (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements as a part of property, plant and equipment, capital work-in progress and investment property and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

₹ crore

Description of property	Gross carrying value as at March 31, 2024 (₹ crore)	Carrying value in the financial statements as at March 31, 2024 (₹ crore)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of Company  Also indicate if in dispute
Freehold Land – Hazira West	1.01	1.01	1. Magan Kuber * 2. Kashiben Patel 3. Ishwar Prema	No	12 years (Since 2012)	Land acquired from farmers through Government Acquisition Route. The formalities are pending from the authorities side.

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

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated or is pending against the company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) In respect of the Company's inventories:
- (a) The inventories except for goods in transit, were physically verified during the year by the Management at reasonable intervals. In case of real estate inventory wherein, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification to the extent of work completion by competent persons, are at reasonable intervals. In our opinion, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
  - (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies or any other parties during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

₹ crore

Particulars	Loans	Guarantees	Security
Aggregate amount granted / provided during the year:			
Subsidiaries	1013.26	400.00	NIL
Joint Venture	NIL	NIL	NIL
Associates	NIL	NIL	NIL
Others	NIL	NIL	NIL
Balance Outstanding as at balance sheet date in respect of above cases*			
Subsidiaries	623.89	NIL	NIL
Joint Venture	NIL	NIL	NIL
Associates	NIL	NIL	NIL
Others	NIL	NIL	NIL

\*The amounts reported are at gross amounts (including interest accrued), without considering provisions made and includes investments made in debt instruments issued by subsidiaries.

The Company has not provided any advances in the nature of loans to any other entity during the year.

- (b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation, except for the following:

Name of the entity	Nature	Amount in ₹ crore	Due Date	Extent of Delay	Remarks, if any
L&T Special Steel & Heavy Forgings Pvt. Ltd.	Principal on Working Capital and Project Funding Loan	1730.38	June 30, 2022	641 days	Principal on Working Capital and Project Funding Loan remains outstanding as on March 31, 2024
L&T Special Steel & Heavy Forgings Pvt. Ltd.	Interest on Working Capital and Project Funding Loan	168.05	June 30, 2022	641 days	Interest on Working Capital and Project Funding Loan remains outstanding as on March 31, 2024

Refer to Note No. 63(a)(ii) to the Standalone Financial Statements.

- (d) In respect of following loans granted by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal and interest.

₹ crore

No. of cases.	Principal amount overdue	Interest overdue	Total overdue	Remarks, if any
1.	1730.38	341.15	2071.53	Principal and Interest on Working Capital and Project Funding Loan remains outstanding as on March 31, 2024

Refer to Note No. 63(a)(ii) to the Standalone Financial Statements.



- (e) During the year loans aggregating to ₹ 303.50 crore fell due has been renewed. The details of such loans that fell due and were renewed during the year are stated below:

₹ crore

Name of the Party	Aggregate amount of existing loans renewed.	Percentage of the aggregate to the total loans or advances granted during the year
L&T Sapura Shipping Private Limited (Bridge Loan) due on September 30, 2023 extended upto March 31, 2024 (USD 15,240,000)*	126.56	12.49%
L&T Sapura Shipping Private Limited (Shareholder's Loan) due on December 31, 2023 extended upto December 31, 2024 (USD 21,260,000)	176.94	17.46%

\*The same has been repaid before the due date.

Refer to Note No. 63(a)(i) to the Standalone Financial Statements.

- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities during the year, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

₹ crore

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved	Amount Unpaid
Goods and Services Tax Act, 2017	Dispute of questions of law, Classification dispute, Tax levied on goods-in-transit, labour charges & disallowance of input tax credit on deemed export sales	Appellate authority	2017-18 to 2020-21, 2022-24	40.98	31.31
	Disallowance of input tax credits, credits claimed in Tran-1, Mismatch of Return, GST rate dispute and other matters	Commissioner (Appeals)	2017-23	248.96	234.30
	Disallowance of input tax credits, credits claimed in Tran-1, Mismatch of Return, GST rate dispute and other matters	Assistant Joint Commissioner/ Assistant Commissioner/ Deputy Commissioner/ Joint Commissioner	2017-23	137.96	128.23
The Central Excise Act, 1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Dispute regarding question of law, Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/goods, disallowances of excise duty exemption, Non-Maintenance of Separate Books of Accounts, Export rebate disallowance, and other matters.	Supreme Court of India	1999-00, 2011-12 to 2015-16	10.89	–

₹ crore					
Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved	Amount Unpaid
The Central Excise Act, 1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Dispute regarding question of law, Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/goods, disallowances of excise duty exemption, Non-Maintenance of Separate Books of Accounts, Export rebate disallowance, and other matters.	High Court	2008-09 to 2011-12, 2017-18	50.01	11.00
	Dispute regarding question of law, Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/goods, disallowances of excise duty exemption, Non-Maintenance of Separate Books of Accounts, Export rebate disallowance, Service tax demand import of service for GDR, and other matters.	CESTAT/ Department	2002-09, 2011-20	1485.01	1406.85
	Dispute regarding question of law, Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/goods, disallowances of excise duty exemption, Non-Maintenance of Separate Books of Accounts, Export rebate disallowance, and other matters.	Additional Commissioner Appeal, Appellate DC, Commissioner Appeals, Deputy Commissioner Appeals, Deputy Commissioner	2006-10, 2013-18, 2021-22	137.63	136.54
	Differential Custom Duty	DGFT	2016-17, 2021-22	1.05	0.79
The Central Sales Tax Act, Entry tax, Local Sales Tax Act, Works Contract Tax Act and Goods & Services Tax Act	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods and other matters	Supreme Court of India	2006-18	720.74	699.74
	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods, Non submission of Forms, inter-state sale turnover, Rate of tax of declared goods, Labour & service charges disallowed, Disallowance of exemptions claimed for imports & Sales in transit, Road permit issue and other matter	High Court	1986-99, 1999-01, 1999-2016, 2000-16	180.51	164.81
	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods and other matters	Appellate Board	2008-15	0.21	0.21
	Dispute regarding questions of law, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods, non submission of Forms, classification disputes, inter-state sale turnover, Rate of tax of declared goods, Labour & service charges disallowed, Disallowance of exemptions claimed for imports & Sales in transit, Road permit issue and other matter	Sales Tax/VAT Tribunal	1991-2018, 1994-99, 2003-16	717.64	556.44

₹ crore					
Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved	Amount Unpaid
The Central Sales Tax Act, Entry tax, Local Sales Tax Act, Works Contract Tax Act and Goods & Services Tax Act	Dispute regarding questions of law, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods, non submission of Forms, classification disputes, inter-state sale turnover, Rate of tax of declared goods, Labour & service charges disallowed, Disallowance of exemptions claimed for imports, Road permit issue and other matter	Joint commissioner Appeals/ Additional Commissioner Appeals/ Deputy Commissioner Appeals/Assistant Commissioner Appeals/ Commissioner Appeals	1989-00, 2001-18	3316.95	3124.99
	Dispute regarding question of law, Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/goods, disallowances of excise duty exemption, Non-Maintenance of Separate Books of Accounts, Export rebate disallowance, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods, and other matters	Assistant Commissioner/ Deputy Commissioner/ Additional Commissioner/ Joint Commissioner/ Commissioner/ Assessing Officer	2006-09, 2010-17, 2015-16	113.28	98.37
	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods and other matters	CAG	2015-16	1.10	1.10
	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods and other matters	Special Objection Hearing Authority	2012-13	0.05	0.05
Income Tax Act, 1961	Demands arising out of Regular Assessment/ Reassessment	Income Tax Appellate Tribunal (ITAT)	2009-10, 2011-12, 2012-13, 2019-20	719.64	152.81
	Demands arising out of Regular Assessment/ Reassessment Demand arising out of order under section 201(1)/201(1A) of the Income Tax Act	CIT(A)	2011-12, 2014-15 to 2021-22	3119.35	2409.78

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) In respect of borrowings:

- (a) In our opinion, during the year, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

- (x) In respect of issue of securities:
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under paragraph (x)(b) of the Order is not applicable to the Company.
- (xi) In respect of fraud:
- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) We have taken into consideration, the whistle blower complaints received by the company during the year and upto the date of this report and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company. Therefore, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties undertaken during the year and the details of such related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) In respect of internal audit:
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of section 192 of the Act are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group has more than one Core Investment Company (CIC) as part of the group. There are two CIC forming part of the group.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

**Rupen K. Bhatt**

Partner

(Membership No. 046930)

UDIN: 24046930BKEZVP9659

Place: Mumbai

Date: May 08, 2024



## Standalone Balance Sheet as at March 31, 2024

		₹ crore	
Particulars	Note	As at 31-3-2024	As at 31-3-2023
<b>ASSETS:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	9203.17	8570.70
Capital work-in-progress	2	1397.04	1938.38
Investment property	3	1161.26	568.57
Goodwill		47.29	47.29
Other Intangible assets	4	152.33	146.81
Intangible assets under development	4	26.63	16.39
Right-of-use assets	54(b)	475.61	422.59
Financial assets:			
Investments	5	30728.77	27036.97
Loans	6	579.06	3306.81
Other financial assets	7	596.84	407.22
		31904.67	30751.00
Deferred tax assets (net)	44(d)	1587.12	1539.14
Current tax receivable (net)		3241.03	2290.16
Other non-current assets	8	1417.29	1592.87
<b>Sub-total - Non-current assets</b>		50613.44	47883.90
<b>Current assets</b>			
Inventories	9	3520.97	3428.56
Financials assets			
Investments	10	16813.34	20224.29
Trade receivables	11	36961.55	33152.58
Cash and cash equivalents	12	3939.21	3802.49
Other bank balances	13	829.98	767.15
Loans	14	63.04	168.29
Other financial assets	15	4267.01	3527.90
		62874.13	61642.70
Other current assets	16	57096.24	57128.31
<b>Sub-total - Current assets</b>		123491.34	122199.57
Group(s) of assets classified as held for sale	39	1177.91	2341.02
<b>TOTAL ASSETS</b>		175282.69	172424.49

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

₹ crore			
Particulars	Note	As at 31-3-2024	As at 31-3-2023
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
Equity share capital	17	274.93	281.10
Other equity	18	64141.11	71246.85
<b>Total equity</b>		64416.04	71527.95
<b>Liabilities</b>			
<b>Non- current liabilities</b>			
Financial liabilities			
Borrowings	19	11931.14	9390.85
Lease liability		112.25	50.12
Other financial liabilities	20	75.81	108.41
		12119.20	9549.38
Provisions	21	697.73	636.97
Other non-current liabilities	22	22.67	7.05
<b>Sub-total - Non-current liabilities</b>		12839.60	10193.40
<b>Current liabilities</b>			
Financial liabilities:			
Borrowings	23	4864.65	3179.36
Current maturities of long-term borrowings	24	5744.68	5580.88
Lease liability		158.89	137.32
Trade payables:	25		
Due to micro enterprises and small enterprises		871.22	751.71
Due to others		39975.11	41028.66
Other financial liabilities	26	4071.50	4117.92
		55686.05	54795.85
Other current liabilities	27	39383.81	32277.37
Provisions	28	1651.57	1832.37
Current tax liabilities (net)		1305.62	799.07
<b>Sub-total - Current liabilities</b>		98027.05	89704.66
Liabilities associated with the group(s) of assets classified as held for sale		-	998.48
<b>TOTAL LIABILITIES</b>		110866.65	100896.54
<b>TOTAL EQUITY AND LIABILITIES</b>		175282.69	172424.49
<b>CONTINGENT LIABILITIES</b>	29		
<b>COMMITMENTS</b> (capital and others)	30		
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	1 to 64		

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

RUPEN K. BHATT  
Partner  
Membership No. 046930

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

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

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

P. R. RAMESH  
Independent Director  
(DIN 01915274)

Mumbai, May 8, 2024

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

		₹ crore	
Particulars	Note	2023-24	2022-23
<b>INCOME:</b>			
Revenue from operations	31	126235.85	110500.98
Other income (net)	32	5340.60	4034.95
<b>Total Income</b>		<u>131576.45</u>	<u>114535.93</u>
<b>EXPENSES:</b>			
Manufacturing ,construction and operating expenses	33		
Cost of raw materials components consumed		11621.48	13163.05
Construction materials consumed		43031.68	38098.69
Purchase of stock-in-trade		1078.54	1076.29
Stores, spares and tools consumed		3613.78	4260.17
Sub-contracting charges		30750.87	24353.62
Changes in inventories of finished goods, stock-in-trade and work-in-progress		411.83	(2930.73)
Other manufacturing, construction and operating expenses		13724.86	12373.24
		<u>104233.04</u>	<u>90394.33</u>
Employee benefits expense	34	8864.41	8298.22
Sales, administration and other expenses	35	3453.84	2513.81
Finance costs	36	2405.83	2125.23
Depreciation, amortisation, impairment and obsolescence	37	1751.01	1371.64
<b>Total Expenses</b>		<u>120708.13</u>	<u>104703.23</u>
<b>Profit before exceptional items and tax</b>		10868.32	9832.70
Exceptional items before tax (net) [gain/(loss)]	59	586.47	-
Tax expense on exceptional items:			
Current tax	44(a)	20.83	-
Deferred tax	44(a)	117.65	-
<b>Total tax expense on exceptional items</b>		138.48	-
Exceptional items (net of tax)		447.99	-
<b>Profit before tax</b>		<u>11316.31</u>	<u>9832.70</u>
Tax expenses:			
Current tax	44(a)	2205.00	2334.76
Deferred tax	44(a)	(193.02)	(351.03)
<b>Total tax expenses</b>		2011.98	1983.73
<b>Net profit after tax</b>		9304.33	7848.97
<b>Other comprehensive income</b>			
<b>A Items that will not be reclassified to Profit or Loss:</b>			
Gain /(loss) on remeasurement of the defined benefits plan		13.94	(33.90)
Income tax (expenses)/income on remeasurments of the defined benefits plan		(3.51)	8.53
		<u>10.43</u>	<u>(25.37)</u>
Carried forward - Other comprehensive income		10.43	(25.37)

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

Particulars	Note	2023-24	2022-23
Brought forward - Other comprehensive income		10.43	(25.37)
<b>B Items that will be reclassified to Profit and Loss:</b>			
Debt instruments through Other comprehensive income		171.92	(381.13)
Income tax (expenses)/income on debt instruments through Other comprehensive income		(39.34)	87.20
		132.58	(293.93)
Exchange differences in translating the financial statements of foreign operations		(6.93)	(14.12)
Income tax (expenses)/income on exchange differences in translating the financial statements of foreign operations		1.74	3.55
		(5.19)	(10.57)
Effective portion of gains/(losses) on hedging instruments in a cash flow hedge		(234.42)	(132.89)
Income tax (expenses)/income on effective portion of gains/(losses) on hedging instruments in a cash flow hedge		50.26	10.30
		(184.16)	(122.59)
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)
Other comprehensive income for the year (net of tax)		(46.25)	(452.50)
<b>Total comprehensive income for the year</b>		<b>9258.08</b>	<b>7396.47</b>
<b>Earnings per share (EPS) of ₹ 2 each:</b>			
Basic earnings per equity share (₹)	49	66.95	55.85
Diluted earnings per equity share (₹)	49	66.89	55.81
<b>Face value per equity share (₹)</b>		<b>2.00</b>	<b>2.00</b>
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	1 to 64		

In terms of our report attached  
For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
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by the hand of

RUPEN K. BHATT  
Partner  
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(DIN 02255382)

P. R. RAMESH  
Independent Director  
(DIN 01915274)

Mumbai, May 8, 2024



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

### A. Equity share capital

Particulars	2023-24		2022-23	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,40,54,82,190	281.10	1,40,50,29,123	281.01
Add: Shares issued on exercise of employee stock options during the year	4,36,429	0.08	4,53,067	0.09
Less: Shares extinguished on buy-back	3,12,50,000	6.25	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,37,46,68,619	274.93	1,40,54,82,190	281.10

### B. Other equity

Particulars	Reserves and surplus							Items of Other comprehensive income				Total other equity
	Capital reserve	Capital reserve on business combination	Capital redemption reserve	Securities premium	Employee share options (net)	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	
<b>Balance as at 1-4-2022</b>	10.84	(25.77)	260.00	8718.74	89.38	138.65	26079.43	31131.14	(10.90)	278.51	163.02	66833.04
Profit for the year (a)	-	-	-	-	-	-	-	7848.97	-	-	-	7848.97
Other comprehensive income (b)	-	-	-	-	-	-	-	(25.37)	(10.57)	(122.63)	(293.93)	(452.50)
<b>Total comprehensive income for the year (a+b)</b>	-	-	-	-	-	-	-	7823.60	(10.57)	(122.63)	(293.93)	7396.47
Issue of equity shares on exercise of employee share options	-	-	-	10.22	-	-	-	-	-	-	-	10.22
Transfer on account of exercise of employee share options	-	-	-	41.23	(41.23)	-	-	-	-	-	-	-
Transfer to non- financial assets/liability	-	-	-	-	-	-	-	-	-	68.13	-	68.13
Transfer from/to general reserve/retained earnings during the year	-	-	-	-	(3.94)	(118.23)	122.17	-	-	-	-	-
Employee share options (net)	-	-	-	-	30.41	-	-	-	-	-	-	30.41
Dividend paid for previous year	-	-	-	-	-	-	-	(3091.42)	-	-	-	(3091.42)
<b>Balance as at 31-3-2023</b>	10.84	(25.77)	260.00	8770.19	74.62	20.42	26201.60	35863.32	(21.47)	224.01	(130.91)	71246.85

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

₹ crore

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

In terms of our report attached  
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Partner  
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S. N. SUBRAHMANYAN  
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(DIN 01915274)

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

Mumbai, May 8, 2024

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

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

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

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

### Notes:

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

In terms of our report attached  
For DELOITTE HASKINS & SELLS LLP  
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SIVARAM NAIR A  
Company Secretary & Compliance Officer  
Membership No. FCS3939

Mumbai, May 8, 2024



# Notes forming part of the Standalone Financial Statements

## NOTE [1](i)

### Company overview:

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

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

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

## NOTE [1](ii)

### Material Accounting Policy Information

#### (a) Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on May 8, 2024.

#### (b) Basis of accounting

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

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

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

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

#### (c) Presentation of financial statements

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

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

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

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

#### (e) Revenue recognition

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer.

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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

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

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

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

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

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

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

Significant judgments are used in:

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

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

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

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

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

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

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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

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

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

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

- C. Revenue from property development activities is recognised when performance obligation is satisfied, customer obtains control of the property transferred and a reasonable expectation of collection of the sale consideration from the customer exists.
  - D. Revenue from rendering of services is recognised over time as the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.
  - E. Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (B) above.
  - F. Commission income is recognised as the terms of the contract are fulfilled.
  - G. Course fees/subscription income is recognised over time as per the course/subscription duration and agreed terms.
  - H. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.
- (ii) Other income
- A. Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.
  - B. Dividend income is accounted in the period in which the right to receive the same is established.
  - C. Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the Company, are recognised as other income/reduced from underlying expenses in profit or loss in the period in which such costs are incurred. Government grants related to an asset are reduced from the cost of an asset until the asset is ready to use and the grant post that is presented as deferred income. Subsequently the grant is recognised as income in profit or loss on a systematic basis over the expected useful life of the related asset. Government grant receivable in the form of duty credit scrips is recognised as other income in the Statement of Profit and Loss in the period in which the export is done or the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.
  - D. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

#### (f) Exceptional items

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

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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

##### (g) Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. All directly attributable costs related to the acquisition of PPE and borrowing costs in case of qualifying assets are capitalised in accordance with the Company's accounting policy.

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

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

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

Depreciation is recognised using straight-line method so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

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

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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

Depreciation on additions to/deductions from, owned assets is calculated pro-rata to the period of use.

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

##### (h) Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs and borrowing cost capitalised for qualifying assets, in accordance with the Company's accounting policy. Policies with respect to depreciation, useful life and derecognition are followed on the same basis as stated for Property, Plant and Equipment vide 1(ii)(g) above.

##### (i) Intangible assets

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

Research and development expenditure on new products:

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



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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

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

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

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

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

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

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

#### (j) Impairment of assets

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

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

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

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

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

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

#### (k) Employee Benefits

- (i) Short-term employee benefits:

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

- (ii) Post-employment benefits:

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

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

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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

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

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

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

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

(iii) Other long-term employee benefits:

The obligation recognised in respect of other long-term benefits is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii)(B) above.

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

(iv) Termination benefits:

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

### (I) Leases

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

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

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

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

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

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

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

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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

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

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

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

#### (m) Financial instruments

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at fair value excepting for trade receivables not containing a significant financing component are initially measured at transaction price. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such financial assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

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

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

#### (i) Financial assets:

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

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

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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

6. Investments in equity instruments issued by other than subsidiaries are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.
7. Trade receivables, security deposits, cash and cash equivalents, employee and other advances – at amortised cost.
- B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.
- C. A financial asset is primarily derecognised when:
  1. the right to receive cash flows from the asset has expired, or
  2. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

- D. Impairment of financial assets: Impairment loss on trade receivables is recognised using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 and is adjusted for forward looking information. Impairment loss on investments is recognised when the carrying amount exceeds its recoverable amount. For all other financial assets, expected credit losses are recognised based on the difference between the contractual cashflows and all the expected cash flows, discounted at the original effective interest rate. ECLs are measured at an amount equal to 12-month expected credit losses or at an amount equal to lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.
- (ii) Financial liabilities:
- A. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.
  - B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.
- (iii) The Company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.
- A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.
  - B. Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.



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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

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

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

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

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

#### (n) Inventories

Inventories are valued after providing for obsolescence, as under:

- (i) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- (ii) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.
- (iii) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location. Taxes which are subsequently recoverable from taxation authorities are not included in the cost.
- (iv) Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

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

#### (o) Cash and bank balances

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

#### (p) Securities premium

- (i) Securities premium includes:
  - A. The difference between the face value of the equity shares and the consideration received in respect of shares issued.
  - B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.
- (ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium.

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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

##### (q) Borrowing Costs

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

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

##### (r) Share-based payment arrangements

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

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

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

##### (s) Foreign currencies

- (i) The functional currency and presentation currency of the Company is Indian Rupee.
- (ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not translated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for:
  - A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when such exchange differences are regarded as an adjustment to finance costs on those foreign currency borrowings; and
  - B. exchange differences on transactions entered into to hedge certain foreign currency risks.
- (iii) exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, expense or income.
- (iv) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:
  - A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
  - B. income and expenses for each income statement are translated at average exchange rate for the reporting period; and
  - C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

##### (t) Accounting and reporting of information for Operating Segments

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

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

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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

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

- i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including inter-segment revenue.
- ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.
- iii) Most of the common costs are allocated to segments mainly on the basis of the respective segment revenue estimated at the beginning of the reporting period.
- iv) Income not allocable to segments is included in "Unallocable corporate income net of expenditure".
- v) Segment result represents profit before interest and tax and includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.
- vi) Segment result includes the finance costs incurred on interest bearing advances with corresponding credit included in "Unallocable corporate income net of expenditure".
- vii) Segment results are not adjusted for any exceptional item.
- viii) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole.
- ix) Segment non-cash expenses forming part of segment expenses also includes the fair value of the employee stock options which is accounted as employee compensation cost [Note 1(ii)(r) above] and is allocated to the segment.
- x) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.

#### (u) Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

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

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

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

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

#### (v) Interests in joint operations

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

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

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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

##### (w) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

Contingent liability is disclosed in case of:

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

Contingent assets are disclosed where an inflow of economic benefits is probable.

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

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

##### (x) Commitments

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

- (i) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (ii) uncalled liability on shares and other investments partly paid;
- (iii) funding related commitment to subsidiary, associate and joint venture companies; and
- (iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

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

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

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

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



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

### NOTE [1](ii)

#### Material Accounting Policy Information (contd.)

##### (z) Statement of Cash Flows

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

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

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

##### (aa) Earnings per share

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

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

##### (ab) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions made by management are explained under respective policies. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value/recoverable amount measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

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

### NOTE [2]

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

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

\* Transfer (to)/from Investment property



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

### NOTE [2]

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

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

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

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

Sr. No.	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Revised useful life adopted based on technical evaluation (in years)
1.	Aircrafts	–	20	18
2.	Vehicles	Motor cars	8	7

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

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



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

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

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

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

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

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

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

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

### NOTE [2]

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

##### D. Assets used in Infrastructure business:

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

In addition to above:

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

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

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

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

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

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

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

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

g) Ageing of Capital work-in-progress:

₹ crore

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

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

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

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

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

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

### NOTE [3]

#### Investment Property

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

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

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

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

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

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

- (b) Disclosure pursuant to Ind AS 40 "Investment Property"

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

Sr. No.	Particulars	2023-24	2022-23
1	Rental income derived from investment property	136.68	113.37
2	Direct operating expenses pertaining from investment property that generated rental income	36.33	30.27
3	Direct operating expenses pertaining from investment property that did not generate rental income	–	–

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

**NOTE [3]**
**Investment Property (contd.)**

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

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

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

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

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

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

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

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

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

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



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

### NOTE [4]

#### Intangible assets & Intangible assets under development (contd.)

(a) Additions during the year

₹ crore

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

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

Sr. No	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1.	Specialised software	2	8
2.	Technical know-how	5	8
3.	Platforms and courses	3	4

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

₹ crore

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

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

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

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

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

**Details of Non-current Assets: Financial Assets - Investments**

Particulars	Face value per unit	Number of units		
		As at 31-3-2024	As at 31-3-2024	As at 31-3-2023
	₹		₹ crore	₹ crore
<b>(A) Investments in fully paid equity instruments</b>				
<b>(a) Subsidiary companies:</b>				
<b>(i) Investments in fully paid equity instruments:</b>				
L&T Valves Limited	100	18,00,000	161.23	161.23
Bhilai Power Supply Company Limited	10	49,950	0.05	0.05
Hi-Tech Rock Products & Aggregates Limited	10	2,65,50,000	26.55	26.55
Kesun Iron & Steel Company Private Limited (previous year ₹ 95,000)	10	–	–	–
L&T Aviation Services Private Limited	10	4,56,00,000	45.60	45.60
L&T Capital Company Limited	10	50,000	0.05	0.05
L&T Cassidian Limited (previous year provision: ₹ 0.05 crore)	10	–	–	–
L&T Finance Limited (quoted) (formerly known as L&T Finance Holdings Limited)	10	1,63,92,30,125	5918.65	5918.65
L&T Metro Rail (Hyderabad) Limited	10	7,41,29,99,999	7412.99	3759.00
L&T Hydrocarbon Saudi Company LLC [₹ 130.39 (previous year: ₹ 130.39)]	SAR 1000	1,000	–	–
L&T Power Development Limited	10	2,28,96,63,205	2289.66	2289.66
L&T Energy Green Tech Limited	10	5,10,51,164	51.05	0.05
L&T Electromech LLC [₹ 171.70 (previous year: ₹ 171.70)]	OMR 1	2,10,000	–	–
L&T Realty Developers Limited	10	16,71,60,700	107.72	107.72
L&T Heavy Engineering LLC [₹ 183.89 (previous year: ₹ 183.89)]	OMR 1	39,65,500	–	–
L&T Seawoods Limited	10	1,40,39,79,846	1394.91	1354.55
L&T Modular Fabrication Yard LLC [₹ 171.70 (previous year: ₹ 171.70)]	OMR 1	20,19,230	–	–
L&T Innovation Campus (Chennai) Limited (merged with L&T Seawoods Limited on April 1, 2023)	10	–	–	40.36
Larsen & Toubro Kuwait Construction General Contracting Company W.L.L. [₹ 66.04 (previous year: ₹ 66.04)]	KWD 1000	980	–	–
L&T Technology Services Limited (quoted)	2	7,79,86,899	805.25	805.25
LTIMindtree Limited (quoted)	1	20,31,69,279	9675.98	9675.98
Larsen & Toubro Arabia LLC	SAR 1000	7,500	11.08	11.08
L&T Geostructure Private Limited	10	2,47,50,000	318.50	318.50
L&T Construction Equipment Limited	10	19,91,42,091	22.27	22.27
Larsen & Toubro (Saudi Arabia) LLC	SAR 1000	625	1.05	1.05
L&T Infrastructure Engineering Limited (Divested w.e.f. January 3, 2024)	10	–	–	21.85
L&T Network Services Private Limited	10	90,00,000	9.00	9.00
PT Larsen & Toubro	IDR 1000000	25,700	16.46	16.46
Corporate Park (Powai) Private Limited	10	20,50,000	2.05	–
Business Park (Powai) Private Limited	10	20,50,000	2.05	–
L&T Energy Hydrocarbon Engineering Limited	10	90,00,000	79.51	79.51
L&T Global Holdings Limited	USD 100	80,000	53.16	53.16
L&T Semiconductor Technologies Limited	10	95,50,000	9.55	–
L&T Offshore Private Limited (formerly known as L&T Sapura Offshore Private Limited)	10	10,000	0.01	–
			28414.39	24717.58

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

### NOTE [5]

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

Particulars	Face value per unit	Number of units		
		As at 31-3-2024	As at 31-3-2024	As at 31-3-2023
	₹		₹ crore	₹ crore
<b>(ii) Preference share considered equity as per terms:</b>				
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, March 30, 2027	2	82,60,00,000	826.00	826.00
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, May 12, 2027	2	4,80,00,000	48.00	48.00
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, July 14, 2027	2	4,22,50,000	42.25	42.25
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, September 3, 2027	2	4,20,00,000	42.00	42.00
L&T Realty Developers Limited - 12% Non-cumulative optionally convertible redeemable at par preference shares, May 26, 2025	10	64,83,00,000	648.30	648.30
			1606.55	1606.55
<b>(iii) Other deemed equity investment:</b>				
L&T Aviation Services Private Limited			0.65	0.65
			0.65	0.65
<b>Total - (a) = (i)+(ii)+(iii)</b>			30021.59	26324.78
<b>(b) Associate companies:</b>				
Gujarat Leather Industries Limited [Net of provision ₹ 0.56 crore (previous year provision ₹ 0.56 crore)]	10	7,35,000	–	–
Magtorq Private Limited	100	9,000	4.42	4.42
			4.42	4.42
<b>(c) Joint Venture companies:</b>				
<b>(i) Investments in fully paid equity instruments:</b>				
L&T Howden Private Limited	10	1,50,30,000	15.03	15.03
L&T Hydrocarbon Caspian LLC	AZM 10	–	–	0.36
L&T Sapura Shipping Private Limited	10	9,53,11,850	95.31	95.31
L&T Sapura Offshore Private Limited (Reclassified as subsidiary w.e.f December 27, 2023)	10	–	–	0.01
L&T - MHI Power Boilers Private Limited	10	11,93,91,000	119.39	119.39
L&T - MHI Power Turbine Generators Private Limited	10	36,24,06,000	362.41	362.41
L&T Special Steels and Heavy Forgings Private Limited [Net of provision ₹ 419.28 crore (previous year provision ₹ 419.29 crore)]	10	41,92,84,000	–	–
L&T-Sargent & Lundy Limited	10	27,82,736	0.82	0.82
Raykal Aluminium Company Private Limited	10	37,750	0.04	0.04
L&T MBDA Missile Systems Limited	10	5,10,000	0.51	0.51
GH4India Private Limited	10	10,00,000	1.00	–
			594.51	593.88
<b>(ii) Other deemed equity investment:</b>				
L&T - MHI Power Boilers Private Limited			2.24	2.24
L&T - MHI Power Turbine Generators Private Limited			9.13	9.13
			11.37	11.37

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

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

### Details of quoted/unquoted investments:

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

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

### NOTE [6]

#### Non-current Assets: Financials Assets - Loans

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

### NOTE [7]

#### Non current Assets: Financial Assets - Others

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

#### Note 7(a)

Particulars of cash and bank balances not available for immediate use

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



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

**NOTE [8]**
**Other non-current assets**

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

**NOTE [9]**
**Current Assets: Inventories**

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

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

**NOTE [10]**
**Current Assets: Financial Assets - investments**

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

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

### NOTE [10] (contd.)

#### Details of current investments in Subsidiary companies and Joint venture companies

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

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

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

₹ crore

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

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

₹ crore

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

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

₹ crore

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

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

### NOTE [11]

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

₹ crore

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

### NOTE [12]

#### Current Assets: Financials Assets - Cash and cash equivalents

₹ crore

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

### NOTE [13]

#### Current Assets: Financials Assets - Other bank balances

₹ crore

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

<sup>(1)</sup> Real Estate (Regulation and Development) Act, 2016

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

**NOTE [14]**
**Current Assets: Financial Assets - Loans**

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

**NOTE [15]**
**Current Assets: Financial Assets - Others**

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



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

### NOTE [16]

#### Other current assets

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

### NOTE [17]

#### Equity share capital

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

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

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

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

##### (c) Terms/rights attached to equity shares:

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

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

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

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

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

Particulars	As at 31-3-2024		As at 31-3-2023	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	Number of equity shares to be issued as fully paid	₹ crore (at face value)
Employee stock options granted and outstanding <sup>[1]</sup>	16,29,198	0.33 <sup>[2]</sup>	11,74,574	0.23 <sup>[2]</sup>

<sup>[1]</sup> Note 17 (h) below for terms of employee stock option schemes

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

**(f)** The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2024 are NIL (previous period of five years ended March 31, 2023: 46,67,64,755 shares)

**(g)** The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding last five years ended on March 31, 2024 – NIL (previous period of five years ended March 31, 2023: NIL)

**(h) Stock option schemes**
**i. Terms:**

A. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. During the year, the Company has issued the new ESOP series 2006(B) in which options are vested equally over a period of 4 years. The options are vested equally over a period of 4 years for series 2003(B) and 2006(B), 5 years in the case of series 2006(A), subject to the discretion of the management and fulfillment of certain conditions.

B. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

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

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

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

### NOTE [17]

#### Equity share capital (contd.)

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

Particulars	2023-24		2022-23	
	No. of stock options	Weighted average exercise price (₹)	No. of stock options	Weighted average exercise price (₹)
(A) Options granted and outstanding at the beginning of the year	11,74,574	219.74	17,18,419	224.86
(B) Options granted	9,70,968	135.63	21,424	7.80
(C) Options allotted	4,36,429	221.13	4,53,067	227.60
(D) Options lapsed	79,915	198.98	1,12,202	225.94
(E) Options granted and outstanding at the end of the year	16,29,198	170.25	11,74,574	219.74
(F) Options exercisable at the end of the year out of (E) above	2,51,018	253.80	3,62,281	253.70

- iv. Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 2945.59 (previous year: ₹ 1779.07) per share.
- v. A. In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.
- B. Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2023-24 is ₹ 91.25 crore (previous year: ₹ 28.16 crore)[Note 34]. The entire amount pertains to equity-settled employee share-based payment plans. The expenses includes ₹ 0.09 crore (previous year: ₹ 0.19 crore) charged by subsidiary companies towards the stock options granted to Company's employees.
- vi. During the year, the Company has recovered ₹ 2.41 crore (previous year: ₹ 1.12 crore) from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.
- vii. Weighted average fair values of options granted during the year is ₹ 2314.37 (previous year: ₹ 1496.52) per option.
- viii. The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2023-24	2022-23
(i)	Weighted average risk-free interest rate	7.05%	6.77%
(ii)	Weighted average expected life of options	2.75 Years	2.83 Years
(iii)	Weighted average expected volatility	18.64%	25.03%
(iv)	Weighted average expected dividends over the life of the options	₹ 65.90 per option	₹ 62.26 per option
(v)	Weighted average share price	₹ 2479.86 per option	₹ 1553.63 per option
(vi)	Weighted average exercise price	₹ 135.63 per option	₹ 7.80 per option
(vii)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

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

#### (i) Capital Management:

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also enable the Company to navigate business challenges on one hand and raise growth capital on the other. This policy also provides flexibility of fund-raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0.35:1 as at March 31, 2024 (as at March 31, 2023 0.25:1).

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

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

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

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

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

**NOTE [18]**
**Other equity**

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

<sup>[1]</sup> **Capital reserve:** It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years.

<sup>[2]</sup> **Capital reserve on business combination:** It arises on transfer of business between entities under common control. It represents the difference, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor.

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

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

<sup>[5]</sup> **General reserve:** The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

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

### NOTE [19]

#### Non-current liabilities: Financial Liabilities - Borrowings

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

₹ crore

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

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



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

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

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

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

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

<sup>(1)</sup> The principal amount has been calculated as [(Average Ref WPI as at reporting period/Average Ref WPI (as at 23/5/2013)) x Face Value]

**19(b) Details of term Loans (Unsecured):**

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

<sup>(1)</sup> Represents unsecured term loans obtained in foreign currency.

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

### NOTE [20]

#### Non-current liabilities: Other financial liabilities

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

### NOTE [21]

#### Non-current liabilities: Provisions

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

### NOTE [22]

#### Other non-current liabilities

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

### NOTE [23]

#### Current liabilities: Financial Liabilities - Borrowings

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

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

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

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

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

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

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

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

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

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

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

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

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

### NOTE [25]

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

₹ crore

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

### NOTE [26]

#### Current liabilities - Other financial liabilities

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Unclaimed dividend	129.90	129.10
Forward contract payable	270.74	163.69
Embedded derivative payable	41.64	43.78
Financial guarantee contracts	25.46	27.53
Due to others <sup>(1)(2)</sup>	3603.76	3753.82
	<b>4071.50</b>	<b>4117.92</b>

<sup>(1)</sup> Due to others include due to directors ₹ 123.61 crore (previous year ₹ 92.20 crore)

<sup>(2)</sup> Mainly includes liability towards employee benefits and capital goods

### NOTE [27]

#### Other current Liabilities

₹ crore

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

<sup>(1)</sup> Mainly includes liabilities towards joint operations, statutory dues and employee benefits

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

**NOTE [28]**
**Current liabilities - provisions**

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

**NOTE [29]**
**Contingent liabilities**

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

**Notes :**

- The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matters at (j)
- It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings. Further, the liability mentioned in (a) to (d) above includes interest except in cases where the Company has determined that the possibility of such levy is remote.
- In respect of matters at (e), the cash outflows, if any, could generally occur up to three years, being the period over which the validity of the guarantees extends except in a few cases where the cash outflows, if any, could occur any time during the subsistence of the borrowing to which the guarantees relate.
- In respect of matters at (f), the cash outflows, if any, could generally occur up to six years, being the period over which the validity of the guarantees extends.
- In respect of matters at (g) to (i), the cash outflows, if any, could generally occur up to completion of projects undertaken by the respective joint operations.
- In respect of matters at (j), the cash outflows, if any, is fully reimbursable by the third parties under an agreement entered in to with them.



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

### NOTE [30]

#### Commitments

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

### NOTE [31]

#### Revenue from operations

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

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

**NOTE [32]**
**Other income**

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

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

### NOTE [33]

#### Manufacturing, construction and operating expenses

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

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

**NOTE [34]**
**Employee benefits expense**

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

**NOTE [35]**
**Sales, administration and other expenses**

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

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

### NOTE [36]

#### Finance costs

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

### NOTE [37]

#### Depreciation, amortisation, impairment and obsolescence

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

### NOTE [38]

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

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

### NOTE [39]

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

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

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

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

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



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

**NOTE [40]**

Disclosure pursuant to Ind AS 108 "Operating Segment"

(a) Information about reportable segments:

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

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

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

### NOTE [40]

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

₹ crore

Particulars	Depreciation, amortisation, impairment & obsolescence included in segment expenses		Other non-cash expenses included in segment expense		Finance cost included in segment expense		Interest income included in segment income		Additions to non-current assets	
	For the year ended 31-3-2024	For the year ended 31-3-2023	For the year ended 31-3-2024	For the year ended 31-3-2023	For the year ended 31-3-2024	For the year ended 31-3-2023	For the year ended 31-3-2024	For the year ended 31-3-2023	For the year ended 31-3-2024	For the year ended 31-3-2023
	Infrastructure Projects	1,219.02	882.46	48.14	21.18	231.60	202.35	17.51	14.94	2044.69
Energy Projects	146.68	135.34	11.98	2.94	–	–	–	–	733.63	643.33
Hi-Tech Manufacturing	196.41	178.98	7.50	1.99	–	–	–	–	525.86	161.25
Others	79.69	60.56	3.23	0.89	–	–	–	–	764.67	606.70
Total	1641.80	1257.34	70.85	27.00	231.60	202.35	17.51	14.94	4068.85	5171.18
Unallocated corporate	109.21	114.30	20.40	1.16	(231.60)	(202.35)	(17.51)	(14.94)	1007.36	150.01
Inter-segment	–	–	–	–	–	–	–	–	(402.68)	(44.34)
Total	1751.01	1371.64	91.25	28.16	–	–	–	–	4673.53	5276.85

Note : There is no impairment/reversal of impairment in non-financial assets of the operating segments.

#### (b) Geographical information

₹ crore

Particulars	Revenue by location of project	
	For the year ended 31-3-2024	For the year ended 31-3-2023
India (i)	100103.26	91895.55
Foreign countries:		
Saudi Arabia	12621.44	3747.79
United Arab Emirates	2816.67	2094.22
Qatar	2352.42	2261.50
Bangladesh	1495.57	1662.27
Kuwait	659.22	731.81
Other Countries	6187.27	8107.84
Total foreign countries (ii)	26132.59	18605.43
Total (i+ii)	126235.85	110500.98

Particulars	Non-current Assets	
	As at 31-3-2024	As at 31-3-2023
India (i)	16919.86	15223.62
Foreign countries (ii)	201.79	370.14
Total (i+ii)	17121.65	15593.76

- (c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.
- (d) The identification of operating segments is consistent with performance assessment and resource allocation by the management.

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

### NOTE [40]

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

(e) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:

(i) Basis of identifying Operating segments:

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components); (b) whose operating results are regularly reviewed by the Company's executive management to make decisions about resource allocation and performance assessment; and (c) for which discrete financial information is available.

The Company has four reportable segments as described under "segment composition" below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

(ii) Reportable segments

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

(iii) Segment profit

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the corporate executive management.

(iv) The Segment Composition:-

- **Infrastructure Projects segment** comprises engineering and construction of (a) building and factories, (b) transportation infrastructure, (c) heavy civil infrastructure, (d) power transmission & distribution, (e) water & effluent treatment and (f) minerals and metals.
- **Energy Projects segment** comprises EPC/ turnkey solutions in (a) Hydrocarbon business covering Oil & Gas industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning and (b) Power business covering Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages and (c) EPC solutions in Green Energy space.
- **Hi-Tech Manufacturing segment** comprises design, manufacture / construct, supply, revamp/retrofit of (a) custom designed, engineered critical equipment & systems to the process plant, nuclear energy and green hydrogen sectors (b) marine and land platforms including related equipment & systems; aerospace products & systems; precision and electronic products & systems for the defence, security, space and industrial sectors.
- **Others segment** includes (a) realty, (b) smart world & communication projects, (c) marketing and servicing of construction equipment & mining machinery and parts thereof, (d) manufacture and sale of rubber processing machinery and (e) E-commerce/digital platforms & data centres.

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

### NOTE [41]

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

(a) Disaggregation of revenue into Operating Segments and Geographical areas

i. For the year ended March 31, 2024:

₹ crore

Segment	Revenue as per Ind AS 115			Other Revenue	Total as per Statement of Profit and Loss/ Segment reporting
	Domestic	Foreign	Total		
Infrastructure Projects	77779.56	16315.73	94095.29	346.29	94441.58
Energy Projects	12078.72	6944.86	19023.58	333.47	19357.05
Hi-Tech Manufacturing	5636.42	2530.94	8167.36	28.63	8195.99
Others	3827.14	311.89	4139.03	102.20	4241.23
Total	99321.84	26103.42	125425.26	810.59	126235.85

ii. For the year ended March 31, 2023:

₹ crore

Segment	Revenue as per Ind AS 115			Other Revenue	Total as per Statement of Profit and Loss/ Segment reporting
	Domestic	Foreign	Total		
Infrastructure Projects	66732.61	11991.96	78724.57	372.61	79097.18
Energy Projects	15201.90	4754.31	19956.21	41.38	19997.59
Hi-Tech Manufacturing	4919.02	1551.84	6470.86	64.05	6534.91
Others	4483.62	267.91	4751.53	119.77	4871.30
Total	91337.15	18566.02	109903.17	597.81	110500.98

(b) Out of the total revenue recognised under Ind AS 115 during the year, ₹ 119642.27 crore (previous year: ₹ 103907.68 crore) is recognised over a period of time and ₹ 5782.99 crore (previous year: ₹ 5995.49 crore) is recognised at a point in time.

(c) Movement in Expected Credit Loss during the year:

₹ crore

Particulars	Provision on Trade Receivables		Provision on Contract Assets	
	2023-24	2022-23	2023-24	2022-23
Balance as at April 1	3968.78	3481.74	1588.17	1599.24
Changes in loss allowance for expected credit loss:				
Provision/(reversal) of allowance for expected credit loss	323.78	324.57	373.92	36.37
Additional provision (net) towards credit impaired receivables	402.66	293.66	(4.48)	(46.43)
Written off as bad debts	(546.44)	(130.62)	–	–
Less: Balance classified as held for sale	–	0.57	–	1.01
Balance as at March 31	4148.78	3968.78	1957.61	1588.17

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

**NOTE [41]**

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers" (contd.)

(d) Contract balances:

i. Movement in contract balances during the year.

Particulars	2023-24			2022-23		
	Contract Assets	Contract Liabilities	Net contract balances	Contract Assets	Contract Liabilities	Net contract balances
Opening balance as at April 01	48924.97	30440.53	18484.44	48783.33	26571.06	22212.27
Closing balance as at March 31	49327.88	36620.92	12706.96	48924.97	30440.53	18484.44
Net increase/(decrease)	402.91	6180.39	(5777.48)	141.64	3869.47	(3727.83)

₹ crore

- Decrease in net contract balances is primarily due to higher progress bills raised as compared revenue recognition in both the years.
- Revenue recognised from opening balance of contract liabilities amounts to ₹ 9505.03 crore (previous year: ₹ 7174.53 crore)
- Revenue recognised from the performance obligation satisfied (or partially satisfied) upto previous year (arising out of contract modifications) amounts to ₹ 50.02 crore (previous year: ₹ 9.62 crore)

(e) Cost to obtain the contract:

- Amortisation in Statement of Profit and Loss: Nil (previous year: Nil)
- Recognised as contract assets at March 31, 2024: Nil (previous year: Nil)

(f) Reconciliation of contracted price with revenue during the year:

Particulars	2023-24	2022-23
Opening contracted price of orders as at start of the year <sup>(1)</sup>	824532.51	753815.67
Add:		
Fresh orders/change orders received (net)	159628.00	116111.02
Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net)	6414.22	5988.55
Increase/(decrease) due to exchange rate movements (net)	1943.83	2848.26
Less:		
Orders completed during the year	80265.34	54230.99
On account of business transfer	5083.68	–
Closing contracted price of orders as at the end of the year <sup>(1)</sup>	907169.54	824532.51
Total Revenue recognised during the year :	125425.30	109903.17
a. Revenue out of orders completed during the year	8276.59	6665.83
b. Revenue out of orders under execution at the end of the year (I)	117148.71	103237.34
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	419404.56	390461.61
Increase/(decrease) due to exchange rate movements (III)	203.25	619.60
Balance revenue to be recognised in future viz. Order book (IV)	370413.01	330213.96
Closing contracted price of orders as at the end of the year <sup>(1)</sup> (I+II+III+IV)	907169.53	824532.51

₹ crore

<sup>(1)</sup> including full value of partially executed contracts.

(g) Outstanding performance and Time for its expected conversion into Revenue:

Outstanding performance	Total	Time for expected conversion to Revenue					Beyond 5 years
		Upto 1 Year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	
As at March 31, 2024	370413.01	153657.53	114940.41	45337.64	25327.68	12100.11	19049.65
As at March 31, 2023	330213.96	120551.05	113676.90	56487.65	17752.19	9679.15	12067.01

₹ crore



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

### NOTE [42]

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

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

Particulars	Note	As at 31-3-2024			As at 31-3-2023		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Inventories	9	1795.69	1725.28	3520.97	2161.58	1266.98	3428.56
Trade receivables	11	35589.28	1372.27	36961.55	32184.55	968.03	33152.58
Loans	14	63.04	–	63.04	168.29	–	168.29
Other financial assets	15	4124.87	142.13	4267.01	3487.12	40.78	3527.90
Other current assets	16	42103.67	14992.58	57096.24	49241.23	7887.08	57128.31
<b>Total</b>		<b>83676.55</b>	<b>18232.26</b>	<b>101908.80</b>	<b>87242.77</b>	<b>10162.87</b>	<b>97405.64</b>

₹ crore

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

Particulars	Note	As at 31-3-2024			As at 31-3-2023		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Trade payables:							
Due to micro enterprises and small enterprises		858.97	12.25	871.22	662.48	89.23	751.71
Due to others	25	39438.32	536.80	39975.11	38286.03	2742.63	41028.66
Lease liability		124.83	34.06	158.89	85.84	51.48	137.32
Other financial liabilities	26	4049.31	22.19	4071.50	4094.01	23.91	4117.92
Other current liabilities	27	30517.65	8866.16	39383.81	26985.85	5291.52	32277.37
Provisions	28	1428.87	222.71	1651.57	1555.21	277.16	1832.37
<b>Total</b>		<b>76417.94</b>	<b>9694.16</b>	<b>86112.10</b>	<b>71669.42</b>	<b>8475.93</b>	<b>80145.35</b>

₹ crore

### NOTE [43]

Disclosure with regard to changes in liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows":

Sr No.	Particulars	Non-current borrowings (Note 19)	Current borrowings (Note 23)	Current maturities of long term borrowings (Note 24)	Lease Liability	Total
1	Balance as at April 01, 2022	12968.41	2097.39	5232.49	178.42	20476.71
2	Additions to lease liability	–	–	–	105.33	105.33
3	Changes from financing cash flows	1119.00	1078.98	(4218.00)	(95.18)	(2115.20)
4	Changes on lease termination/lease concessions	–	–	–	(1.13)	(1.13)
5	The effect of changes in foreign exchange rates	157.85	–	(0.08)	–	157.77
6	Interest accrued (net of interest paid)	726.47	2.99	(1014.41)	–	(284.95)
7	Other changes (transfer within categories)	(5580.88)	–	5580.88	–	–
8	Balance as at March 31, 2023	9390.85	3179.36	5580.88	187.44	18338.53
9	Additions to lease liability	–	–	–	185.21	185.21
10	Changes from financing cash flows	7450.00	1676.97	(4845.00)	(98.70)	4183.27
11	Changes on lease termination/lease concessions	–	–	–	(2.86)	(2.86)
12	The effect of changes in foreign exchange rates	34.15	–	–	0.04	34.19
13	Interest accrued (net of interest paid)	800.82	8.32	(735.88)	–	73.26
14	Other changes (transfer within categories)	(5744.68)	–	5744.68	–	–
15	Balance as at March 31, 2024	11931.14	4864.65	5744.68	271.14	22811.61

₹ crore

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

**NOTE [43]**

Disclosure with regard to changes in liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows": (contd.)

Amounts reported in statement of cash flows under financing activities:

Particulars	₹ crore	
	2023-24	2022-23
Proceeds from non-current borrowings	7450.00	2450.00
Repayment of non-current borrowings	(4845.00)	(5549.00)
(Repayments)/Proceeds from other borrowings (net)	1676.97	1078.98
Repayment of lease liability	(98.70)	(95.18)
Total changes from financing cash flows (refer to Sr. No 3 & 10 above)	4183.27	(2115.20)

**NOTE [44]**

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

Sr. No.	Particulars	₹ crore	
		2023-24	2022-23
1.	Profit or Loss section		
	(i) Current Income tax :		
	Current income tax expense	2248.88	2273.56
	Tax expense of earlier years	(23.05)	61.20
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(75.37)	(351.03)
	Income tax expense reported in Profit or Loss [(i)+(ii)]	2150.46	1983.73
2.	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to Profit or Loss in subsequent periods:		
	Current tax expense/(income):		
	On remeasurement of defined benefit plans	3.51	(8.53)
		3.51	(8.53)
	(ii) Items to be reclassified to Profit or Loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On gain/(loss) on cash flow hedges other than mark to market	(44.52)	(66.96)
		(44.52)	(66.96)
	(B) Deferred Tax:		
	On mark to market gain/(loss) on cash flow hedges	(5.74)	56.66
	Net gain/(loss) on cost of hedge reserve	0.03	(0.02)
	Net gain/(loss) fair value of debt securities	39.34	(87.20)
	On foreign currency translation of joint operations	(1.74)	(3.55)
		31.89	(34.11)
	Income tax expense reported in the OCI section [(i)+(ii)]	(9.12)	(109.60)

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

### NOTE [44]

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

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

		₹ crore	
Sr. No.	Particulars	2023-24	2022-23
(1)	Profit before tax	11454.79	9832.70
(2)	Corporate tax rate as per Income Tax Act, 1961	25.17%	25.17%
(3)	Tax on Accounting profit (3) = (1) * (2)	2882.94	2474.69
(4)	(i) Tax on expenses not tax deductible:		
	(A) Corporate social responsibility	38.00	34.53
	(B) Tax on employee perquisites borne by the company	12.42	1.74
	(ii) Effect of deferred tax asset created on unused tax losses	(67.37)	(117.65)
	(iii) Effect of current tax related to earlier years	(23.05)	61.20
	(iv) Effect of lower tax rate on capital gains	(10.59)	(6.46)
	(v) Effect of deduction with respect to dividend income	(668.38)	(431.23)
	(vi) Tax effect on various other items	(13.51)	(33.09)
	Total effect of tax adjustments [(i) to (vii)]	(732.48)	(490.96)
(5)	Tax expense recognised during the year (5)=(3)+(4)	2150.46	1983.73
(6)	Effective tax Rate (6)=(5)/(1)	18.77%	20.17%

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

Particulars	As at 31-3-2024			As at 31-3-2023		
	Base Amount (₹ crore)	Deferred Tax (₹ crore)	Expiry date	Base Amount (₹ crore)	Deferred Tax (₹ crore)	Expiry date
Capital loss	936.25	214.21	FY 2030-31	1388.43	317.67	FY 2030-31

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

		₹ crore			
Sr. No.	Particulars	As at 31-3-2024		As at 31-3-2023	
		Base Amount	Deferred Tax	Base Amount	Deferred Tax
1.	Deductible temporary differences towards provision for diminution in value of investments/loans on which DTA not created	4481.36	1066.88	4505.98	1074.15
2.	Temporary differences arising out of revaluation of tax base of assets (on account of indexation benefit)	9024.31	2064.76	7875.43	1801.90
	Total	13505.67	3131.64	12381.41	2876.05

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

**NOTE [44]**

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

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

i. As at March 31, 2024

₹ crore

Sr. No.	Particulars	As at 31-3-2023	Charge/(credit) to Statement of Profit and Loss	Charge/(credit) to Other Comprehensive Income (OCI)	Debit/(credit) to hedge reserve (other than through OCI)	As at 31-3-2024
1.	Disputed statutory liability claimed on payment basis u/s 43B of the Income Tax Act, 1961	198.94	1.77	–	–	200.71
2.	Items disallowed u/s 43B of Income Tax Act, 1961	(329.63)	33.33	–	–	(296.30)
3.	Provision for doubtful debt and advances	(1451.92)	(104.45)	–	–	(1556.37)
4.	Difference in book depreciation and income tax depreciation	246.93	(81.43)	–	–	165.50
5.	Gain/(Loss) on derivative transactions	50.82	–	(5.71)	(4.50)	40.61
6.	Deferred tax on capital losses	(117.65)	50.28	–	–	(67.37)
7.	Other temporary differences	(136.63)	25.13	37.60	–	(73.90)
	Net deferred tax (assets)/liabilities	(1539.14)	(75.37)	31.89	(4.50)	(1587.12)

ii. As at March 31, 2023

₹ crore

Sr. No.	Particulars	As at 31-3-2022	Charge/(credit) to Statement of Profit and Loss	Charge/(credit) to Other Comprehensive Income (OCI)	Debit/(credit) to hedge reserve (other than through OCI)	As at 31-3-2023
1.	Disputed statutory liability claimed on payment basis u/s 43B of the Income Tax Act, 1961	194.34	4.61	–	–	198.94
2.	Items disallowed u/s 43B of Income Tax Act, 1961	(321.23)	(8.39)	–	–	(329.63)
3.	Provision for doubtful debt and advances	(1325.05)	(126.88)	–	–	(1451.92)
4.	Difference in book depreciation and income tax depreciation	282.30	(35.37)	–	–	246.93
5.	Gain/(Loss) on derivative transactions	7.88	–	56.64	(13.70)	50.82
6.	Deferred tax on capital losses	–	(117.65)	–	–	(117.65)
7.	Other temporary differences	21.46	(67.35)	(90.75)	–	(136.63)
	Net deferred tax (assets)/liabilities	(1140.30)	(351.03)	(34.11)	(13.70)	(1539.14)

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

### NOTE [45]

Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 "Employee Benefits"

i Defined contribution plans: [Note [1](k)(ii)(A)]: Amount of ₹ 134.95 crore (previous year: ₹ 108.57 crore) is recognized as an expenses.

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

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

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023
A) Present value of defined benefit obligation								
-Wholly funded	819.18	757.66	–	–	–	–	4176.22	3927.84
-Wholly unfunded	118.93	103.00	363.62	305.50	382.26	375.27	–	–
	938.11	860.66	363.62	305.50	382.26	375.27	4176.22	3927.84
Less: Fair value of plan assets	770.87	623.27	–	–	–	–	4359.42	4014.74
Amount to be recognised as liability/(asset)	167.24	237.39	363.62	305.50	382.26	375.27	(183.20) <sup>[2]</sup>	(86.90) <sup>[2]</sup>
B) Amounts reflected in the Balance Sheet:								
Liabilities	167.24	237.39	363.62	305.50	382.26	375.27	34.44	31.73
Assets	–	–	–	–	–	–	–	–
Net liability/(asset)	167.24	237.39	363.62	305.50	382.26	375.27	34.44	31.73
Net liability/(asset) - current	167.24	237.39	17.76	13.91	30.39	28.83	34.44 <sup>[1]</sup>	31.73 <sup>[1]</sup>
Net liability/(asset) - Non current	–	–	345.86	291.59	351.87	346.44	–	–
Net liability/(asset) classified as Held for sale	–	–	–	(1.06)	–	–	–	–

<sup>[1]</sup> Employer's and employee's contribution due towards Provident Fund

<sup>[2]</sup> Restricted to NIL in terms of para 58 of Ind AS 19

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

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1 Current service cost	91.54	83.85	12.13	13.07	3.14	3.26	117.07	103.26
2 Interest cost	51.18	43.76	22.14	21.60	26.92	25.28	312.49	290.25
3 Interest income on plan assets	(46.21)	(44.27)	–	–	–	–	(312.49)	(290.25)
4 Actuarial (gains)/losses - others	30.59	40.35	(6.22)	(26.86)	4.72	(7.21)	–	–
5 Actuarial (gains)/losses - difference between actual return on plan assets and interest income	(43.04)	27.63	–	–	–	–	(72.03)	208.75
6 Past service cost	–	14.47	47.38	0.12	–	8.23	–	–
7 Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	72.03	(208.75)
8 Amount capitalized out of the above/recovered from S&A	–	–	–	–	–	–	–	–
Total (1 to 8)	84.06	165.79	75.43	7.93	34.78	29.56	117.07	103.26
i Amount included in "Employee benefits expense"	91.54	98.32	59.51	13.19	3.14	11.49	117.07	103.26
ii Amount included as part of "Finance cost"	4.97	(0.51)	22.14	21.60	26.92	25.28	–	–
iii Amount included as part of "Other comprehensive income"	(12.45)	67.98	(6.22)	(26.86)	4.72	(7.21)	–	–
iv Amount included in "Profit from discontinued operations"	–	–	–	–	–	–	–	–
Total (i+ii+iii+iv)	84.06	165.79	75.43	7.93	34.78	29.56	117.07	103.26
Actual return on plan assets	89.25	16.64	–	–	–	–	384.53	81.49



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

**NOTE [45]**

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

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

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023
Opening balance of the present value of defined benefit obligation	860.66	775.41	305.50	313.02	375.27	371.56	3927.84	3618.59
Add: Current service cost	91.54	83.85	12.13	13.07	3.14	3.26	117.07	103.26
Add: Interest cost	51.18	43.76	22.14	21.60	26.92	25.28	312.49	290.25
Add: Contribution by plan participants								
i) Employee	–	–	–	–	–	–	289.43	257.73
ii) Transfer-in/(out)	(4.46)	–	(1.33)	–	–	–	64.39	102.15
Add/(less): Actuarial (gains)/losses arising from changes in:								
i) Demographic assumptions	2.89	4.67	(30.85)	(9.42)	–	–	–	–
ii) Financial assumptions	38.18	4.65	9.24	(17.52)	7.58	(11.57)	–	–
iii) Experience adjustments	(10.48)	31.03	15.39	0.08	(2.86)	4.36	–	–
Less: Benefit paid	(92.17)	(102.46)	(15.98)	(15.45)	(27.79)	(25.85)	(534.99)	(444.14)
Add: Past service cost	–	14.47	47.38	0.12	–	8.23	–	–
Add/(less): Translation adjustments	0.78	5.27	–	–	–	–	–	–
Closing balance of the present value of defined benefit obligation	938.11	860.66	363.62	305.50	382.26	375.27	4176.22	3927.84

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

Particulars	Gratuity plan		Trust-managed provident fund plan	
	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023
Opening balance of the fair value of the plan assets	623.27	659.29	4014.74	3887.73
Add: Interest income on plan assets <sup>[1]</sup>	46.21	44.27	312.49	290.25
Add/(less): Actuarial gains/(losses)				
Difference between actual return on plan assets and interest income	43.04	(27.63)	72.03	(208.75)
Add: Contribution by the employer	133.64	17.71	114.81	99.15
Add/(less): Transfer in/(out)	(4.46)	–	64.39	102.15
Add: Contribution by plan participants	–	–	315.95	288.36
Less: Benefits paid	(70.83)	(70.37)	(534.99)	(444.14)
Closing balance of the plan assets	770.87	623.27	4359.42	4014.74

<sup>[1]</sup> Basis used to determine interest income on plan assets:

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

The Company expects to fund ₹ 47.56 crore (previous year: ₹ 133.64 crore) towards its gratuity plan and ₹ 132.84 crore (previous year: ₹ 117.90 crore) towards its trust-managed provident fund plan during the year 2023-24.

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

### NOTE [45]

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

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

Particulars	Gratuity plan					
	As at 31-3-2024			As at 31-3-2023		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	4.35	4.35	–	3.81	3.81
Equity instruments	46.51	–	46.51	23.23	–	23.23
Debt instruments - Corporate Bonds	249.22	–	249.22	216.55	–	216.55
Debt instruments - Central Government Bonds	125.73	–	125.73	106.87	–	106.87
Debt instruments - State Government Bonds	207.03	–	207.03	171.41	–	171.41
Debt instruments - PSU Bonds	17.85	–	17.85	19.02	–	19.02
Mutual funds - Equity	36.61	73.85	110.46	25.41	50.89	76.30
Mutual funds - Debt	–	4.01	4.01	–	–	–
Fixed Deposits	–	3.84	3.84	–	3.58	3.58
Special Deposit Scheme	–	1.48	1.48	–	1.48	1.48
Others	–	0.40	0.40	–	1.01	1.01
Closing balance of the plan assets	682.95	87.93	770.87	562.49	60.77	623.27

₹ crore

Particulars	Trust-managed provident fund plan					
	As at 31-3-2024			As at 31-3-2023		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	9.68	9.68	–	14.49	14.49
Equity instruments	216.31	–	216.31	134.26	–	134.26
Debt instruments - Corporate Bonds	1,451.74	–	1,451.74	1,284.87	–	1,284.87
Debt instruments - Central Government Bonds	461.94	–	461.94	497.76	–	497.76
Debt instruments - State Government Bonds	1,497.43	–	1,497.43	1,320.13	–	1,320.13
Debt instruments - PSU Bonds	144.70	–	144.70	257.22	–	257.22
Mutual funds - Equity	88.09	284.10	372.19	82.72	249.36	332.08
Mutual funds - Debt	–	4.70	4.70	–	–	–
Special Deposit Scheme	–	123.86	123.86	–	146.99	146.99
Invit Instruments	74.14	–	74.14	27.41	–	27.41
Other (Payables)/Receivables	1.15	1.57	2.72	–	(0.47)	(0.47)
Closing balance of the plan assets	3935.50	423.91	4359.42	3604.37	410.37	4014.74

₹ crore

- f) The average duration (in number of years) of the defined benefit plan obligations at the Balance Sheet date is as follows:

Plans	As at 31-3-2024	As at 31-3-2023
1) Gratuity plan	6.23	6.51
2) Post-retirement medical benefit plan	12.28	13.15
3) Company pension plan	7.26	7.25

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

**NOTE [45]**

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

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

Plans	As at 31-3-2024	As at 31-3-2023
i) Discount rate:		
a) Gratuity plan	7.18%	7.46%
b) Post-retirement medical benefit plan	7.18%	7.46%
c) Company pension plan	7.18%	7.46%
ii) Annual increase in healthcare costs (refer Note vii below)	0.00%	5.00%
iii) Salary Growth rate:		
a) Gratuity plan	7.00%	6.50%
b) Company pension plan	9.00%	9.00%

- iv) Attrition Rate:
- For gratuity plan the attrition rate varies from 2% to 12% (previous year: 2% to 12%) for various age groups.
  - For Company pension plan, the attrition rate varies from 0% to 2% (previous year: 0% to 2%) for various age groups.
  - For post-retirement medical benefit plan, the attrition rate varies from 1% to 14% (previous year: 1% to 13%) for various age groups.
- v) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- vi) The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long-term investments of the fund. Any shortfall in the interest income over the interest obligation is recognized immediately in the Statement of Profit and Loss.
- vii) The obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits.
- viii) (A) One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of gratuity plan:

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2023-24	2022-23	2023-24	2022-23
	Impact of change in salary growth rate	53.44	52.30	(48.61)
Impact of change in discount rate	(48.12)	(46.39)	54.09	52.45

₹ crore

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

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2023-24	2022-23	2023-24	2022-23
	Impact of change in discount rate	(25.84)	(25.69)	29.46

₹ crore

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

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2023-24	2022-23	2023-24	2022-23
	Impact of change in Health care cost	7.53	20.10	(7.85)
Impact of change in discount rate	(40.87)	(36.60)	50.73	45.83

₹ crore

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

### NOTE [45]

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

h) Characteristics of defined benefit plans and associated risks:

1 Gratuity plan:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972.

The defined benefit plan for gratuity of the Company is administered by separate gratuity funds that are legally separate from the Company. The trustees nominated by the Company are responsible for the administration of the plan. There are no minimum funding requirements of these plans. The funding of these plans are based on gratuity fund's actuarial measurement framework set out in the funding policies of the plan. These actuarial measurements are similar compared to the assumptions set out in (g) above. Employees do not contribute to any of these plans.

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

2 Post-retirement medical care plan:

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

3 Company's pension plan:

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

4 Trust managed provident fund plan:

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

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

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

### NOTE [46]

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

- (i) The Company's exports qualify for various export benefits offered in the form of duty credit scrips under foreign trade policy framed by Department General of Foreign Trade India (DGFT). Income accounted towards such export incentives and duty drawback amounts to ₹ 72.50 crore (previous year ₹ 86.06 crore).
- (ii) The Company's manufacturing facility is eligible for certain incentives under the Investment Promotion Scheme 2014. Income accounted towards such incentives amounts to ₹ 1.38 crore (Previous year Nil).

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

**NOTE [47]**

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

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

Sr No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
1	L&T Construction Equipment Limited	Wholly Owned Subsidiary [WOS]	Yes
2	Bhilai Power Supply Company Limited	Subsidiary	Yes
3	Kesun Iron and Steel Company Private Limited <sup>[1]</sup>	Subsidiary	Yes
4	L&T Aviation Services Private Limited	WOS	Yes
5	L&T Capital Company Limited	WOS	Yes
6	Larsen & Toubro International FZE	WOS of L&T Global Holdings Limited	Yes
7	L&T Global Holdings Limited	WOS	Yes
8	Larsen & Toubro Heavy Engineering LLC	Subsidiary	Yes
9	L&T Modular Fabrication Yard LLC	Subsidiary	Yes
10	PT Larsen & Toubro Hydrocarbon Engineering Indonesia <sup>[2]</sup>	Subsidiary	No
11	Larsen & Toubro Kuwait Construction General Contracting Company W.L.L.	Subsidiary	Yes
12	Larsen Toubro Arabia LLC	Subsidiary	Yes
13	L&T Hydrocarbon Saudi Company	WOS	Yes
14	Larsen & Toubro Electromech LLC	Subsidiary	Yes
15	L&T Geostructure Private Limited	Subsidiary	Yes
16	L&T Geo – L&T JV for Maharatgarh project	WOS of L&T Geostructure Private Limited	No
17	L&T Geo – L&T UJV CMRL CS	WOS of L&T Geostructure Private Limited	No
18	L&T Infrastructure Engineering Limited <sup>[3]</sup>	WOS	Yes
19	Larsen & Toubro (Oman) LLC	Subsidiary of Larsen & Toubro International FZE	Yes
20	Larsen & Toubro Qatar LLC <sup>[4]</sup>	WOS of Larsen & Toubro International FZE	No
21	Larsen & Toubro Saudi Arabia LLC	Subsidiary	Yes
22	Larsen & Toubro T&D SA Proprietary Limited	Subsidiary of Larsen & Toubro International FZE	No
23	Larsen & Toubro (East Asia) SDN.BHD.	WOS of Larsen & Toubro International FZE	Yes
24	Hi-Tech Rock Products and Aggregates Limited	WOS	Yes
25	L&T Realty Developers Limited	WOS	Yes
26	L&T Innovation Campus (Chennai) Limited <sup>[5]</sup>	WOS	Yes
27	L&T Seawoods Limited	WOS	Yes
28	Elevated Avenue Realty LLP <sup>[6]</sup>	WOS of L&T Seawoods Limited	Yes
29	L&T Parel Project Private Limited	WOS of L&T Seawoods Limited	Yes
30	Chennai Vision Developers Private Limited	WOS of L&T Realty Developers Limited	No
31	L&T Westend Project LLP	Subsidiary of L&T Realty Developers Limited	No
32	Think Tower Developers Private Limited <sup>[7]</sup>	Subsidiary of L&T Realty Developers Limited	No
33	L&T Valves Limited	WOS	Yes
34	L&T Valves Arabia Manufacturing LLC	WOS of L&T Valves Limited	Yes
35	L&T Valves USA LLC	WOS of L&T Valves Limited	No
36	L&T Finance Holdings Limited <sup>[8]</sup>	Subsidiary	Yes
37	L&T Finance Limited <sup>[9]</sup>	Subsidiary	Yes
38	L&T Mutual Fund Trustee Limited <sup>[9]</sup>	WOS of L&T Finance Limited	Yes
39	L&T Infra Credit Limited <sup>[9]</sup>	WOS of L&T Finance Limited	Yes
40	L&T Infra Investment Partners Advisory Private Limited	WOS of L&T Finance Limited	Yes
41	L&T Infra Investment Partners Trustee Private Limited	WOS of L&T Finance Limited	Yes
42	L&T Financial Consultants Limited	WOS of L&T Finance Limited	Yes
43	Mudit Cement Private Limited <sup>[10]</sup>	WOS of L&T Financial Consultants Limited	Yes
44	L&T Infra Investment Partners	Subsidiary of L&T Finance Limited	No
45	LTIMindtree Limited	Subsidiary	Yes



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

### NOTE [47]

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

Sr No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
46	LTIMindtree GMBH	WOS of LTIMindtree Limited	No
47	LTIMindtree Canada Limited	WOS of LTIMindtree Limited	No
48	LTIMindtree LLC	WOS of LTIMindtree Limited	No
49	LTIMindtree Financial Services Technologies Inc.	WOS of LTIMindtree Limited	No
50	LTIMindtree South Africa (Pty) Limited	Subsidiary of LTIMindtree Limited	No
51	LTIMindtree Information Technology Services(Shanghai) Co, Ltd. <sup>[11]</sup>	WOS of LTIMindtree Limited	No
52	LTIMindtree Spain, S.L <sup>[12]</sup>	WOS of LTIMindtree Limited	No
53	LTIMindtree, Sociedad De Responsibilidad Limitada De Capital Variable	WOS of LTIMindtree Limited	No
54	LTIMindtree Norge AS	WOS of LTIMindtree Limited	No
55	LTIMindtree S.A. <sup>[13]</sup>	WOS of LTIMindtree GmbH	No
56	Syncordis France SARL	WOS of Syncordis S.A.	No
57	Syncordis Limited	WOS of Syncordis S.A.	No
58	LTIMindtree PSF S.A. <sup>[14]</sup>	WOS of Syncordis S.A.	No
59	Nielsen+Partner Unternehmensberater GmbH	WOS of LTIMindtree GmbH	No
60	LTIMindtree Swizerland AG <sup>[15]</sup>	WOS of Nielsen+Partner Unternehmensberater GmbH	No
61	Nielsen+Partner Pte Ltd	WOS of Nielsen+Partner Unternehmensberater GmbH	No
62	LTIMindtree (Thailand) Limited <sup>[16]</sup>	WOS of Nielsen+Partner Unternehmensberater GmbH	No
63	Nielsen&Partner Pty Ltd	WOS of Nielsen+Partner Unternehmensberater GmbH	No
64	LTIMindtree USA Inc. <sup>[17]</sup>	WOS of Lymbyc Solutions Private Limited	No
65	Lymbyc Solutions Private Limited <sup>[18]</sup>	WOS of LTIMindtree Limited	No
66	Powerup Cloud Technologies Private Limited <sup>[18]</sup>	WOS of LTIMindtree Limited	No
67	LTIMindtree UK Limited	WOS of LTIMindtree Limited	No
68	LTIMindtree Middle East FZ-LLC	WOS of LTIMindtree Limited	No
69	L&T Technology Services Limited	Subsidiary	Yes
70	L&T Thales Technology Services Private Limited	Subsidiary of L&T Technology Services Limited	Yes
71	Esencia Technologies India Private Limited <sup>[19]</sup>	WOS of L&T Technology Services Limited	No
72	L&T Technology Services LLC	WOS of L&T Technology Services Limited	Yes
73	Graphene Semiconductor Services Private Limited <sup>[19]</sup>	WOS of L&T Technology Services Limited	No
74	L&T Technology Services Pte. Ltd.	WOS of L&T Technology Services Limited	No
75	Graphene Solutions SDN. BHD.	WOS of L&T Technology Services Limited	No
76	Graphene Solutions Taiwan Limited	WOS of L&T Technology Services Limited	No
77	Seastar Labs Private Limited <sup>[19]</sup>	WOS of L&T Technology Services Limited	No
78	L&T Technology Services (Shanghai) Co. Ltd.	WOS of L&T Technology Services Limited	No
79	L&T Technology Services (Canada) Ltd	WOS of L&T Technology Services LLC	No
80	Orchestra Technology, Inc. <sup>[20]</sup>	WOS of L&T Technology Services LLC	No
81	Mindtree Software (Shanghai) Co., Limited ('MSSCL'), Republic of China <sup>[21]</sup>	WOS of LTIMindtree Limited	No
82	L&T Power Development Limited	WOS	Yes
83	L&T Arunachal Hydropower Limited <sup>[22]</sup>	WOS of L&T Power Development Limited	No
84	L&T Himachal Hydropower Limited	WOS of L&T Power Development Limited	No
85	Nabha Power Limited	WOS of L&T Power Development Limited	Yes
86	L&T Metro Rail (Hyderabad) Limited <sup>[23]</sup>	Subsidiary	Yes
87	Cuelogic Technologies Private Limited <sup>[18]</sup>	Subsidiary of LTIMindtree Limited	No
88	Cuelogic Technologies Inc. <sup>[24]</sup>	Subsidiary of Cuelogic Technologies Private Limited	No
89	L&T Network Services Private Limited	WOS	Yes
90	Prime Techpark (Chennai) Private Limited	WOS	No
91	L&T Energy Hydrocarbon Engineering Limited	WOS	Yes

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

**NOTE [47]**

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

Sr No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
92	Millennium Techpark (Chennai) Private Limited <sup>[25]</sup>	Subsidiary of L&T Seawoods Limited	No
93	Chennai Nova Techpark Private Limited <sup>[26]</sup>	Subsidiary of L&T Seawoods Limited	No
94	Bangalore Galaxy Techpark Private Limited <sup>[27]</sup>	WOS of L&T Realty Developers Limited	No
95	Bangalore Spectrum Techpark Private Limited <sup>[28]</sup>	WOS of L&T Realty Developers Limited	No
96	Avenue Techpark (Bangalore) Private Limited <sup>[29]</sup>	WOS of L&T Realty Developers Limited	No
97	Bangalore Fortune Techpark Private Limited <sup>[30]</sup>	WOS of L&T Realty Developers Limited	No
98	Business Park (Powai) Private Limited <sup>[31]</sup>	WOS	Yes
99	Corporate Park (Powai) Private Limited <sup>[30]</sup>	WOS	Yes
100	L&T Electrolysers Limited <sup>[32]</sup>	WOS of L&T Energy Green Tech Limited	Yes
101	LH Residential Housing Private Limited <sup>[33]</sup>	WOS of L&T Realty Developers Limited	Yes
102	L&T Semiconductor Technologies Limited <sup>[34]</sup>	WOS	Yes
103	L&T Offshore Private Limited <sup>[35]</sup>	WOS	Yes
104	LH Uttaraayan Premium Realty Private Limited <sup>[36]</sup>	WOS of L&T Realty Developers Limited	No
105	L&T Technology Services Poland spółka z ograniczoną odpowiedzialnością <sup>[37]</sup>	WOS of L&T Technology Limited	No
106	PT Larsen and Toubro	WOS	Yes
107	L&T Energy Green Tech Limited <sup>[38]</sup>	WOS	Yes

<sup>[1]</sup> Struck off from register of companies w.e.f August 08,2023

<sup>[2]</sup> Liquidated w.e.f July 10, 2023

<sup>[3]</sup> Divested w.e.f January 3,2024

<sup>[4]</sup> In process of liquidation

<sup>[5]</sup> Merged with L&T Seawoods Limited on April 1, 2023

<sup>[6]</sup> Formerly known as L&T Avenue Realty LLP

<sup>[7]</sup> Divested w.e.f April 17, 2023

<sup>[8]</sup> Renamed as L&T Finance Limited

<sup>[9]</sup> Merged with L&T Finance Holdings Limited w.e.f. April 1, 2023 and post-merger the resultant entity is renamed as L&T Finance Limited.

<sup>[10]</sup> The Group divested w.e.f. September 26,2023

<sup>[11]</sup> Formerly known as L&T Information Technology Services (Shanghai) Co., Ltd.

<sup>[12]</sup> Formerly known as L&T Information Technology Spain SL

<sup>[13]</sup> Formerly known as Syncordis S.A.

<sup>[14]</sup> Formerly known as Syncordis PSF S.A.

<sup>[15]</sup> Formerly known as Nielsen+Partner Unternehmensberater AG

<sup>[16]</sup> Formerly known as Nielsen&Partner Company Limited

<sup>[17]</sup> Formerly known as Lymbyc Solutions Inc.

<sup>[18]</sup> Merged with LTIMindtree Limited w.e.f April 1,2023

<sup>[19]</sup> Merged with L&T Technology Services Limited w.e.f. April 1, 2022

<sup>[20]</sup> Merged with L&T Technology Services LLC on February 1, 2024

<sup>[21]</sup> Liquidated w.e.f. August 26, 2023

<sup>[22]</sup> Struck off from register of companies w.e.f July 21,2023

<sup>[23]</sup> One equity share (the Golden Share) is held by the Government of Telangana in pursuance of the Shareholders' Agreement

<sup>[24]</sup> Liquidated w.e.f. April 26, 2023

<sup>[25]</sup> Incorporated on April 30,2023

<sup>[26]</sup> Incorporated on April 17,2023

<sup>[27]</sup> Incorporated on April 13,2023

<sup>[28]</sup> Incorporated on April 12,2023

<sup>[29]</sup> Incorporated on April 10,2023

<sup>[30]</sup> Incorporated on May 01,2023

<sup>[31]</sup> Incorporated on April 20,2023

<sup>[32]</sup> Incorporated on June 27,2023

<sup>[33]</sup> Incorporated on July 31,2023 and formerly known as LH Residential Housing Limited

<sup>[34]</sup> Incorporated on November 29,2023

<sup>[35]</sup> Reclassified as subsidiary w.e.f December 27, 2023 and formerly known as L&T Sapura Offshore Private Limited

<sup>[36]</sup> Incorporated on February 17,2024

<sup>[37]</sup> Incorporated on October 30,2023

<sup>[38]</sup> During the year balance stake is purchased and entity became a wholly-owned subsidiary

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

### NOTE [47]

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

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

Sr. No	Associate Companies
1	Magtorq Private Limited

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

Sr. No	Joint Venture Companies	Sr. No	Joint Venture Companies
1	L&T-Sargent & Lundy Limited	2	L&T - MHI Power Boilers Private Limited
3	L&T - MHI Power Turbine Generators Private Limited	4	Raykal Aluminium Company Private Limited
5	L&T Special Steels and Heavy Forgings Private Limited	6	L&T Howden Private Limited
7	L&T Sapura Shipping Private Limited	8	L&T Infrastructure Development Projects Limited <sup>[1]</sup>
9	Panipat Elevated Corridor Limited <sup>[1]</sup>	10	GH4 India Private Limited <sup>[3]</sup>
11	L&T Interstate Road Corridor Limited <sup>[1]</sup>	12	L&T Transportation Infrastructure Limited <sup>[1]</sup>
13	L&T MBDA Missile Systems Limited	14	Ahmedabad-Maliya Tollway Limited <sup>[1]</sup>
15	L&T Samakhiali Gandhidham Tollway Limited <sup>[1]</sup>	16	L&T Deccan Tollways Limited <sup>[1]</sup>
17	Kudgi Transmission Limited <sup>[1]</sup>	18	L&T Sambalpur-Rourkela Tollway Limited <sup>[1]</sup>
19	L&T Rajkot-Vadinar Tollway Limited <sup>[1]</sup>	20	L&T Hydrocarbon Caspian LLC <sup>[2]</sup>

<sup>[1]</sup> Divested w.e.f. April 10, 2024

<sup>[2]</sup> Liquidated w.e.f. September 25, 2023

<sup>[3]</sup> Incorporated on August 25, 2023.

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

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

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

Sr. No	Superannuation Trust
1	Larsen & Toubro Limited Senior Officers' Superannuation Scheme

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

(i) Executive Director:

Sr. No		Sr. No	
1	Mr. S. N. Subrahmanyam (Chairman & Managing Director) <sup>[1]</sup>	2	Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)
3	Mr. Subramanian Sarma (Whole-time Director)	4	Mr. D. K. Sen (Whole-time Director) <sup>[2]</sup>
5	Mr. M. V. Satish (Whole-time Director) <sup>[3]</sup>	6	Mr. S.V. Desai (Whole-time Director)
7	Mr. T. Madhava Das (Whole-time Director)	8	Mr. Anil Parab (Whole-time Director) <sup>[4]</sup>

<sup>[1]</sup> Designated as Chairman w.e.f. October 1, 2023

<sup>[2]</sup> Ceased to be Whole-time Director w.e.f. April 7, 2023

<sup>[3]</sup> Ceased to be Whole-time Director w.e.f. April 7, 2024

<sup>[4]</sup> Appointed w.e.f. August 5, 2022

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

**NOTE [47]**

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

(ii) Non-executive/Independent Directors

Sr. No	Name	Sr. No	Name
1	Mr. A.M. Naik (Non-executive Chairman) <sup>[1]</sup>	2	Mr. M. M. Chitale (Independent Director) <sup>[2]</sup>
3	Mr. M. Damodaran (Independent Director) <sup>[2]</sup>	4	Mr. Vikram Singh Mehta (Independent Director) <sup>[2]</sup>
5	Mr. Adil Siraj Zainulbhai (Independent Director)	6	Mr. Sanjeev Aga (Independent Director)
7	Mr. Narayanan Kumar (Independent Director)	8	Mr. Hemant Bhargava (Nominee of Life Insurance Corporation of India)
9	Ms. Preetha Reddy (Independent Director)	10	Mr. Pramit Jhaveri (Independent Director)
11	Mr. Jyoti Sagar (Independent Director) <sup>[3]</sup>	12	Mr. Rajnish Kumar (Independent Director) <sup>[3]</sup>
13	Mr. Ajay Tyagi (Independent Director) <sup>[4]</sup>	14	Mr. P. R. Ramesh (Independent Director) <sup>[4]</sup>

<sup>[1]</sup> Ceased to be Non-executive Chairman w.e.f. September 30, 2023

<sup>[2]</sup> Ceased w.e.f. March 31, 2024 on account of completion of tenure.

<sup>[3]</sup> Appointed w.e.f. May 10, 2023

<sup>[4]</sup> Appointed w.e.f. October 31, 2023

(iii) Company secretary

Sr. No	Name
1	Mr. Sivaram Nair A

(iv) Close member of Key Management Personnel's (KMP's) family with whom transactions were carried out during the year:

Sr. No	Name	Sr. No	Name
1	Ms. Meena Subrahmanyam	2	Ms. Vasanti Narayanan
3	Mr. Ajinkya Anil Parab	4	Ms. Sulabha Anil Parab
5	Ms. Smita Narayan Sarang	6	Ms. Bhagyasree Joshi
7	Mr. Anand V Desai	8	Ms. Kalavathi S Desai
9	Mr. Raghavendra V Desai	10	Ms. Madhuri Subhash Gadre
11	Mr. Saurabh Mukund Chitale	12	Mr. Sushrut Mukund Chitale
13	Mr. M.V. Srinath	14	Ms. Vasanti Satish
15	Ms. Hamida Zainulbhai	16	Ms. Mukeeta Pramit Jhaveri
17	Mr. Harshad Reddy	18	Mr. Uday Singh Mehta

(c) Disclosure of related party transactions:

Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
i.	Purchase of goods & services (including commission paid)				
	Subsidiaries, including:	2253.72		1440.82	
	L&T Modular Fabrication Yard LLC		1059.01		371.51
	L&T Geostructure Private Limited		240.98		225.89
	Larsen & Toubro Electromech LLC				186.57
	L&T Valves Limited				150.53
	Larsen & Toubro (Oman) LLC				150.38
	L&T Energy Hydrocarbon Engineering Limited		282.31		
	Joint ventures, including:	867.78		1167.22	
	L&T - MHI Power Boilers Private Limited		332.03		479.31
	L&T Special Steels and Heavy Forgings Private Limited		457.43		338.01
	L&T Energy Hydrocarbon Engineering Limited				172.01
	L&T - MHI Power Turbine Generators Private Limited				124.97
	Associates, including:	25.41		25.48	
	Magtorq Private Limited		25.41		25.06
	Total	3146.91		2633.52	

₹ crore

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

### NOTE [47]

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

Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
ii.(a)	Sale of goods/contract revenue & services				
	Subsidiaries, including:	896.76		717.51	
	LTIMindtree Limited				237.98
	Nabha Power Limited				176.90
	L&T Realty Developers Limited		196.07		116.01
	Larsen & Toubro (East Asia) SDN. BHD.		265.05		84.83
	Larsen & Toubro International FZE		129.00		
	Joint ventures, including:	38.24		101.34	
	L&T - MHI Power Boilers Private Limited		23.56		74.96
	L&T MBDA Missile Systems Limited		4.69		17.53
	L&T Special Steels and Heavy Forgings Private Limited		9.99		
	Total	935.00		818.85	
ii. (b)	Reversal of sale of goods/contract revenue & services				
	Subsidiaries:			9.72	
	L&T Seawoods Limited				6.59
	L&T Metro Rail (Hyderabad) Limited				3.13
	Total			9.72	
iii.	Purchase/lease of property, plant and equipment				
	Subsidiaries, including:	132.15		54.82	
	L&T Construction Equipment Limited		113.06		25.82
	L&T Geostructure Private Limited				18.86
	LTIMindtree Limited				6.69
	Joint venture:	0.42		0.05	
	L&T-Sargent & Lundy Limited				0.05
	L&T - MHI Power Turbine Generators Private Limited		0.42		
	Total	132.57		54.87	
iv.	Sale of property, plant and equipment				
	Subsidiaries, including:	22.25		0.80	
	Larsen & Toubro Saudi Arabia LLC				0.78
	L&T Geostructure Private Limited		20.36		
	Total	22.25		0.80	
v.	Investments including subscription to equity and preference shares (equity portion)				
	Subsidiaries, including:	3718.70		1371.96	
	L&T Metro Rail (Hyderabad) Limited		3654.00		1320.00
	Joint venture:	1.00		0.04	
	L&T Infrastructure Development Projects Limited				0.04
	GH4India Private Limited		1.00		
	Total	3719.70		1372.00	



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

**NOTE [47]**

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

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
vi.	Divestment of stake to/capital reduction in:				
	Subsidiaries, including:	0.05		1126.05	
	L&T Power Development Limited				823.04
	L&T Seawoods Limited				300.00
	L&T Energy Green Tech Limited		0.05		
	Joint venture:	129.26			
	L&T Infrastructure Development Projects Limited		128.88		
	Total	129.31		1126.05	
vii.	Business Transfer to:				
	Subsidiaries	800.00			
	L&T Technology Services Limited		800.00		
viii.	Inter corporate deposits and loans given to				
	Subsidiaries, including:	709.75		5603.77	
	L&T Metro Rail (Hyderabad) Limited		564.00		
	Nabha Power Limited		110.21		5435.77
	Total	709.75		5603.77	
ix.	Inter corporate deposits and loans repaid by				
	Subsidiaries, including:	3139.80		6655.67	
	Nabha Power Limited				5307.67
	L&T Metro Rail (Hyderabad) Limited		3059.03		1094.97
	Joint ventures:	151.72		14.07	
	L&T Sapura Shipping Private Limited		151.72		14.07
	Total	3291.52		6669.74	
x.	Inter corporate borrowing taken from				
	Subsidiaries, including:	8195.49		3979.92	
	L&T Realty Developers Limited		2880.50		1296.50
	L&T Seawoods Limited		3334.72		1251.71
	L&T Power Development Limited				908.70
	L&T Parel Project Private Limited		914.50		
	Joint venture:	557.16		1283.65	
	L&T - MHI Power Turbine Generators Private Limited		224.16		755.15
	L&T MBDA Missile Systems Limited		333.00		528.50
	Total	8752.65		5263.57	
xi.	Inter corporate borrowing repaid to				
	Subsidiaries, including:	7047.70		4062.68	
	L&T Realty Developers Limited		2620.50		1296.50
	L&T Seawoods Limited		2894.72		1251.71
	L&T Power Development Limited				908.70
	L&T Parel Project Private Limited		780.50		
	Joint venture:	551.56		1271.90	
	L&T - MHI Power Turbine Generators Private Limited		220.56		715.15
	L&T MBDA Missile Systems Limited		331.00		556.75
	Total	7599.26		5334.58	

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

### NOTE [47]

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

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xii.	Charges paid for miscellaneous services				
	Subsidiaries, including:	281.59		277.03	
	LTIMindtree Limited		199.34		215.18
	L&T Technology Services Limited				29.90
	L&T Aviation Services Private Limited		29.40		
	L&T Energy Hydrocarbon Engineering Limited		35.73		
	Joint ventures, including:	9.04		26.45	
	L&T- Chiyoda Limited				18.69
	L&T Sargent & Lundy Limited		7.83		6.30
	L&T - MHI Power Boilers Private Limited		1.15		
	Total	290.63		303.48	
xiii.	Rent paid, including lease rentals under leasing/hire purchase arrangements				
	Subsidiaries, including:	2.06		1.07	
	L&T Geostucture Private Limited				0.72
	L&T Hydrocarbon Saudi Company				0.35
	L&T Valves Limited		1.50		
	L&T Metro Rail (Hyderabad) Limited		0.29		
	Joint ventures, including:	31.64		38.22	
	L&T Sapura Shipping Private Limited		18.29		28.45
	L&T - MHI Power Turbine Generators Private Limited		9.24		8.93
	Total	33.70		39.29	
xiv.	Rent received, overheads recovered and miscellaneous income				
	Subsidiaries, including:	527.88		345.43	
	LTIMindtree Limited		159.54		116.53
	L&T Technology Services Limited		75.78		54.64
	L&T Finance Limited		126.39		
	Joint ventures, including:	74.04		97.02	
	L&T - MHI Power Boilers Private Limited		28.83		37.62
	L&T Energy Hydrocarbon Engineering Limited				13.66
	L&T Sargent & Lundy Limited		12.60		11.66
	L&T - MHI Power Turbine Generators Private Limited		9.42		10.20
	L&T Infrastructure Development Projects Limited		7.84		
	Total	601.92		442.45	
xv.(a)	Charges incurred for deputation of employees from related parties				
	Subsidiaries, including:	0.51			
	L&T Realty Developers Limited		0.51		
	Total	0.51			

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

**NOTE [47]**

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

Sr. No.	Nature of transaction/relationship/major parties	₹ crore			
		2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xv.(b)	Charges recovered for deputation of employees to related parties				
	Subsidiaries, including:	110.41		82.05	
	L&T Geostructure Private Limited		19.98		19.02
	Elevated Avenue Realty LLP		22.38		17.96
	L&T Realty Developers Limited		18.65		14.62
	L&T Seawoods Limited		15.54		12.28
	Joint ventures:	9.71		7.50	
	L&T Sapura Shipping Private Limited		7.76		5.59
	L&T Infrastructure Development Projects Limited				0.98
	L&T Special Steels and Heavy Forgings Private Limited		1.03		0.93
	Total	120.12		89.55	
xvi.	Dividend received				
	Subsidiaries, including:	2519.42		1568.08	
	LTIMindtree Limited		1219.02		1067.12
	L&T Technology Services Limited		366.54		233.96
	L&T Finance Limited		327.85		
	Joint ventures, including:	129.83		144.34	
	L&T - MHI Power Boilers Private Limited				119.39
	L&T Infrastructure Development Projects Limited		112.24		
	Total	2649.25		1712.42	
xvii.	Buyback of shares				
	Key Management Personnel, including:	20.14			
	Mr. R. Shankar Raman		10.20		
	Mr. Subramanian Sarma		5.47		
	Mr. Anil Parab		3.20		
	Close member of KMP's family, including:	2.62			
	Ms. Meena Subrahmanyam		2.61		
	Total	22.76			
xviii.	Dividend Paid				
	Key Management Personnel, including:	4.93		3.66	
	Mr. A.M Naik		1.88		1.38
	Mr. R. Shankar Raman		0.99		0.72
	Mr. S. N. Subrahmanyam		0.80		0.58
	Mr. Subramanian Sarma		0.53		
	Close member of KMP's family, including:	0.32		0.23	
	Ms. Meena Subrahmanyam		0.25		0.19
	Total	5.25		3.89	
xix	Commission received, including those under agency arrangements				
	Subsidiary:	11.43		11.03	
	L&T Construction Equipment Limited		11.43		11.03
	Total	11.43		11.03	

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

### NOTE [47]

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

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xx	Guarantee charges recovered from				
	Subsidiaries, including:	263.34		148.26	
	L&T Hydrocarbon Saudi Company		67.98		55.64
	L&T Metro Rail (Hyderabad) Limited		30.31		30.16
	Larsen & Toubro Saudi Arabia LLC		53.40		
	Larsen Toubro Arabia LLC		45.41		30.74
	Larsen & Toubro International FZE		62.98		
	Joint venture:	0.67		0.79	
	L&T - MHI Power Turbine Generators Private Limited		0.67		0.79
	Total	264.01		149.05	
xxi	Interest paid to				
	Subsidiaries, including:	77.42		47.68	
	L&T Seawoods Limited		28.53		15.39
	L&T Valves Limited		10.57		
	L&T Power Development Limited				9.80
	L&T Realty Developers Limited		26.15		18.44
	L&T Parel Project Private Limited		8.92		
	Joint ventures:	12.82		12.38	
	L&T MBDA Missile Systems Limited		11.64		10.02
	L&T - MHI Power Turbine Generators Private Limited				2.36
	Total	90.24		60.06	
xxii	Interest received from				
	Subsidiaries, including:	307.86		541.40	
	L&T Metro Rail (Hyderabad) Limited		223.52		375.69
	L&T Finance Limited		42.41		72.42
	Nabha Power Limited		33.92		86.87
	Joint ventures:	81.22		100.48	
	L&T Sapura Shipping Private Limited		18.07		15.60
	L&T Special Steels and Heavy Forgings Private Limited				27.19
	Kudgi Transmission Limited		58.31		57.68
	Total	389.08		641.88	
xxiii	Amount written off as bad debts				
	Joint venture:	20.37			
	L&T - MHI Power Boilers Private Limited		20.37		
	Total	20.37			

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

**NOTE [47]**

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

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xxiv	Amount recognised/(reversed) in Profit or Loss as provision towards bad and doubtful debts (including expected credit loss)				
	Subsidiaries, including:	1.96		12.55	
	Larsen Toubro Arabia LLC		(13.45)		6.59
	L&T Hydrocarbon Saudi Company		1.77		3.38
	L&T Metro Rail (Hyderabad) Limited		10.90		5.04
	L&T Modular Fabrication Yard LLC		1.79		
	Elevated Avenue Realty LLP		(3.31)		
	L&T Offshore Private Limited		4.96		
	L&T Innovation Campus (Chennai) Limited		(0.49)		
	L&T Technology Services Limited		(0.21)		
	Joint ventures, including:	(27.32)		3.13	
	L&T Sapura Offshore Private Limited		(5.08)		
	L&T Deccan Tollways Limited				1.73
	L&T - MHI Power Boilers Private Limited		(22.41)		0.79
	L&T Infrastructure Development Projects Limited				0.45
	Total	(25.36)		15.68	
xxv	Amount recognised in Profit or Loss on account of impairment/(reversal of impairment) loss on investment and inter corporate deposit				
	Subsidiaries, including:	(70.24)		(891.86)	
	Larsen & Toubro Heavy Engineering LLC		(70.24)		
	L&T Power Development Limited				(668.00)
	L&T Hydrocarbon Saudi Company				(182.31)
	Joint ventures,	47.03			
	L&T Infrastructure Development Projects Limited		47.03		
	Total	(23.20)		(891.86)	
xxvi	Guarantee given on behalf of				
	Subsidiaries, including:	52856.46		39586.86	
	Larsen & Toubro International FZE				20343.96
	Larsen & Toubro Saudi Arabia LLC				14210.16
	L&T Hydrocarbon Saudi Company		40531.36		
	Larsen Toubro Arabia LLC		7732.06		
	Total	52856.46		39586.86	
xxvii	Contribution to post employment benefit plans				
(a)	Towards employer's contribution to provident fund trusts, including:	116.39		100.63	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		105.60		90.79
	Total	116.39		100.63	
(b)	Towards employer's contribution to gratuity fund trusts:	133.64		17.71	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		123.95		14.20
	Larsen & Toubro Gratuity Fund		9.69		3.51
	Total	133.64		17.71	
(c)	Towards employer's contribution to superannuation trust:	16.09		15.84	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		16.09		15.84
	Total	16.09		15.84	

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



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

### NOTE [47]

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

xviii. Compensation/benefits to key management personnel:

Key Management Personnel	2023-24				2022-23				
	Short-term employee benefits	Post-employment benefits	Other Long term benefit	ESOP granted during the year <sup>[5]</sup>	Total	Short-term employee benefits	Post-employment benefits	Other Long term benefit	Total
Executive Directors:									
(a) Mr. S.N.Subrahmanyam	39.15	10.50		32.40	82.05	27.54	7.36		34.90
(b) Mr. R. Shankar Raman	24.26	6.50			30.76	17.10	4.57		21.67
(c) Mr. D. K. Sen	0.21	15.31 <sup>[1]</sup>	6.94 <sup>[2]</sup>		22.46	9.52	2.52		12.04
(d) Mr. M. V. Satish	10.53	2.78			13.31	9.55	2.51		12.06
(e) Mr. J.D. Patil						2.12	18.31 <sup>[4]</sup>	10.98 <sup>[2]</sup>	31.41
(f) Mr. Subramanian Sarma	20.81	5.57			26.38	14.57	3.89		18.46
(g) Mr. S.V.Desai	14.82	3.95		9.26	28.03	10.41	2.76		13.17
(h) Mr. T. Madhava Das	14.47	3.86			18.33	8.92	2.36		11.28
(i) Mr. Anil Parab	9.85	2.61			12.46	4.28	1.11		5.39
Non-executive Directors:									
(a) Mr. A.M. Naik	1.69	1.50 <sup>[3]</sup>			3.19	3.36	3.00 <sup>[3]</sup>		6.36
(b) Other Non-executive Directors	5.12				5.12	4.39	–		4.39
(c) Sivaram Nair A (Company Secretary)	1.70	0.02			1.72	1.57	0.02		1.59
<b>Total</b>	<b>142.61</b>	<b>52.60</b>	<b>6.94</b>	<b>41.66</b>	<b>243.81</b>	<b>113.33</b>	<b>48.41</b>	<b>10.98</b>	<b>172.72</b>

<sup>[1]</sup> Post employment benefits include gratuity ₹ 15.25 crore

<sup>[2]</sup> Represents encashment of past service accumulated leave

<sup>[3]</sup> Represents pension

<sup>[4]</sup> Post employment benefits include gratuity ₹ 17.75 crore

<sup>[5]</sup> Represents fair value of ESOPs granted during the year which will be vested equally over a period of 4 years.

(d) Amount due to/from related parties:

Sr. No.	Category of balance/relationship/parties	As at 31-3-2024		As at 31-3-2023	
		Amount	Amounts for major parties	Amount	Amounts for major parties
i.	Accounts receivable				
	Subsidiaries, including:	1350.88		1383.77	
	L&T Metro Rail (Hyderabad) Limited		729.66		728.14
	L&T Geostructure Private Limited		241.50		239.11
	Joint ventures, including:	29.28		93.42	
	L&T - MHI Power Boilers Private Limited		17.78		83.68
	L&T Special Steels and Heavy Forgings Private Limited		3.19		
	<b>Total</b>	<b>1380.16</b>		<b>1477.19</b>	

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

**NOTE [47]**

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

		₹ crore			
Sr. No.	Category of balance/relationship/parties	As at 31-3-2024		As at 31-3-2023	
		Amount	Amounts for major parties	Amount	Amounts for major parties
ii.	Accounts payables, including other payables				
	Subsidiaries, including:	1329.05		893.90	
	L&T Modular Fabrication Yard LLC		248.23		140.54
	Larsen Toubro Arabia LLC		168.35		91.89
	L&T Geostructure Private Limited		164.04		172.17
	Larsen & Toubro Saudi Arabia LLC		171.72		
	Larsen and Toubro (Oman) LLC				90.41
	L&T Technology Services Limited		148.23		
	Joint ventures , including:	1264.42		1459.61	
	L&T - MHI Power Boilers Private Limited		750.42		760.83
	L&T - MHI Power Turbine Generators Private Limited		266.85		453.44
	L&T Special Steels and Heavy Forgings Private Limited		210.84		
	Associates, including:	5.61		6.00	
	Magtorq Private Limited		5.22		5.61
	Total	2599.08		2359.51	
iii.	Investment in debt securities [including preference shares (debt portion)]				
	Subsidiaries:	758.90		2038.24	
	L&T Metro Rail (Hyderabad) Limited		436.36		1078.31
	L&T Finance Limited		322.55		959.92
	Joint ventures:	949.43		955.56	
	L&T Special Steels and Heavy Forgings Private Limited		213.17		213.17
	Kudgi Transmission Limited		736.26		742.39
	Total	1708.33		2993.80	
iv.	Impairment loss on investment in debt securities				
	Joint venture:	213.17		213.17	
	L&T Special Steels and Heavy Forgings Private Limited		213.17		213.17
	Total	213.17		213.17	
v.	Loans & advances recoverable				
	Subsidiaries, including:	1526.93		4013.06	
	L&T Metro Rail (Hyderabad) Limited				2861.92
	L&T Geostructure Private Limited		228.82		
	Nabha Power Limited		385.96		
	Larsen & Toubro Saudi Arabia LLC		268.54		
	Joint ventures , including:	2035.90		2316.94	
	L&T Special Steels and Heavy Forgings Private Limited		1790.93		1829.14
	L&T Sapura Shipping Private Limited		208.23		345.96
	Associates, including:	4.10		5.26	
	Magtorq Private Limited		3.86		5.05
	Total	3566.93		6335.26	

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

### NOTE [47]

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

		As at 31-3-2024		As at 31-3-2023	
Sr. No.	Category of balance/relationship/parties	Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
vi.	Impairment loss on loans & advances recoverable				
	Subsidiaries, including:	6.50		86.78	
	L&T Offshore Private Limited		5.08		
	Larsen & Toubro Heavy Engineering LLC				81.50
	Joint venture, including:	1731.25		1736.44	
	L&T Special Steels and Heavy Forgings Private Limited		1730.38		1730.38
	Total	1737.75		1823.22	
vii.	Provision towards constructive obligation				
	Joint venture:	14.84		14.84	
	L&T Special Steels and Heavy Forgings Private Limited		14.84		14.84
	Total	14.84		14.84	
viii.	Unsecured loans taken (including lease finance)				
	Subsidiaries:	1149.41		1.23	
	L&T Energy Green Tech Limited				1.23
	L&T Valves Limited		270.10		
	L&T Seawoods Limited		440.16		
	L&T Parel Project Private Limited		134.05		
	L&T Realty Developers Limited		260.09		
	Joint venture:	207.67		202.04	
	L&T MBDA Missile Systems Limited		164.06		162.03
	L&T - MHI Power Turbine Generators Private Limited		43.62		40.01
	Total	1357.08		203.27	
ix.	Advances received in the capacity of supplier of goods/services classified as "Advances from customers" in the Balance Sheet				
	Subsidiaries, including:	91.63		169.78	
	L&T Realty Developers Limited		40.36		64.62
	L&T Technology Services Limited				48.57
	LTIMindtree Limited		18.73		28.00
	Larsen & Toubro International FZE		9.58		17.82
	Larsen & Toubro (East Asia) SDN. BHD.		17.03		
	Joint venture:	2.39		5.70	
	L&T - MHI Power Boilers Private Limited		2.39		5.70
	Close member of KMP's family:	0.11		-	
	Ms. Meena Subrahmanyam		0.11		-
	Total	94.13		175.48	
x.	Due to directors <sup>[1]</sup> :				
	Key management personnel, including:	123.61		92.20	
	Mr. S. N. Subrahmanyam		35.28		24.10
	Mr. R. Shankar Raman		21.83		14.82
	Mr. Anil Parab		8.62		3.50
	Mr. D. K. Sen		0.18		7.75
	Mr. M. V. Satish		8.57		7.72
	Mr. J.D. Patil				1.73
	Mr. Subramanian Sarma		18.56		12.44
	Mr. S.V.Desai		13.41		9.07
	Mr. T. Madhava Das		13.06		7.60
	Total	123.61		92.20	

<sup>[1]</sup> Includes commission due to non-executive directors ₹ 4.10 crore (previous year: ₹ 3.47 crore).

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

**NOTE [47]**

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

		₹ crore			
Sr. No.	Category of balance/relationship/parties	As at 31-3-2024		As at 31-3-2023	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xi.	Post employment benefit plan				
(a)	Due to provident fund trusts, including:	51.30		47.49	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		47.99		44.34
	Total	51.30		47.49	
(b)	Due to gratuity trusts:	47.56		133.64	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		44.12		107.15
	Larsen & Toubro Gratuity Fund		3.45		26.49
	Total	47.56		133.64	
(c)	Due to superannuation trust:	17.93		10.65	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		17.93		10.65
	Total	17.93		10.65	
xii.(a)	Capital commitment given				
	Subsidiaries, including:	31.70		119.00	
	L&T Construction Equipment Limited		20.60		112.03
	LTIMindtree Limited		9.92		
	Total	31.70		119.00	
xii.(b)	Revenue commitment given				
	Subsidiaries, including:	3225.26		1076.11	
	L&T Geostructure Private Limited				496.85
	L&T Valves Limited				167.69
	L&T Modular Fabrication Yard LLC				144.13
	Larsen & Toubro Saudi Arabia LLC		1500.57		
	L&T Energy Hydrocarbon Engineering LTD		785.67		
	Joint ventures , including:	1023.63		1285.83	
	L&T - MHI Power Boilers Private Limited		569.94		652.15
	L&T Special Steels and Heavy Forgings Private Limited		370.22		556.15
	Associates, including:	31.76		41.38	
	Magtorq Private Limited		31.76		40.94
	Total	4280.65		2403.32	
xiii.	Commitment to Fund[2]				
	Subsidiary:	239.25		349.47	
	Nabha Power Limited		239.25		349.47
	Total	239.25		349.47	
xiv.	Revenue commitment received				
	Subsidiaries, including:	2007.30		1808.54	
	LTIMindtree Limited		671.49		407.01
	Nabha Power Limited				210.73
	L&T Realty Developers Limited				308.11
	Larsen & Toubro (East Asia) SDN. BHD.		660.54		466.09
	LTFZE - Infrastructure Contracts				257.58
	L&T Innovation Campus (Chennai) Limited		220.12		
	Joint ventures , including:	15.48		43.46	
	L&T - MHI Power Boilers Private Limited		10.68		34.04
	L&T MBDA Missile Systems Limited		4.80		9.38
	Close Member of KMP's family:	7.68		-	
	Ms. Meena Subrahmanyam		7.68		-
	Total	2030.46		1852.00	

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

### NOTE [47]

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

		₹ crore			
Sr. No.	Category of balance/relationship/parties	As at 31-3-2024		As at 31-3-2023	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xv.	Guarantee given on behalf of				
	Subsidiaries, including:	129527.23		77408.90	
	L&T Hydrocarbon Saudi Company		60762.23		31895.83
	Larsen Toubro Arabia LLC		18587.34		11071.24
	Larsen & Toubro Saudi Arabia LLC		18946.29		
	L&T Metro Rail (Hyderabad) Limited				8616.00
	Larsen & Toubro International FZE		21154.05		20840.82
	Joint ventures , including:	243.22		311.92	
	L&T - MHI Power Turbine Generators Private Limited		210.56		276.58
	Total	129770.45		77720.82	
xvi.	Provision towards expected credit loss related to the amount of outstanding balances				
	Subsidiaries, including:	85.06		84.13	
	L&T Metro Rail (Hyderabad) Limited		41.82		30.89
	Larsen Toubro Arabia LLC		21.09		34.54
	L&T Hydrocarbon Saudi Company		16.18		14.41
	Joint ventures , including:	2.74		25.15	
	L&T - MHI Power Boilers Private Limited				22.61
	L&T - MHI Power Turbine Generators Private Limited		0.36		
	L&T Infrastructure Development Projects Limited		0.45		
	L&T Deccan Tollways Limited		1.73		
	Total	87.80		109.28	

"Major parties" denote entities account for 10% or more of the aggregate for that category of balance during respective year.

<sup>[2]</sup> During the year, the Company had provided a revolving line of credit facility of ₹ 1000 crore to L&T Finance Limited as a stand-by liquidity support arrangement (the "Facility"), valid upto March 31, 2024. The utilisation against the Facility is NIL as at March 31, 2024.

Notes:

- All the related party contracts / arrangements have been entered on arms' length basis.
- The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.
- The interest rate charged on loans given to related parties are as per market rates.



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

**NOTE [48]**

Disclosure pursuant to Ind AS 27 "Separate Financial Statements"

Investment in following subsidiaries, associates and joint ventures is accounted at cost.

**Subsidiaries:**

Sr. No.	Name of the subsidiary	Principal place of business	As at 31-3-2024		As at 31-3-2023	
			Proportion of direct ownership (%)	Proportion of effective ownership interest /voting power(%)	Proportion of direct ownership (%)	Proportion of effective ownership interest /voting power(%)
<b>Indian subsidiaries</b>						
1	Bhilai Power Supply Company Limited	India	99.90	99.90	99.90	99.90
2	L&T Innovation Campus (Chennai) Limited <sup>[1]</sup>	India	–	–	100.00	100.00
3	Hi-Tech Rock Products & Aggregates Limited	India	100.00	100.00	100.00	100.00
4	L&T Seawoods Limited	India	100.00	100.00	100.00	100.00
5	Kesun Iron & Steel Company Private Limited <sup>[2]</sup>	India	–	–	95.00	95.00
6	L&T Geostructure Private Limited	India	99.00	100.00	99.00	100.00
7	L&T Valves Limited	India	100.00	100.00	100.00	100.00
8	L&T Energy Green Tech Limited	India	100.00	100.00	99.99	99.99
9	L&T Aviation Services Private Limited	India	100.00	100.00	100.00	100.00
10	LTIMindtree Limited	India	68.64	68.64	68.68	68.68
11	L&T Finance Limited	India	65.86	65.86	66.11	66.11
12	L&T Capital Company Limited	India	100.00	100.00	100.00	100.00
13	L&T Power Development Limited	India	100.00	100.00	100.00	100.00
14	L&T Metro Rail (Hyderabad) Limited <sup>[3]</sup>	India	99.99	99.99	99.99	99.99
15	L&T Technology Services Limited	India	73.74	73.74	73.85	73.85
16	L&T Construction Equipment Limited	India	100.00	100.00	100.00	100.00
17	L&T Infrastructure Engineering Limited <sup>[4]</sup>	India	–	–	100.00	100.00
18	L&T Realty Developers Limited	India	100.00	100.00	100.00	100.00
19	L&T Energy Hydrocarbon Engineering Ltd	India	100.00	100.00	100.00	100.00
20	L&T Network Services Private Limited	India	100.00	100.00	100.00	100.00
21	Corporate Park (Powai) Private Limited <sup>[5]</sup>	India	100.00	100.00	–	–
22	Business Park (Powai) Private Limited <sup>[6]</sup>	India	100.00	100.00	–	–
23	L&T Semiconductor Technologies Limited <sup>[7]</sup>	India	100.00	100.00	–	–
24	L&T Offshore Private Limited <sup>[8]</sup>	India	100.00	100.00	–	–

<sup>[1]</sup> Merged with L&T Seawoods Limited on April 1, 2023

<sup>[2]</sup> Struck off from register of companies w.e.f August 08, 2023

<sup>[3]</sup> One equity share (the Golden Share) is held by the Government of Telangana in pursuance of the Shareholders' Agreement.

<sup>[4]</sup> Divested w.e.f January 3, 2024

<sup>[5]</sup> Incorporated on May 01, 2023

<sup>[6]</sup> Incorporated on April 20, 2023

<sup>[7]</sup> Incorporated on November 29, 2023

<sup>[8]</sup> Reclassified as subsidiary w.e.f December 27, 2023 and formerly known as L&T Sapura Offshore Private Limited

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

### NOTE [48]

Disclosure pursuant to Ind AS 27 "Separate Financial Statements" (contd.)

#### Foreign Subsidiaries :

Sr. No.	Name of the subsidiary	Principal place of business	As at 31-3-2024		As at 31-3-2023	
			Proportion of direct ownership (%)	Proportion of effective ownership interest /voting power(%)	Proportion of direct ownership (%)	Proportion of effective ownership interest /voting power(%)
1	Larsen & Toubro Saudi Arabia LLC	Kindgom of Saudi Arabia	4.35	100.00	4.35	100.00
2	L&T Global Holdings Limited	UAE	100.00	100.00	100.00	100.00
3	Larsen & Toubro Arabia LLC	Kindgom of Saudi Arabia	75.00	75.00	75.00	75.00
4	L&T Hydrocarbon Saudi Company LLC	Kindgom of Saudi Arabia	100.00	100.00	100.00	100.00
5	L&T Modular Fabrication Yard LLC	Sultanate of Oman	70.00	70.00	70.00	70.00
6	Larsen & Toubro Electromech LLC	Sultanate of Oman	70.00	70.00	70.00	70.00
7	Larsen & Toubro Kuwait Construction General Contracting Company W.L.L.	Kuwait	49.00	49.00	49.00	49.00
8	Larsen & Toubro Heavy Engineering LLC	Sultanate of Oman	70.00	70.00	70.00	70.00
9	PT Larsen and Toubro	Indonesia	100.00	100.00	100.00	100.00

#### Associate Companies :

Sr. No.	Name of associate	Principal place of business	As at 31-3-2024		As at 31-3-2023	
			Proportion of direct ownership (%)	Proportion of effective ownership interest /voting power(%)	Proportion of direct ownership (%)	Proportion of effective ownership interest /voting power(%)
1	Gujarat Leather Industries Limited <sup>(1)</sup>	India	50.00	50.00	50.00	50.00
2	Magtorq Private Limited	India	42.85	42.85	42.85	42.85

<sup>(1)</sup> Under liquidation

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

**NOTE [48]**

Disclosure pursuant to Ind AS 27 "Separate Financial Statements" (contd.)

**Joint Ventures :**

Sr. No.	Name of the joint venture	Principal place of business	As at 31-3-2024		As at 31-3-2023	
			Proportion of direct ownership (%)	Proportion of effective ownership interest (%)	Proportion of direct ownership (%)	Proportion of effective ownership interest (%)
1	L&T Chennai–Tada Tollway Limited <sup>[2]</sup>	India	<sup>[1]</sup>	51.00	<sup>[1]</sup>	51.00
2	L&T Rajkot-Vadinar Tollway Limited <sup>[2]</sup>	India	<sup>[1]</sup>	51.00	<sup>[1]</sup>	51.00
3	L&T Samakhiali Gandhidham Tollway Limited <sup>[2]</sup>	India	0.02	51.00	0.02	51.01
4	L&T Infrastructure Development Projects Limited <sup>[2]</sup>	India	51.00	51.00	51.00	51.00
5	L&T Transportation Infrastructure Limited <sup>[2]</sup>	India	26.24	51.00	26.24	63.86
6	Ahmedabad - Maliya Tollway Limited <sup>[2]</sup>	India	<sup>[1]</sup>	51.00	<sup>[1]</sup>	51.00
7	L&T Howden Private Limited	India	50.10	50.10	50.10	50.10
8	L&T-MHI Power Boilers Private Limited	India	51.00	51.00	51.00	51.00
9	L&T-MHI Power Turbine Generators Private Limited	India	51.00	51.00	51.00	51.00
10	Raykal Aluminium Company Private Limited	India	75.50	75.50	75.50	75.50
11	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	74.00	74.00	74.00
12	PNG Tollway Limited	India	–	37.74	–	37.74
13	L&T MBDA Missile Systems Limited	India	51.00	51.00	51.00	51.00
14	L&T Hydrocarbon Caspian LLC <sup>[3]</sup>	Baku, Azerbaijan	–	–	50.00	50.00
15	L&T Sapura Shipping Private Limited	India	60.00	60.00	60.00	60.00
16	L&T Sapura Offshore Private Limited <sup>[4]</sup>	India	–	–	60.00	60.00
17	L&T-Sargent & Lundy Limited	India	50.00	50.00	50.00	50.00
18	GH4India Private Limited <sup>[5]</sup>	India	33.33	33.33	–	–

<sup>[1]</sup> Proportion of direct ownership is less than 0.01%.

<sup>[2]</sup> Divested w.e.f. April 10, 2024

<sup>[3]</sup> Liquidated w.e.f September 25, 2023

<sup>[4]</sup> Reclassified as subsidiary w.e.f December 27, 2023 and post-reclassification renamed as L&T Offshore Private Limited

<sup>[5]</sup> Incorporated on August 25, 2023

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

### NOTE [49]

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

Particulars		2023-24	2022-23
<b>Basic earnings per share</b>			
Net profit after tax (₹ crore)	A	9304.33	7848.97
Weighted average number of equity shares outstanding	B	1,38,98,17,026	1,40,52,58,885
Basic EPS(₹)	A/B	66.95	55.85
<b>Diluted earnings per share</b>			
Net profit after tax (₹ crore)	A	9304.33	7848.97
Weighted average number of equity shares outstanding	B	1,38,98,17,026	1,40,52,58,885
Add: Weighted average number of potential equity shares on account of employee stock options	C	12,33,876	11,80,266
Weighted average number of equity shares outstanding for diluted EPS	D=B+C	1,39,10,50,903	1,40,64,39,151
Diluted EPS(₹)	A/D	66.89	55.81
Face value per share (₹)		2	2

### NOTE [50]

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

a) Movement in provisions:

₹ crore

Sr no	Particulars	Class of provisions					Total
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation related obligation	Contractual rectification cost-construction contracts	Others	
1	Balance as at April 1, 2023	10.35	394.79	74.04	479.84	54.90	1013.92
2	Additional Provision during the year	0.54	30.23	–	389.45	–	420.22
3	Provision used during the year	(0.55)	(42.42)	–	(55.55)	–	(98.52)
4	Provision reversed during the year	(1.12)	(63.71)	(41.00)	(317.09)	–	(422.92)
5	Balance as at March 31, 2024 (5=1+2+3+4)	9.22	318.89	33.04	496.65	54.90	912.70

b) Nature of provisions:

- i. Product warranties: The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2024 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of 1 to 3 years from the date of Balance Sheet.
- ii. Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms.
- iii. Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.
- iv. Contractual rectification cost represents the estimated cost the Company is likely to incur during defect liability period as per the contract obligations in respect of completed construction contracts accounted under Ind AS 115 "Revenue from Contracts with customers".
- v. Other provisions mainly includes onerous contracts.

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

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

### NOTE [51]

The expenditure on research and development activities is as follows:

		₹ crore	
Sr. No.	Particulars	2023-24	2022-23
(i)	Recognised as expense in the Statement of Profit and Loss	163.15	123.08
(ii)	Capital Expenditure on:		
(a)	tangible assets	4.54	9.36
(b)	intangible assets being expenditure on new product development	–	–
(c)	other intangible assets	1.32	1.07

### NOTE [52]

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

(a) Foreign exchange rate and interest rate risk:

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

(i) Foreign exchange rate risk:

The Company has both receivable and payable exposures in foreign currency. Accordingly, changes in exchange rates may affect the Company’s revenues, cost, and profitability. There is a risk that the Company may also have to adjust the pricing due to competitive pressures when there has been significant volatility in foreign currency exchange rates.

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



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

### NOTE [52]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management (*contd.*)

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

Particulars	As at 31-3-2024					
	US Dollars including pegged currencies	EURO	Japanese Yen	Kuwaiti Dinar	Algerian Dinar	British Pound
Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	(3504.52)	(616.54)	(198.48)	135.55	(48.16)	(26.92)
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non-financial assets/(liabilities)	208.69	(331.95)	(11.01)	–	–	–
Derivatives including embedded derivatives for hedging receivable/ (payable) exposure with respect to firm commitments and highly probable transactions	2539.63	(14100.96)	1442.30	490.23	–	(108.56)
Receivable/(payable) exposure with respect to forward contracts and embedded derivatives not designated as cash flow hedge	1221.52	(424.23)	10.27	–	–	2.36

₹ crore

Particulars	As at 31-3-2023					
	US Dollars including pegged currencies	EURO	Japanese Yen	Kuwaiti Dinar	Algerian Dinar	British Pound
Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	(3537.74)	(1693.77)	(419.58)	(212.09)	(349.30)	(55.09)
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non-financial assets/(liabilities)	552.81	(677.01)	–	–	–	–
Derivatives including embedded derivatives for hedging receivable/ (payable) exposure with respect to firm commitments and highly probable transactions	4639.53	(1822.53)	164.96	507.44	–	(305.13)
Receivable/(payable) exposure with respect to forward contracts and embedded derivatives not designated as cash flow hedge	2501.89	(43.19)	7.89	–	–	(485.62)

₹ crore

To provide a meaningful assessment of the foreign currency risk associated with the Company's foreign currency derivative positions against off-balance sheet exposures and unhedged portion of on-balance sheet financial assets and liabilities, the Company uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposure due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Company uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments is generally offset by increases in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VAR for the Company at 95% confidence level is ₹ 89.03 crore as at March 31, 2024 and ₹ 31.93 crore as at March 31, 2023.

Actual future gains and losses associated with the Company's investment portfolio and derivative positions may differ materially from the sensitivity analysis performed as at March 31, 2024 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchanges rates and the Company's actual exposures and position.

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

**NOTE [52]**

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management (*contd.*)

(ii) Interest rate risk:

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

The Company has completed transition of its LIBOR linked loans to SOFR linked loans.

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

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Floating rate borrowings	2711.93	3664.96

A hypothetical 50 basis point shift in respective currency LIBORs and other benchmarks, holding all other variables constant, on the unhedged loans would result in a corresponding increase/decrease in interest cost for the Company on a yearly basis as follows:

Particulars	Impact on Profit and Loss after tax		Impact on Equity	
	2023-24	2022-23	At at 31-3-2024	At at 31-3-2023
	₹ crore			
<b>Indian Rupee</b>				
Interest rates -increase by 0.5% in INR interest rate	0.03	(1.05)	0.03	(1.05)
Interest rates -decrease by 0.5% in INR interest rate	(0.03)	1.05	(0.03)	1.05
<b>US Dollar</b>				
Interest rates -increase by 0.5% in USD interest rate	(10.18)	(12.66)	(10.18)	(12.66)
Interest rates -decrease by 0.5% in USD interest rate	10.18	12.66	10.18	12.66

(b) Liquidity Risk Management:

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through adequate committed credit lines. Given the need to fund diverse businesses, the Company maintains flexibility by need based drawing from committed credit lines. Management regularly monitors the position of cash and cash equivalents. The maturity profiles of financial assets and financial liabilities including debt financing plans and liquidity ratios are considered while reviewing the liquidity position.

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The Company uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Company typically invests in money market funds, large debt funds, Government of India securities, equity funds and other highly-rated securities under a exposure limit framework. The investment policy focuses on minimising the potential risk of principal loss. To provide a meaningful assessment of the price risk associated with the Company's investment portfolio, the Company performed a sensitivity analysis to determine the impact of change in prices of the securities on the value of the investment portfolio assuming a 0.5% movement in the fair market value of debt funds and debt securities and a 5% movement in the NAV of the equity funds as below:

Particulars	₹ crore	
	Increase/(decrease) in investment value	
	As at 31-3-2024	As at 31-3-2023
Debt funds and debt securities – increase by 0.50% in fair market value	44.89	53.32
Debt funds and debt securities – decrease by 0.50% in fair market value	(44.89)	(53.32)
Equity funds – increase by 5% in NAV	5.21	1.49
Equity funds – decrease by 5% in NAV	(5.21)	(1.49)

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

### NOTE [52]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management (*contd.*)

(c) Credit Risk Management:

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

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

	₹ crore	
<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
Balance as at April 1	3968.78	3481.74
Changes in loss allowance for expected credit loss:		
Provision/(reversal) of allowance for expected credit loss	323.78	324.57
Additional provision (net) towards credit impaired receivables	402.66	293.66
Write off as bad debts	(546.44)	(130.62)
Less: Balance reported under held for sale	–	0.57
Balance as at March 31 [refer Note 11]	4148.78	3968.78

- (ii) Trade receivable written off during the year but still enforceable for recovery amounts to Nil (previous year: Nil)

(d) Commodity price risk management:

The Company bids for and executes EPC projects on a turnkey basis. EPC projects entail procurement of various equipment and materials which may have direct or indirect linkages to commodity prices like steel (both long and flat steel), copper, aluminum, zinc, lead, nickel, cement etc. Accordingly, the Company is exposed to the price risk on these commodities. To mitigate the risk of commodity prices, the company relies on contractual provisions like pass through of prices, price variation provisions etc., and further uses hedging instruments where available (refer Note 53 (h)(ii)). There is a certain residual risk carried by the Company that cannot be hedged against.

The table given in the Risk Management section of Management Discussion and Analysis lists out the commodity exposure for the year (only for projects that been awarded and are under execution).

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

**NOTE [53]**

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

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

			₹ crore	
Sr. No.	Particulars	Note	As at 31-3-2024	As at 31-3-2023
I.	Measured at fair value through Profit or Loss (FVTPL):			
(i)	Investment in equity instruments	5	96.82	102.48
(ii)	Investment in mutual funds	10	1499.59	2224.35
(iii)	Investment in bonds	10	347.73	760.81
(iv)	Investment in InvTs	10	2694.57	802.08
(v)	Derivative instruments not designated as cash flow hedges	7,15	18.31	39.97
(vi)	Embedded derivatives not designated as cash flow hedges	7,15	113.47	168.39
	Sub-total (I)		4770.49	4098.08
II.	Measured at amortised cost:			
(i)	Loans	6,14	642.10	3475.10
(ii)	Investment in CBLO, Commercial Paper and Certificate of Deposit	10	1422.60	4851.72
(iii)	Trade receivables	11	36961.55	33152.58
(iv)	Other recoverable	15	2200.17	1588.91
(v)	Cash and cash equivalents and bank balances	7,12,13	4981.44	4698.42
(vi)	Other receivables		1874.13	1584.47
	Sub-total (II)		48081.99	49351.20
III.	Measured at fair value through Other comprehensive income (FVTOCI):			
(i)	Investment in government securities, bonds and debentures	10	10848.85	11585.33
(ii)	Derivative financial instruments designated as cash flow hedges	7,15	388.66	337.19
(iii)	Embedded Derivatives designated as cash flow hedges	7,15	56.86	87.41
	Sub-total (III)		11294.37	12009.93
	Total (I+II+III)		64146.85	65459.21

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

			₹ crore	
Sr. No.	Particulars	Note	As at 31-3-2024	As at 31-3-2023
I.	Measured at fair value through Profit or Loss (FVTPL):			
(i)	Derivative instruments not designated as cash flow hedges	20,26	25.39	33.16
(ii)	Embedded derivatives not designated as cash flow hedges	20,26	20.55	17.14
	Sub-total (I)		45.94	50.30
II.	Measured at amortised cost:			
(i)	Borrowings	19,23,24	22540.47	18151.09
(ii)	Trade payables			
	Due to micro enterprises and small enterprises		871.22	751.71
	Due to others	25	39975.11	41028.66
(iii)	Others		4045.45	4107.48
	Sub-total (II)		67432.25	64038.94
III.	Measured at Fair Value through Other Comprehensive Income (FVTOCI):			
(i)	Derivative instruments designated as cash flow hedges	20,26	255.57	146.55
(ii)	Embedded derivatives designated as cash flow hedges	20,26	21.09	31.53
	Sub-total (III)		276.66	178.08
IV.	Financial guarantee contracts	20,26	50.40	77.91
	Total (I+II+III+IV)		67805.25	64345.23

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

### NOTE [53]

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

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

		₹ crore	
Sr. No.	Particulars	2023-24	2022-23
I	Net gains/(losses) on financial assets, financial liabilities measured at fair value through Profit or Loss and amortised cost		
A	(i) Financial assets or financial liabilities mandatorily measured at fair value through Profit or Loss:		
	1. Gains/(losses) on fair valuation or sale of Investments	242.03	175.08
	2. Gains/(losses) on fair valuation/settlement of derivative:		
	a. On forward contracts not designated as cash flow hedges	57.79	(71.69)
	b. On embedded derivatives contracts not designated as cash flow hedges	18.72	188.47
	c. On futures not designated as cash flow hedges	(23.07)	92.71
	Sub-total (A)	295.47	384.57
B	Financial assets measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	(15.48)	455.45
	(ii) Allowance/(reversal) for expected credit loss during the year	(323.78)	(324.57)
	(iii) (Reversal of provision) for impairment loss (other than expected credit loss) [net]	(185.12)	(153.42)
	(iv) Gains/(losses) on derecognition:		
	1. Bad debts (written off)/written back (net)	(45.89)	(22.96)
	2. Gains/(losses) on transfer of financial assets (on non-recourse basis)	(3.35)	(20.47)
	Sub-total (B)	(573.62)	(65.97)
C	Financial liabilities measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade payables, borrowing availed etc.)	(79.90)	(331.62)
	(ii) Unclaimed credit balances written back	561.06	259.12
	Sub-total (C)	481.16	(72.50)
	Total [I] = (A+B+C)	203.01	246.10
II	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Other comprehensive income:		
A	Gains/(losses) recognised in Other comprehensive income:		
	(i) Financial assets measured at fair value through Other comprehensive income:		
	1. Gains/(losses) on fair valuation or sale of government securities, bonds, debentures etc.	178.96	(398.67)
	(ii) Derivative measured at fair value through Other comprehensive income :		
	1. Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hedges	(123.72)	(141.09)
	2. Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	(13.72)	105.09
	Sub-total (A)	41.52	(434.67)
	Less:		
B	Gains/(losses) reclassified to Profit or Loss from Other comprehensive income:		
	(i) Financial assets measured at fair value through Other comprehensive income :		
	1. On government securities, bonds, debentures etc. upon sale	7.03	(17.54)
	(ii) Derivative measured at fair value through Other comprehensive income:		
	1. On forward contracts upon hedged future cash flows affecting the Profit or Loss or related asset or liability	56.42	436.15
	2. On embedded derivative contracts upon hedged future cash flows affecting the Profit or Loss or related asset or liability	16.89	0.06
	Sub-total (B)	80.34	418.67
	Net gains/(losses) recognised in Other comprehensive income [II]= (A)-(B)	(38.82)	(853.34)



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

**NOTE [53]**

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

		₹ crore	
Sr. No.	Particulars	2023-24	2022-23
III	Other income/(expenses):		
A	Dividend income:		
	Dividend income from investments measured at FVTPL	6.43	0.97
	Sub- total (A)	6.43	0.97
B	Interest income:		
(a)	Financial assets measured at amortised cost	397.83	484.46
(b)	Financial assets measured at fair value through Other comprehensive income	1046.94	943.22
(c)	Financial assets measured at fair value through Profit or Loss	277.60	184.29
	Sub- total (B)	1722.37	1611.97
C	Interest expense:		
(a)	Derivative instruments (including embedded derivatives) that are measured at fair value through Other comprehensive income (reclassified to Profit or Loss during the period)	–	(185.40)
(b)	Derivative instruments that are measured at fair value through Profit or Loss	(23.80)	–
(c)	Financial liabilities that are measured at amortised cost	(2035.59)	(1663.89)
	Sub- total (C)	(2059.39)	(1849.29)
	Total [III] = (A+B+C)	(330.59)	(236.35)

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

(i) Financial assets measured at amortised cost:

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

(ii) Financial liabilities measured at amortised cost:

						₹ crore
Particulars	As at 31-3-2024		As at 31-3-2023		Fair value hierarchy	
	Carrying amount	Fair value	Carrying amount	Fair value		
Redeemable non-convertible fixed rate debentures	15535.41	15559.20	12677.79	12692.31	L2 <sup>(1)</sup>	
Term loan from banks	–	–	45.34	46.19	L2 <sup>(1)</sup>	
Total	15535.42	15559.20	12723.13	12738.50		

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

<sup>(1)</sup> Valuation technique L2: Future cash flows discounted using market rates.

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

### NOTE [53]

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

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

Particulars	Note	As at 31-3-2024				As at 31-3-2023			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
₹ crore									
<b>Financial assets:</b>									
(a) Designated at FVTPL:									
(i) Equity shares (other than those held in subsidiary, joint ventures & associate companies)	5	10.14	–	86.68	96.82	23.68	–	78.80	102.48
(ii) Mutual fund units	10	1499.59	–	–	1499.59	2224.35	–	–	2224.35
(iii) Bonds	10	347.73	–	–	347.73	760.81	–	–	760.81
(iv) InvTs	10	2694.57	–	–	2694.57	802.08	–	–	802.08
(v) Derivative instruments not designated as cash flow hedges	7,15	–	18.31	–	18.31	–	39.97	–	39.97
(vi) Embedded derivative Instruments not designated as cash flow hedges	7,15	–	113.47	–	113.47	–	168.39	–	168.39
(b) Designated at FVTOCI:									
(i) Debt instruments viz. government securities, bonds and debentures	10	10848.85	–	–	10848.85	11585.33	–	–	11585.33
(ii) Derivative financial instruments designated as cash flow hedges	7,15	–	388.66	–	388.66	–	337.19	–	337.19
(iii) Embedded derivative financial instruments designated as cash flow hedges	7,15	–	56.86	–	56.86	–	87.41	–	87.41
Total		15400.88	577.30	86.68	16064.86	15396.25	632.96	78.80	16108.01
<b>Financial Liabilities:</b>									
(a) Designated at FVTPL:									
(i) Derivative instruments not designated as cash flow hedges	20,26	–	25.39	–	25.39	–	33.16	–	33.16
(ii) Embedded derivative instruments not designated as cash flow hedges	20,26	–	20.55	–	20.55	–	17.14	–	17.14
(b) Designated at FVTOCI:									
(i) Derivative financial instruments designated as cash flow hedges	20,26	–	255.57	–	255.57	–	146.55	–	146.55
(ii) Embedded derivative financial instruments designated as cash flow hedges	20,26	–	21.09	–	21.09	–	31.53	–	31.53
Total		–	322.60	–	322.60	–	228.38	–	228.38

Valuation technique and key inputs used to determine fair value -

- Level-1 : Equity shares, mutual funds, bonds, InvTs, debentures and government securities- Quoted price in the active market.
- Level-2 : Derivative instrument – Mark to market on forward covers and embedded derivative instruments is based on forward exchange rates at the end of reporting period and discounted using G-sec rate plus applicable spread.

(f) Movement of items measured using unobservable inputs (Level 3):

Particulars	Equity Investment in Tidel Park Limited
Balance as at April 01, 2022	69.32
Gains/(losses) recognised in Profit or Loss during 2022-23	9.37
Balance as at March 31, 2023	78.69
Gains/(losses) recognised in Profit or Loss during 2023-24	7.90
Balance as at March 31, 2024	86.59

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

**NOTE [53]**

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

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

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	31-3-2024	31-3-2023		
	₹ crore			
Equity Investment	86.58	78.69	31-3-2024 and 31-3-2023: 1. Net realization per month ₹ 35 per sqft. (PY: ₹ 31.827 per sqft) 2. Capitalisation rate 11.50%	31-3-2024 and 31-3-2023 : 1% change in net realization would result in +/- ₹ 0.31 crore (post tax- ₹ 0.23 crore) [PY: +/- ₹ 0.28 crore (post tax- ₹ 0.21 crore)] 25 bps change in capitalization rate would result in +/- ₹ 0.66 crore (post tax- ₹ 0.50 crore) [PY: +/- ₹ 0.60 crore (post tax- ₹ 0.45 crore)]

(g) Maturity Profile of Financial Liabilities (undiscounted values):

Particulars	Note	As at 31-3-2024			As at 31-3-2023		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
		₹ crore					
A. Non derivative liabilities:							
Borrowings	19, 23, 24	11022.78	14849.90	25872.68	8808.49	11467.55	20276.04
Trade payables:	25						
Due to micro enterprises and small enterprises		858.97	12.25	871.22	662.48	89.23	751.71
Due to others		39438.31	536.80	39975.11	38286.03	2742.63	41028.66
Other financial liabilities	20, 26	3720.45	104.25	3824.70	3886.55	111.41	3997.96
Lease liabilities		128.95	154.08	283.03	92.87	108.63	201.50
Total		55169.46	15657.28	70826.74	51736.42	14519.45	66255.87
B. Derivative liabilities:							
Forward contracts	20, 26	272.94	11.11	284.05	166.76	17.59	184.35
Embedded derivatives	20, 26	41.64	–	41.64	43.81	5.42	49.23
Total		314.58	11.11	325.69	210.57	23.01	233.58

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

(i) Outstanding currency exchange rate hedge instruments

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

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
(a) Receivable hedges								
US Dollar	13390.81	84.48	11634.39	1756.41	12782.32	83.70	10347.59	2434.73
Qatari Riyal	1816.12	22.89	1777.63	38.50	1626.45	22.61	1496.29	130.16
Japanese Yen	2674.33	0.56	1411.98	1262.35	1245.81	0.65	906.40	339.41
Arab Emirates Dirham	705.19	22.68	605.11	100.08	1018.03	22.66	1018.03	–
Kuwaiti Dinar	795.30	275.25	790.64	4.66	862.35	269.82	862.35	–
EURO	768.41	93.84	607.89	160.53	560.20	92.53	492.76	67.44
Saudi Riyal	–	–	–	–	192.21	22.02	192.21	–
Omani Riyal	10.91	219.16	10.91	–	93.84	214.40	93.84	–
Malaysian Ringgit	190.06	18.03	190.06	–	57.30	19.26	57.30	–
Thai Baht	22.93	2.43	22.93	–	2.97	2.41	2.97	–

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

### NOTE [53]

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

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
(b) Payable hedges								
US Dollar	14007.75	85.73	9499.57	4508.18	10092.09	82.47	9644.92	447.17
EURO	16366.04	92.11	14907.34	1458.71	4159.14	90.93	3996.35	162.79
Japanese Yen	1152.07	0.56	1130.91	21.16	912.41	0.65	899.47	12.94
Swiss Franc	188.90	89.23	187.69	1.20	366.68	90.89	366.68	–
British Pound	158.29	104.59	146.59	11.70	255.36	101.45	255.36	–
Arab Emirates Dirham	562.70	22.85	562.70	–	219.97	22.43	219.97	–
Qatari Riyal	120.39	22.87	120.39	–	183.24	22.54	183.24	–
Kuwaiti Dinar	171.79	273.47	171.79	–	173.20	268.72	173.20	–
Chinese Yuan	17.86	11.75	17.86	–	78.95	12.09	78.95	–
Canadian Dollar	1.80	61.55	1.80	–	2.23	60.96	2.23	–

#### B. Forward covers accounted as Net Investment Hedge:

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Receivable:								
Arab Emirates Dirham	32.57	22.82	32.57	–	152.19	22.32	152.19	–
Saudi Riyal	194.58	22.28	194.58	–	–	–	–	–

#### C. Options contract:

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Receivable hedges:								
US Dollars	446.07	<sup>(1)</sup>	–	446.07	476.79	<sup>(1)</sup>	–	476.79

<sup>(1)</sup> The options contracts include a combination of calls and puts with different maturities and strike prices.

#### (ii) Outstanding commodity price hedge instruments

##### A. Commodity forward contract:

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Copper(Tn)	625.48	710211.45	625.48	–	178.67	722240.47	178.67	–
Aluminium(Tn) <sup>(1)</sup>	659.90	192407.39	649.97	9.93	372.45	200711.94	378.05	(5.60)
Iron Ore(Tn)	14.29	7309.80	6.95	7.34	22.84	7465.00	8.25	14.59
Coking Coal(Tn)	–	–	–	–	7.08	23586.00	7.08	–
Nickel(Tn)	130.21	1778778.54	130.21	–	39.76	1893321.70	39.76	–
Lead(Tn)	55.58	173424.85	55.58	–	7.55	171565.00	7.55	–

<sup>(1)</sup> Negative nominal amount represents sell position.

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

**NOTE [53]**

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

## B. Commodity options contract:

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Aluminium (Tn)	112.48	<sup>(1)</sup>	112.48	–	283.04	<sup>(1)</sup>	283.04	–
Copper (Tn)	301.25	<sup>(1)</sup>	301.25	–	123.01	–	123.01	–

<sup>(1)</sup> The options contracts include a combination of calls and puts with different maturities and strike prices.

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

## A. Cash flow hedge:

Particulars	As at 31-3-2024		As at 31-3-2023	
	Currency exposure	Commodity price exposure	Currency exposure	Commodity price exposure
(i) Forward contracts				
Current:				
Asset - Other financial assets	208.95	51.98	281.14	36.39
Liability - Other financial liabilities	233.97	36.86	125.47	15.40
Non current:				
Asset - Other financial assets	170.98	–	79.37	–
Liability - Other financial liabilities	5.83	–	19.60	–
(ii) Option contracts				
Current:				
Asset - Other financial assets	–	13.60	1.67	24.74
Liability - Other financial liabilities	–	–	–	15.74

₹ crore

## B. Net Investment Hedge:

Particulars	As at 31-3-2024	As at 31-3-2023
	Currency exposure	Currency exposure
(i) Forward contracts		
Current:		
Asset - Other financial assets	–	1.29
Liability - Other financial liabilities	–	1.87

₹ crore

## (j) Breakup of hedging reserve &amp; cost of hedging reserve balance:

Particulars	As at 31-3-2024		As at 31-3-2023	
	Cash flow hedging reserve	Cost of hedging reserve	Cash flow hedging reserve	Cost of hedging reserve
Balance towards continuing hedges	(25.33)	(4.68)	76.79	(4.77)
Balance for which hedge accounting discontinued	92.21	–	151.98	–

₹ crore



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

### NOTE [53]

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

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

₹ crore

Particulars	Hedging reserve/Cost of hedging reserve	
	2023-24	2022-23
Future cash flows are no longer expected to occur:		
Sales, administration and other expenses	0.64	3.89
Hedged expected future cash flows affecting Profit or Loss:		
Progress billing	5.78	(207.80)
Revenue from operation	(2.71)	20.13
Manufacturing ,construction and operating expenses	(42.77)	229.56
Finance costs	–	(185.03)
Sales, administration and other expenses	118.16	181.79

(l) Movement of hedging reserve & cost of hedging reserve

₹ crore

Hedging reserve	2023-24			2022-23		
	Gross	Tax	Net of Tax	Gross	Tax	Net of Tax
Opening balance	319.93	(91.16)	228.77	384.69	(101.46)	283.23
Changes in the spot element of the forward contracts which is designated as hedging instrument for time period related hedges	56.01	(13.27)	42.74	149.84	(23.83)	126.01
Changes in fair value of forward contracts designated as hedging instruments	(190.37)	45.12	(145.25)	32.98	(5.24)	27.74
Changes in intrinsic value of option contracts	–	–	–	(50.95)	8.10	(42.85)
Changes in fair value of swaps	–	–	–	18.03	(2.87)	15.16
Amount reclassified to Profit or Loss	(76.52)	18.13	(58.39)	(437.02)	69.50	(367.52)
Amount included in non-financial asset/liability	4.48	(1.06)	3.42	14.56	(2.32)	12.24
Amount included in Progress Billing in balance sheet	(5.78)	1.37	(4.41)	207.80	(33.04)	174.76
Closing balance	107.76	(40.88)	66.88	319.93	(91.16)	228.77

₹ crore

Cost of hedging reserve	2023-24			2022-23		
	Gross	Tax	Net of Tax	Gross	Tax	Net of Tax
Opening balance	(6.37)	1.60	(4.77)	(6.30)	1.58	(4.72)
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instrument for time period related hedges	(3.09)	0.78	(2.31)	(185.90)	46.79	(139.11)
Amount reclassified to Profit or Loss	3.21	(0.81)	2.40	185.83	(46.77)	139.06
Closing balance	(6.25)	1.57	(4.68)	(6.37)	1.60	(4.77)

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

**NOTE [54]**

Disclosure pursuant to Ind AS 116 "Leases"

(a) Where the Company is a lessor:

Operating leases: The Company has given land, buildings and plant & equipment under operating lease. The lease income received during the year is 161.02 crore (previous year: 152.18 crore). Leases are renewed only on mutual consent and at a prevalent market price and sub-lease is generally restricted.

Annual undiscounted lease payments receivable is as under:

₹ crore							
Particulars	Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Beyond 5 years	Total
As at 31-3-2024	122.01	102.55	83.32	80.61	49.53	384.95	822.97
As at 31-3-2023	88.52	53.46	49.10	51.46	48.47	429.16	720.17

(b) Where the Company is a lessee:

The Company has taken various assets on lease such as, plant and equipment, land, buildings, office premises, vehicles and computer equipment. Generally, leases are renewed only on mutual consent and at a prevalent market price and sub-lease is restricted.

Details with respect to right-of-use assets:

₹ crore							
Class of asset	Depreciation for the year		Additions during the year		Carrying amount		
	2023-24	2022-23	2023-24	2022-23	As at 31-3-2024	As at 31-3-2023	
Land	4.45	4.15	0.56	3.36	257.95	261.85	
Buildings	90.64	70.15	157.75	80.00	201.02	132.03	
Plant & equipment	18.73	27.03	1.06	22.13	10.71	28.37	
Vehicles	0.14	0.06	6.08	–	5.93	–	
Computer	0.34	0.59	–	–	–	0.34	
Total	114.30	101.98	165.45	105.49	475.61	422.59	

- i. Interest expense on lease liabilities amounts to ₹ 17.64 crore (previous year: ₹ 12.02 crore).
- ii. The expense relating to payments not included in the measurement of lease liability and recognized as expense in the Statement of Profit and Loss during the year are as follows:
  - Low value leases - ₹ 49.78 crore (previous year: ₹ 47.33 crore)
  - Short-term leases - ₹ 3690.36 crore (previous year: ₹ 3309.97 crore) and
- iii. Total cash out flow for leases amounts to ₹ 3067.64 crore during the year (previous year: ₹ 3413.55 crore) including cash outflow of short-term and low value leases.
- iv. Gain arising from sale and lease back transaction ₹ 23.47 crore (Previous year Nil)

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

### NOTE [55]

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2024. The disclosure pursuant to the said Act is as under:

Particulars	₹ crore	
	2023-24	2022-23
Principle amount due to suppliers under MSMED Act, 2006	23.42	66.60
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	1.72	1.48
Payment made to suppliers (other than interest) beyond the appointed day during the year	633.97	572.13
Interest paid to suppliers under MSMED Act (Section 16)	0.79	0.75
Interest due and payable towards suppliers under MSMED Act for payments already made	15.19	16.42
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	25.78	16.61
Amount of further interest remaining due and payable even in the succeeding years	0.41	0.34

### NOTE [56]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2024.

### NOTE [57]

Disclosure pursuant to regulation 34 (3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Section 186 of the Companies Act, 2013.

Sr. No.	Nature of the transaction (loans given)	Purpose for which the loan is proposed to be utilised by the recipient	Rate of Interest for loan outstanding as at 31-3-2024	Balance as at		Maximum outstanding during	
				31-3-2024	31-3-2023	2023-2024	2022-2023
(a)	L&T Special Steels & Heavy Forgings Private Limited <sup>[1]</sup>	Working Capital and Project funding	7.00%	1730.38	1730.38	1730.38	1730.38
(b)	Nabha Power Limited	Working capital and project funding	10.50%	383.75	273.53	383.75	2586.21
(c)	L&T Metro Rail (Hyderabad) Limited	Working capital and project funding	–	–	2835.84	3399.84	3894.70
(d)	Hi-Tech Rock Products & Aggregates Limited	Investments in subsidiaries	–	–	–	–	26.31
(e)	L&T Geostructure Private Limited	Project funding	7.00%	17.77	22.00	23.04	27.23
(f)	Larsen & Toubro Arabia LLC	Working Capital	–	–	–	–	86.98
(g)	L&T Sapura Shipping Pvt Ltd	Working Capital and Support for refinancing of loan taken for vessel	5.50%	204.05	342.82	347.47	342.82
(h)	L&T Hydrocarbon Saudi Company	Working Capital	–	–	–	–	223.19
(i)	L&T Modular Fabrication Yard LLC	Working Capital	–	–	–	–	0.28
(j)	L&T Heavy Engineering LLC <sup>[2]</sup>	Working Capital	–	–	81.50	82.37	81.50
(k)	L&T Energy Green Tech Limited	Working Capital	8.25%	18.16	–	18.16	–
(l)	Business Park (Powai) Pvt Ltd	Working Capital	12.00%	17.92	–	17.92	–
	Total			2372.03	5286.07		

<sup>[1]</sup> Excluding impairment of ₹ 1730.38 crore (previous year: ₹ 1730.38 crore)

<sup>[2]</sup> Excluding impairment of ₹ Nil (previous year: ₹ 81.50 crore).

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

**NOTE [57] (contd.)**

Notes:

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

Sr. No.	Nature of the transaction (investment made/ guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	Balance as at	
			31-3-2024	31-3-2023
<b>(A) Guarantees given to Subsidiary &amp; Joint venture Companies:</b>				
(i)	L&T - MHI Power Turbine Generators Private Limited	Corporate Guarantee given for subsidiary's financial obligations	210.56	276.58
(ii)	L&T Metro Rail (Hyderabad) Ltd	Corporate Guarantee given for subsidiary's financial obligations	8616.00	8616.00
(iii)	Larsen & Toubro Arabia LLC	Corporate Guarantee given for subsidiary's performance obligations	18587.34	11071.24
(iv)	L&T Technology Services Limited	Corporate Guarantee given for subsidiary's performance obligations	491.09	488.30
(v)	L&T Technology Services LLC	Corporate Guarantee given for subsidiary's performance obligations	166.81	164.34
(vi)	Larsen & Toubro (Saudi Arabia) LLC	Corporate Guarantee given for subsidiary's performance obligations	18946.29	14557.21
(vii)	LTIMindtree Limited	Corporate Guarantee given for subsidiary's performance obligations	539.27	536.66
(viii)	L&T Hydrocarbon Saudi Company LLC	Corporate Guarantee given for subsidiary's performance obligations	60762.23	20909.89
(ix)	L&T - MHI Power Boilers Private Limited	Guarantees issued by bank out of the Company's sanctioned limits for subsidiary's performance obligations	19.39	19.44
(x)	Nabha Power Limited	Guarantees issued by bank out of the Company's sanctioned limits or subsidiary's performance obligations	216.00	216.00
(xi)	L&T Special Steel & Heavy Forgings Private Limited	Guarantees issued by bank out of the Company's sanctioned limits for performance obligations	13.27	15.89
(xii)	L&T Seawoods Limited	Guarantees issued by bank out of the Company's sanctioned limits for CTO and CTE compliances to Maharashtra Pollution Control Board and for performance obligations	3.75	3.75
(xiii)	L&T Geostructure Private Limited	Guarantees issued by bank out of the Company's sanctioned limits for performance obligations	–	4.70
(xiv)	Larsen & Toubro International FZE	Corporate guarantees issued by bank out of the Company's sanctioned limits for performance obligation	21154.05	20840.82
(xv)	LTH Milcom Private Limited	Corporate Guarantee given for subsidiary's performance obligations	4.09	–
(xvi)	L&T Electrolysers Limited	Guarantees issued by bank to-Solar Energy Corporation of India Limited, New Delhi-SIGHT scheme (PLI)	44.40	–
	Total		129774.54	77720.82
<b>(B) Investments in fully paid equity instruments and Current Investments</b>			[Note 5 and Note 10]	

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

### NOTE [58]

Following are the analytical ratios for the year ended March 31, 2024 and March 31, 2023

₹ crore

Ratio	Numerator	Denominator	As at 31-3-2024	As at 31-3-2023	Variance %	Reason of Variance [If change is more than 25%]
Current Ratio (times)	Current Assets	Current Liabilities	1.26	1.36	-7.5%	
Debt Equity Ratio (times)	Total debt	Shareholder's Equity	0.35	0.25	37.9%	Higher borrowings during current year
Debt Service Coverage Ratio (times)	Earnings available for debt service <sup>[1]</sup>	Debt Service <sup>[2]</sup>	1.83	1.56	17.5%	
Return on Equity Ratio (%)	Profit for the year after tax	Average Shareholders Equity	13.69%	11.32%	20.9%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	NA <sup>[7]</sup>	NA <sup>[7]</sup>	NA	
Trade Receivables Turnover Ratio	Revenue from operations	Average Gross Trade Receivables	3.23	2.87	12.5%	
Trade Payables Turnover Ratio	Purchases <sup>[3]</sup>	Average Trade Payables	2.52	2.07	21.6%	
Net Capital Turnover Ratio	Revenue from operations	Average Working Capital	4.36	3.30	32.0%	Higher revenue and lower working capital in current year
Net Profit Ratio (%)	Profit for the year after tax	Revenue from Operations	7.37%	7.10%	3.8%	
Return on Capital Employed (%)	Profit after tax + Finance Cost (net off tax on Finance Cost)	Average Capital Employed <sup>[4]</sup>	12.23%	10.41%	17.5%	
Return on Investment (%)	Treasury Income <sup>[5]</sup>	Average investment <sup>[6]</sup>	9.23%	5.96%	54.8%	Improved yields on current investments during current year

<sup>[1]</sup> Profit before interest, tax and exceptional items

<sup>[2]</sup> Finance cost + Principal repayments (net of refinancing) made during the year for long term borrowings

<sup>[3]</sup> Includes Manufacturing ,construction and operating expenses

<sup>[4]</sup> Includes average equity and average loan funds (including interest bearing advances)

<sup>[5]</sup> Includes profit/loss on sale and fair valuation of current investments, dividend on current investment and interest income

<sup>[6]</sup> Includes current investment, Inter corporate deposits, Fixed deposits and Collateralised Borrowing and Lending Obligation

<sup>[7]</sup> Not material considering the size and the nature of operations of the Company



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

### NOTE [59]

Exceptional items (net of tax) include the following:

- (i) Gain of ₹ 397.97 crore on transfer of Carved-out Business of Smart World and Communication (SWC) Business unit of the Company to L&T Technology Services Limited (LTTS), a listed subsidiary with effect from April 1, 2023.
- (ii) Gain on divestment of stake in L&T Transportation Infrastructure Limited, a subsidiary of L&T IDPL: ₹ 97.05 crore.
- (iii) Reduction in the carrying value of investment in L&T IDPL to its net realisable value after considering customary closing adjustments: ₹ 47.03 crore.

### NOTE [60]

Disclosure related to Corporate Social Responsibility (CSR):

Sr. No.	Particulars	₹ crore	
		2023-24	2022-23
(i)	Required to be spent	150.98	137.70
(ii)	Excess spend of previous year utilised	8.80	6.14
(iii) = (i)-(ii)	Spend obligation	142.18	131.56
(iv)	Actual spent	154.84	140.36
	Of which amount recognised in:		
	(a) Balance sheet	12.66	8.80
	(b) Statement of Profit and Loss	142.18	131.56
(v)	Excess spend shown as asset in previous year charged to Statement of Profit and Loss on its utilisation	8.80	5.63
(ivb)+(v)	Total amount shown in Statement of Profit and Loss	150.98	137.19

- i. Refer Annexure C to the Board Report for the nature of CSR activities of the Company.

### NOTE [61]

Auditors' remuneration (excluding GST):

Sr. No.	Particulars	₹ crore	
		2023-24	2022-23
a)	Paid as Auditor		
	(i) Statutory audit fees	3.60	3.25
	(ii) Limited review of standalone and consolidated financial statements on a quarterly basis	2.60	2.49
b)	For Taxation matters	0.80	0.76
c)	For other services including certification work	1.46	1.33
d)	For reimbursement of expenses	0.24	0.20

### NOTE [62]

Recent pronouncements:

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 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<sup>(1)</sup> 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<sup>(1)</sup>, 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.

<sup>(1)</sup> 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 Infracolutins Private Limited	Accounts Payables	NA	0.02	0.02	
2	Aadhiraj Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
8	Acrp Infracon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
9	Active Brain Infra Engg Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
10	Adm Infracon India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
11	Advance Mep Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
18	Alert Infracorps Private Limited	Accounts Payables	NA	–	0.01	
19	Alias Management Marketing Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
20	Alpana Buildtech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
21	Alufascia Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
25	Antilia Facility Management Private Limited	Accounts Payables	NA	0.15	0.15	
26	Arj Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
27	Artisans Design & Build Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	

## 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	– <sup>(1)</sup>	– <sup>(1)</sup>	
29	AT & LS Private Limited.	Accounts Payables	NA	0.02	0.02	
30	Atlantic Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
31	Aura Metlab Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
32	Auskini Infraqp Private Limited	Accounts Payables	NA	0.12	0.12	
33	Avn Green Technologies Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
34	Ayurda Millennium Ventures Private Limited	Accounts Payables	NA	0.04	0.04	
35	B K Equipments Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
36	Baba Balaknathji Entertainment Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	
37	Bennett Coleman And Company Limited	Accounts Payables	NA	0.02	–	
38	Bindra Evolutiion Enterprises Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
39	Blueman Construction Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
46	Care Infra Engineers Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
47	Chandrawati Power Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
48	Cheyuta Infrasturcture Private Limited	Accounts Payables	NA	0.03	0.03	
49	Cmi Limited	Accounts Payables	NA	– <sup>(1)</sup>	0.12	
50	Creo Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
51	Csk Engineering And Construction Private Limited	Accounts Payables	NA	0.02	0.02	
52	Csp Constructions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
53	D.B.Constructions Private Limited	Accounts Payables	NA	0.28	0.28	
54	Ddsabi Global Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
55	Deepak Singh Chouhan Construction Private Limited.	Accounts Payables	NA	0.01	0.01	
56	Devine Devbuild Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
57	Dhanamjay Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
58	Dhiren Construction India Private Limited	Accounts Payables	NA	0.02	0.02	
59	Dimensions India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	

## 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	Divaaah Adya Facility Solutions (P) Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
62	Dne Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
63	Dv Procon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
64	Dwarkesh Buildcom Private Limited	Accounts Payables	NA	0.06	0.06	
65	Dynastyraj Infrastructure Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
66	Edgecon Engineering Projects Private Limited	Accounts Payables	NA	0.13	0.13	
67	Elena Management & Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
68	Energie Shine Engineering Solution Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
72	Expeditive Infotech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
73	Fairmans Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
74	Faithful Creator Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
75	Farhad Interior And Exterior Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
76	Film Online Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
77	Friends Civil Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
82	Global Engineering & Marketing Services Private Limited	Accounts Payables	NA	0.05	0.05	
83	Gnxt Energy Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
84	Gogreen Facility Management Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
85	Goldentree Facility Management Private Limited	Accounts Payables	NA	–	–	
86	Gulba Topographical Surveyors Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
87	H M Brothers Limited	Accounts Payables	NA	0.03	0.03	
88	Ham Constructions & Engineering Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
89	Harhar Mahadev Infra Developer Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
92	Hudor Projects India Private Limited	Accounts Payables	NA	0.03	0.03	
93	I S Earth Movers Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
94	Ifensys Software Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
95	Imperium Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
96	Indco Engineers & Contractors Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
97	Infisoft India Technology Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
98	Infra American India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
99	Inl-Intech India Automation (P) Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
100	Innovations Events And Entertainment Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
101	Inox India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
102	Isha Heights And Silos Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
103	Janatha Readymix Concrete India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
104	Jatra Services India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
105	Jbs Estcon Private Limited	Accounts Payables	NA	0.13	0.13	
106	Jodhpur Infra-Con Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
107	Jps Engineering Private Limited	Accounts Payables	NA	0.06	0.06	
108	Jrc Biuildcon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
112	Kissan Land Promoters Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
116	Ktek Level Engg Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
117	Lakshman Singh Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
118	Lanster Developer Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
119	Laxmi Infra Eng Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
120	L-Upd-Saubha-Auraiya Dehat And Kanpurnagar Dvnl	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
121	Ganga Mechanical Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
122	Mangalam Consultancy Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
123	Manha Earthcon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
124	Manish Duggal Telecom Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	–	



## 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	– <sup>(1)</sup>	– <sup>(1)</sup>	
126	Marvel Technicals Sales And Service Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
127	Mass Ventures Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
128	Maurya Devbuild Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
129	Maxtel Constructions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
130	Maxx Ultra Conchem Opc Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
131	Mecavo (R&D) Private Limited	Accounts Payables	NA	–	–0.04	
132	Mecvil Infracon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
133	Mei Engineers Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	–	
137	Narshimha Buildtech Private Limited	Accounts Payables	NA	0.03	0.03	
138	Nevil Consultancy Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
139	New Proponent Security Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
143	Normet India Private Limited	Accounts Payables	NA	7.02	7.47	
144	Nstech International Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
149	Orsang Infotech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
150	PAF Infrastructure Private Limited	Accounts Payables	NA	0.03	0.03	
151	Paradisegarden Infraproject Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
152	Paramshiv Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
153	Parim Infocomm Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
154	Peass Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	0.01	
155	Perfect Office Systems Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	–	
156	Petrichor Emerging Technologies India Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	
157	Pinak Security & Management Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	

## 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	– <sup>(1)</sup>	– <sup>(1)</sup>	
159	Posorbis Infrastructure 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	– <sup>(1)</sup>	– <sup>(1)</sup>	
162	Purma Plast Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
163	R B C Bearings Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
164	R Square E Service Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
165	Raas Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
170	Real Tech Engineering And Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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 Readymix And Infra Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
174	Rk Build Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
175	RK Gautam Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
176	Rockhard Infrastructure Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
177	Roshan Tradevision Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
178	Roy Management And Information Technology Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
179	Rpnr Concrete Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
184	Sahu Infrastructure Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
185	Sai Ashray Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
186	Sampada Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
187	Samrat Fabrication And Construction Private Limited.	Accounts Payables	NA	– <sup>(1)</sup>	0.02	
188	Savitri Infrastrcuture Private Limited	Accounts Payables	NA	0.02	0.02	
189	Sbh Shoring Systems Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	

## 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	– <sup>(1)</sup>	– <sup>(1)</sup>	
191	Scotnix Solution Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	Sheeveena Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
208	Sublime Contractors Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
209	Sudha Rehabs And Hospitality Private Limited	Accounts Payables	NA	0.01	0.01	
210	Suhashini Infra Engineering Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
211	Sukita Security And Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
212	Sumera Builders & Developers Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
216	Swadeshi Buildtrade Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	–	– <sup>(1)</sup>	
220	Tej Infrapromoters Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	

## 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	– <sup>(1)</sup>	– <sup>(1)</sup>	
224	Thakurai Engineering Private Limited	Accounts Payables	NA	0.15	0.15	
225	Thought Zone Consulting Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
226	Threess Innovative Tech India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
227	Timely Developers Consultants Private Limited	Accounts Payables	NA	0.02	0.02	
228	TMM Industries Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
229	Torobuild Constructions Opc Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	–	
230	Triplex Builders Private Limited	Accounts Payables	NA	0.04	0.04	
231	Trunk Facility Management Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
232	Tumbi Office Systems Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
233	Ukr Infra Private Limited	Accounts Payables	NA	0.02	0.02	
234	Ultra-Tech Concretes Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
235	Umansh Infracon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
236	Unique Fabricators & Erectors Private Limited	Accounts Payables	NA	0.03	0.03	
237	Utech Infracon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
238	Vaigunthaa Infra Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	
239	Vams Construction Private Limited	Accounts Payables	NA	0.13	0.13	
240	Vansh Infracolution Private Limited	Accounts Payables	NA	0.10	0.10	
241	Varad Infra Projects (P) Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
242	Vardhman Trading Co. Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
243	Vee Gee Yem Engineers India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
244	Veekay Engineering India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
248	Vishnuvedanga Infra-Tech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
249	Vishwa Infracore & Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
250	Vissa Engineering Private Limited	Accounts Payables	NA	0.02	0.02	
251	Vk Management Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	0.17	
252	Walls Infra Solution Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	

## 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	– <sup>(1)</sup>	– <sup>(1)</sup>	
257	Z Rose Constructions & Interiors Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
261	Zippy Facility Management & Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
	<b>Total Payables (A)</b>			<b>14.17</b>	<b>15.18</b>	
1	NCR Aggregate Solutions Private Limited	Advance given to	NA	1.79	1.79	
	<b>Total advances given (B)</b>			<b>1.79</b>	<b>1.79</b>	
1	Pranavam Constructions Private Limited	Accounts Receivables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
2	The Rubber Products Limited	Accounts Receivables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
3	Profusion Engineering	Accounts Receivables	NA	– <sup>(1)</sup>	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	
	<b>Total Receivables (C)</b>			<b>0.02</b>	<b>0.06</b>	
1	Kothari Intergroup Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
2	Alike Trading Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
3	Alley Fisheries Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
4	Aloke Speciality Machines and Components Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
5	Amersey Brothers Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
6	Avni Financial Advisors Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
7	Demuric Holdings Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
8	Fairtrade Securities Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
9	Jabac Consultancies Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
10	Omni Market Research Services Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
11	Safna Consultancy Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
12	Satvik Financial Services Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
13	Siddha Papers Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
14	Upgrade Management Ser Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
15	VMS Consultants Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
16	Yogesh Investment Private Limited	L&T's shareholder	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
	<b>Total equity shares held (D)</b>			<b>–<sup>(1)</sup></b>	<b>–<sup>(1)</sup></b>	



## 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	– <sup>(1)</sup>	– <sup>(1)</sup>
2	Amersey Brothers Private Limited	Dividend payable	NA	– <sup>(1)</sup>	–
3	Omni Market Research Services Private Limited	Dividend payable	NA	– <sup>(1)</sup>	–
4	Safna Consultancy Private Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
5	Fairtrade Securities Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
6	Kothari Intergroup Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
7	Jabac Consultancies Private Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
8	Alike Trading Private Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
9	Satvik Financial Services Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
	Total dividend payable (E)			– <sup>(1)</sup>	– <sup>(1)</sup>
	Grand Total (A+B+C+D+E)			15.98	17.03

<sup>(1)</sup> 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.

# WE LOVE CONNECTING YOUR SMILES.

The best roads can lead you to some of the most important destinations in life. So, whether you're commuting or traveling, the transport infrastructure we build, help you reach your loved ones during the times that really matter.

Afterall, when you smile, we know it's a job well done.

# **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	<p>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.</p> <p>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.</p> <p>Refer to Note No. [1](II)(i) and 34 to the Consolidated Financial Statements</p>
Principal Audit Procedures	<p>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:</p> <ul style="list-style-type: none"> <li>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.</li> </ul>

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**Revenue recognition – accounting for construction contracts**


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- 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.
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**Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices**


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Key audit matter description	<p>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.</p> <p>Refer to Note No. [1](II)(i), [1](II)(r), 13 and 19 to the Consolidated Financial Statements.</p>
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Principal Audit Procedures	<p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
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**Impairment on Assets – Metro Rail Cash Generating Unit**


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Key audit matter description	<p>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.</p> <p>The Group is carrying Intangible asset, Property Plant &amp; 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.</p> <p>Refer to Note [1](II)(o), 2 and 5 to the Consolidated Financial Statements</p>
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**Impairment on Assets – Metro Rail Cash Generating Unit**

Principal Audit Procedures	<p>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:</p> <ul style="list-style-type: none"> <li>• We tested the effectiveness of controls over forecasts of future traffic, revenue, free cash flows and selection of the discount rate;</li> <li>• 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;</li> <li>• 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</li> <li>• 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.</li> </ul>
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**Revenue recognition - Fixed price contracts using the percentage of completion method in respect of IT Segment - LTIMindtree Limited (“the Company”)**

Key audit matter description	<p>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.</p> <p>Revenue recognition of fixed price contracts where the percentage of completion is identified as Key Audit Matter since –</p> <ul style="list-style-type: none"> <li>• High inherent risk around accuracy of revenue, given the customized and complex nature of these contracts.</li> <li>• 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.</li> <li>• At year-end, significant amount of work in progress (Unbilled revenue), related to these contracts is recognised on the balance sheet.</li> </ul> <p>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.</p> <p>Refer to Note No. [1](II)(i) and 34 to the Consolidated Financial Statements.</p>
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Principal Audit Procedures	<p>The components’ auditors (being other firms of chartered accountants) have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Tested the effectiveness of controls relating to: <ul style="list-style-type: none"> <li>i. recording of costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations; and</li> <li>ii. access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred.</li> </ul> </li> <li>• Selected a sample of fixed price contracts with customers measured using the percentage-of-completion method and performed the following: <ul style="list-style-type: none"> <li>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;</li> <li>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.</li> <li>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.</li> </ul> </li> </ul>
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**Revenue recognition- Fixed price contracts in respect of technology services segment – L&T Technology Services Limited (“the Company”)**


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**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.

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**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;

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**Revenue recognition- Fixed price contracts in respect of technology services segment – L&T Technology Services Limited (“the Company”)**


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- 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.
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**Allowance for Expected Credit Loss on Retail Loan Assets in respect of Financial Services segment – L&T Finance Limited (“the Company”)**


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**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.

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**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.
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**Allowance for Expected Credit Loss on Retail Loan Assets in respect of Financial Services segment – L&T Finance Limited (“the Company”)**


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- 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.

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**Information Technology (“IT”) Systems and Controls in respect of Financial Services segment – L&T Finance Limited (“the Company”)**


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Key audit matter description	<p>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.</p> <p>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.</p> <p>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.</p>
Principal Audit Procedures	<p>The component’s auditors (being other firms of chartered accountants) have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> </ul>

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**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	Subsidiary	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
<b>ASSETS:</b>			
<b>Non-current assets</b>			
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
<b>Sub-total - Non-current assets</b>		121547.37	108147.99
<b>Current assets</b>			
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
<b>Sub-total - Current assets</b>		217074.51	221215.52
Group(s) of assets classified as held for sale	45(b)	1005.36	988.80
<b>TOTAL ASSETS</b>		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
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
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
<b>TOTAL EQUITY</b>		<b>102549.66</b>	<b>103567.22</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
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
<b>Sub-total - Non-current liabilities</b>		<b>60476.85</b>	<b>64719.10</b>
<b>Current liabilities</b>			
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
<b>Sub-total - Current liabilities</b>		<b>176600.73</b>	<b>162065.99</b>
<b>TOTAL LIABILITIES</b>		<b>237077.58</b>	<b>226785.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>339627.24</b>	<b>330352.31</b>
<b>CONTINGENT LIABILITIES</b>	32		
<b>COMMITMENTS</b> (capital and others)	33		
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	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

RUPEN K. BHATT  
Partner  
Membership No. 046930

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

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

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	2022-23
<b>INCOME:</b>			
Revenue from operations	34	221112.91	183340.70
Other income (net)	35	4158.03	2929.17
<b>Total Income</b>		<u>225270.94</u>	<u>186269.87</u>
<b>EXPENSES:</b>			
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
		<u>146028.82</u>	<u>116615.27</u>
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
<b>Total Expenses</b>		<u>204847.44</u>	<u>169296.83</u>
<b>Profit before exceptional items and tax</b>		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)
		<u>20.83</u>	<u>(227.96)</u>
Exceptional items (net of tax)	48	93.61	135.99
<b>Profit before tax</b>		<u>20517.11</u>	<u>17109.03</u>
Tax expense:	51(a)		
Current tax		5127.70	5055.17
Deferred tax		(180.31)	(571.01)
		<u>4947.39</u>	<u>4484.16</u>
<b>Profit after tax</b>		<u>15569.72</u>	<u>12624.87</u>
Share in profit/(loss) after tax of joint ventures/associates (net)	43(f)	(22.62)	(94.25)
<b>Profit for the year</b>		<u>15547.10</u>	<u>12530.62</u>
<b>Other comprehensive income</b>			
<b>A Items that will not be reclassified to profit or loss:</b>			
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
		<u>20.21</u>	<u>(16.81)</u>
Share in Other comprehensive income of joint ventures/associates (net)		0.27	15.58
<b>B Items that will be reclassified to profit or loss:</b>			
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
		<u>99.83</u>	<u>(193.59)</u>
Carried forward - Other comprehensive income		<u>120.31</u>	<u>(194.82)</u>

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

		₹ crore	
Particulars	Note	2023-24	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
<b>Other comprehensive income for the year (net of tax)</b>		<b>407.41</b>	<b>(958.54)</b>
<b>Total comprehensive income for the year</b>		<b>15954.51</b>	<b>11572.08</b>
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
<b>Earnings per share (EPS) of ₹ 2 each</b>			
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
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	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

RUPEN K. BHATT  
Partner  
Membership No. 046930

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



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

### A. Equity share capital

Particulars	2023-24		2022-23	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,40,54,82,190	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

Particulars	Reserves and surplus						Items of Other comprehensive income					Total other equity	Non-controlling interests	Total
	Capital reserve	Capital redemption reserve	Securities premium	Employee share options (net)	Statutory reserves	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	Equity instruments through Other comprehensive income				
<b>Balance as at 1-4-2022</b>	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)	
<b>Total comprehensive income for the year (a+b)</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	
<b>Balance as at 31-3-2023</b>	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					Total	
	Capital reserve	Capital redemption reserve	Securities premium	Employee share options (net)	Statutory reserves	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	Equity instruments through Other comprehensive income	Total other equity		Non-controlling interests
<b>Balance as at 1-4-2023</b>	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
<b>Total comprehensive income for the year (c+d)</b>	-	-	-	-	-	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
<b>Balance as at 31-3-2024</b>	<b>282.44</b>	<b>335.11</b>	<b>50.56</b>	<b>550.54</b>	<b>4231.56</b>	<b>79489.69</b>	<b>790.67</b>	<b>274.34</b>	<b>8.12</b>	<b>71.28</b>	<b>86084.31</b>	<b>16190.42</b>	<b>102274.73</b>

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

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

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

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

Particulars	₹ crore	
	2023-24	2022-23
<b>A. Cash flow from operating activities:</b>		
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	–
<b>Operating profit before working capital changes</b>	<b>24931.41</b>	<b>22524.98</b>
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
<b>Cash generated from operations before financing activities</b>	<b>29134.22</b>	<b>22966.68</b>
(Increase)/decrease in loans and advances towards financing activities	(5587.89)	4937.44
<b>Cash generated from operations</b>	<b>23546.33</b>	<b>27904.12</b>
Direct taxes refund/(paid) [net]	(5280.05)	(5127.16)
<b>Net cash generated from operating activities</b>	<b>18266.28</b>	<b>22776.96</b>
<b>B. Cash flow from investing activities:</b>		
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)
<b>Net cash generated from/(used in) investing activities</b>	<b>2163.04</b>	<b>(8311.70)</b>

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

Particulars	₹ crore	
	2023-24	2022-23
<b>C. Cash flow from financing activities:</b>		
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)
<b>Net cash used in financing activities</b>	<b>(25413.36)</b>	<b>(11572.49)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(4984.04)</b>	<b>2892.77</b>
<b>Cash and cash equivalents at beginning of the year [Note 14]</b>	<b>16926.69</b>	<b>13770.24</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>15.85</b>	<b>263.68</b>
<b>Cash and cash equivalents at end of the year [Note 14]</b>	<b>11958.50</b>	<b>16926.69</b>

### Notes:

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

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

RUPEN K. BHATT  
Partner  
Membership No. 046930

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

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

P. R. RAMESH  
Independent Director  
(DIN 01915274)

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

Mumbai, May 8, 2024

# Notes forming part of the 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 financial statements have been approved for issue by the Board of Directors at its meeting held on May 8, 2024.

#### (b) Basis of accounting

The 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

Class of assets	Cost				Depreciation				Impairment		Book value As at 31-3-2024
	As at 1-4-2023	Additions	Transfer* Foreign currency fluctuation	Deductions	As at 31-3-2024	For the year	Transfer* Foreign currency fluctuation	Deductions	Up to 31-3-2024	Up to 31-3-2024	
<b>Land</b>											
Freehold leasehold	855.27	0.71	(1.67)	0.08	854.23	-	-	-	-	-	854.23
	145.63	-	-	-	145.63	14.52	-	-	16.11	-	129.52
<b>Sub-total</b>	1000.90	0.71	(1.67)	0.08	999.86	14.52	-	-	16.11	-	983.75
<b>Buildings</b>	4623.52	1,319.07	1.51	0.44	5904.59	202.17	1.31	1.12	1356.20	185.64	4362.75
<b>Plant &amp; equipment</b>											
Owned	10506.80	2169.12	8.96	6.11	12422.98	1,373.18	8.70	5.27	6996.48	22.64	5403.86
Leased out	324.22	-	-	177.62	146.60	13.38	-	-	154.75	-	66.39
<b>Sub-total</b>	10831.02	2169.12	8.96	6.11	12569.58	1,386.56	8.70	5.27	7076.69	22.64	5470.26
<b>Computers</b>											
Owned	2447.28	291.97	-	1.55	2571.65	338.20	-	1.09	166.86	-	784.93
Leased out	6.27	-	-	-	6.27	-	-	-	6.27	-	-
<b>Sub-total</b>	2453.55	291.97	-	1.55	2577.92	338.20	-	1.09	166.86	-	784.93
<b>Office equipment</b>											
Owned	715.61	105.76	(18.61)	1.05	761.60	76.37	(9.22)	0.85	43.23	-	192.55
Leased out	0.02	-	-	-	0.02	-	-	-	-	-	0.02
<b>Sub-total</b>	715.63	105.76	(18.61)	1.05	761.62	76.37	(9.22)	0.85	43.23	-	192.57
<b>Furniture and fixtures</b>											
Owned	491.46	178.88	-	0.91	618.20	64.60	-	0.82	44.02	0.06	243.45
Leased out	14.36	-	-	-	14.36	7.20	-	-	7.20	-	7.16
<b>Sub-total</b>	505.82	178.88	-	0.91	632.56	64.60	-	0.82	44.02	0.06	250.61
<b>Vehicles</b>	402.54	72.74	-	1.27	407.55	45.11	-	1.06	59.42	-	176.50
<b>Other assets</b>											
Aircraft	249.83	0.09	-	-	249.92	14.80	-	-	100.34	-	149.58
Ships	286.39	37.12	-	-	323.51	21.31	-	-	113.43	-	210.08
Shiplift, marine structures and related assets	683.07	-	-	-	683.07	29.54	-	-	329.26	-	353.81
Breakwater structures	233.43	-	-	-	233.43	5.01	-	-	54.39	-	179.04
Leasehold improvements	469.52	125.28	-	1.96	542.00	56.69	-	0.13	358.23	-	183.77
<b>Sub-total</b>	1922.24	162.49	-	1.96	2031.93	878.08	-	0.13	49.91	955.65	1076.28
<b>Total</b>	2,2455.22	4300.74	(9.81)	13.29	25885.61	10876.72	0.79	10.34	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.)**

Class of assets	Cost				Depreciation			Impairment		Book value		
	As at 1-4-2022	Business combination	Additions	Transfer* Foreign currency fluctuation	As at 31-3-2023	Up to 31-3-2022	For the year	Transfer* Foreign currency fluctuation	Deductions	Up to 31-3-2023	Up to 31-3-2023	As at 31-3-2023
<b>Land</b>												
Freehold leasehold	856.64	-	0.06	-	855.77	-	-	-	-	-	-	855.77
	145.69	-	-	(0.06)	145.63	12.82	1.70	-	-	14.52	-	131.11
<b>Sub-total</b>	1002.33	-	0.06	(0.06)	1000.90	12.82	1.70	-	-	14.52	-	986.38
<b>Buildings</b>	4485.56	-	119.38	22.16	4623.52	1005.73	160.66	3.19	5.79	1159.55	215.34	3248.63
<b>Plant &amp; equipment</b>												
Owned	8941.57	0.02	1752.42	(4.23)	10506.80	4989.06	1014.14	(1.80)	29.58	5833.36	26.63	4646.81
Leased out	323.59	-	0.63	-	324.22	204.95	16.63	-	-	221.58	-	102.64
<b>Sub-total</b>	9265.16	0.02	1753.05	(4.23)	10831.02	5194.01	1030.77	(1.80)	29.58	6054.94	26.63	4749.45
<b>Computers</b>												
Owned	2066.11	20.29	448.69	(0.11)	2447.28	1340.77	340.65	(0.11)	2.61	1614.29	-	832.99
Leased out	6.27	-	-	-	6.27	6.27	-	-	-	6.27	-	-
<b>Sub-total</b>	2072.38	20.29	448.69	(0.11)	2453.55	1347.04	340.65	(0.11)	2.61	1620.56	-	832.99
<b>Office equipment</b>												
Owned	630.37	1.05	94.29	0.16	715.61	481.84	70.56	0.16	3.50	544.28	0.01	171.32
Leased out	14.36	0.02	-	-	14.36	7.20	-	-	-	7.20	-	7.16
<b>Sub-total</b>	630.39	1.05	94.29	0.16	715.63	488.84	70.56	0.16	3.50	544.28	0.01	171.34
<b>Furniture and fixtures</b>												
Owned	481.06	0.13	39.77	(0.30)	491.46	318.74	63.02	(0.28)	4.21	353.29	0.24	137.93
Leased out	14.36	-	-	-	14.36	7.20	-	-	-	7.20	-	7.16
<b>Sub-total</b>	495.42	0.13	39.77	(0.30)	505.82	325.94	63.02	(0.28)	4.21	360.49	0.24	145.09
<b>Vehicles</b>												
Owned	404.64	0.36	64.60	-	469.54	256.84	43.48	-	6.69	244.30	-	158.24
Leased out	0.67	-	-	-	0.67	0.49	0.02	-	0.51	-	-	-
<b>Sub-total</b>	405.31	0.36	64.60	-	470.24	257.33	43.50	-	6.69	244.30	-	158.24
<b>Other assets</b>												
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
Shipfit, 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	-	470.46	305.72	46.94	-	0.58	351.32	-	118.20
<b>Sub-total</b>	1844.26	-	78.92	-	1923.18	761.98	117.44	-	0.58	878.08	-	1044.16
<b>Total</b>	20200.81	21.85	2598.76	17.62	22455.22	9386.69	1828.30	1.16	52.96	411.88	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

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

### NOTE [2] (contd.)

#### Notes:

- (a) Carrying value of property, plant and equipment pledged as collateral for liabilities and/or commitments as at March 31, 2024 ₹ 37.43 crore (previous year: ₹ 27.83 crore)
- (b) Depreciation for the year includes impact of foreign currency fluctuation ₹ 0.64 crore (previous year: ₹ 1.54 crore) and depreciation capitalised ₹ 0.16 crore (previous year: ₹ 0.06 crore)
- (c) The cumulative impairment is as below:

Particulars	₹ crore	
	2023-24	2022-23
Opening Balance	242.22	236.14
Add: Foreign currency fluctuation	–	6.08
Less: Reversal of impairment	(1.94)	–
Less: Reduction on sale of assets	(31.94)	–
Closing Balance	208.34	242.22

- (d) Owned assets given on operating lease have been presented separately under respective class of assets as “Leased out” in accordance with Ind AS 116 “Leases”.
- (e) Range of useful life of property, plant and equipment is as below:

Sr. no.	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1	Leasehold land	15	99
2	Buildings	3	60
3	Plant and equipment	3	35
4	Computers	2	7
5	Office equipment	3	15
6	Furniture and fixtures	3	10
7	Vehicles	3	10
8	Aircraft	18	18
9	Ships	5	14
10	Shiplift, marine structures and related assets and Breakwater structures	20	50

- (f) Ageing of Capital work-in-progress

Particulars	As at 31-3-2024					As at 31-3-2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2209.22	572.91	96.01	18.90	2897.04	2329.75	485.95	40.38	93.01	2949.09

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

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

**NOTE [3]**
**Investment Property**

₹ crore

Class of assets	Cost				Depreciation					Impairment		Book value
	As at 1-4-2023	Additions	Transfer*	Deductions	As at 31-3-2024	Up to 31-3-2023	For the year	Transfer*	Deductions	As at 31-3-2024	As at 31-3-2024	As at 31-3-2024
Land	1088.78	–	(15.84)	273.47	799.47	59.98	12.66	–	14.87	57.77	–	741.70
Buildings	1730.29	36.50	(1.51)	372.88	1392.40	199.74	28.04	(0.98)	29.14	197.66	–	1194.74
<b>Total</b>	<b>2819.07</b>	<b>36.50</b>	<b>(17.35)</b>	<b>646.35</b>	<b>2191.87</b>	<b>259.72</b>	<b>40.70</b>	<b>(0.98)</b>	<b>44.01</b>	<b>255.43</b>	<b>–</b>	<b>1936.44</b>
Add: Capital work-in-progress												254.93
												<b>2191.37</b>

\* Transfer (to) / from property, plant and equipment/inventories

₹ crore

Class of assets	Cost				Depreciation					Impairment		Book value
	As at 1-4-2022	Additions	Transfer*	Deductions	As at 31-3-2023	Up to 31-3-2022	For the year	Transfer*	Deductions	As at 31-3-2023	As at 31-3-2023	As at 31-3-2023
Land	1141.00	–	0.06	52.28	1088.78	44.39	22.55	–	6.96	59.98	–	1028.80
Buildings	1867.94	8.76	(38.92)	107.49	1730.29	143.03	69.73	(3.40)	9.62	199.74	5.18	1525.37
<b>Total</b>	<b>3008.94</b>	<b>8.76</b>	<b>(38.86)</b>	<b>159.77</b>	<b>2819.07</b>	<b>187.42</b>	<b>92.28</b>	<b>(3.40)</b>	<b>16.58</b>	<b>259.72</b>	<b>5.18</b>	<b>2554.17</b>
Add: Capital work-in-progress												806.05
												<b>3360.22</b>

\* Transfer (to) / from property, plant and equipment/inventories

**Notes:**

- (a) Carrying value of Investment property pledged as collateral for liabilities and/or commitments and having restriction on title as at March 31, 2024: Nil (previous year: Nil)
- (b) Useful life of building included in investment property: 3 to 60 years
- (c) Amounts recognised in the Statement of Profit and Loss in respect of investment property: ₹ crore
- | Sr. no. | Particulars  | 2023-24 | 2022-23 |
|---------|--|---------|---------|
| 1       | Rental income derived from investment property   | 144.64  | 131.46  |
| 2       | Direct operating expenses arising from investment property that generated rental income        | 14.12   | 13.05   |
| 3       | Direct operating expenses arising from investment property that did not generate rental income | –       | –       |
- (d) Fair value of investment property as at March 31, 2024 ₹ 6024.49 crore (previous year: ₹ 8157.81 crore).
- (e) The fair values of investment property have been determined by internal architectural department or independent valuer, as appropriate. Fair value of property that are evaluated by registered independent valuers as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, amounted to ₹ 2855.87 crore. (previous year ₹ 968.02 crore). Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.
- (f) Impairment on capital work-in-progress recognised in the Statement of Profit and Loss during the year is ₹ Nil (previous year ₹ 112.69 crore).
- (g) Ageing of Capital work-in-progress ₹ crore

Particulars	As at 31-3-2024					As at 31-3-2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	60.68	12.21	8.32	173.72	254.93	37.85	172.14	91.82	504.24	806.05

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

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

### NOTE [4]

#### Goodwill

₹ crore

Class of assets	Cost			As at 31-3-2024	Impairment	Book value
	As at 1-4-2023	Foreign currency fluctuation	Deductions		As at 31-3-2024	As at 31-3-2024
Goodwill on consolidation	7848.57	6.05	5.64	7848.98	48.10	7800.88

₹ crore

Class of assets	Cost			As at 31-3-2023	Impairment	Book value
	As at 1-4-2022	Business Combination	Foreign currency fluctuation		As at 31-3-2023	As at 31-3-2023
Goodwill on consolidation	7735.09	74.57	38.91	7848.57	49.92	7798.65

Note: Impairment recognised in the Statement of Profit and Loss during the year: Nil (previous year: Nil).

#### Segment wise Goodwill

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Infrastructure Projects	–	3.82
Energy Projects	121.86	121.86
Hi-Tech Manufacturing	4.49	4.49
IT & Technology Services	7362.10	7356.06
Development Projects	208.19	208.19
Others	104.24	104.23
<b>Total</b>	<b>7800.88</b>	<b>7798.65</b>

The goodwill impairment testing is performed at the level of the cash generating unit which represents the smallest identifiable group of assets that generates independent cash flows. The impairment testing is performed annually or whenever there is an indication that the cash generating unit to which the goodwill has been allocated may be impaired. Refer Note 1[II](o) for policy on impairment of assets.

In determining the value-in-use, cash flow projections approved by appropriate level of management are considered. Key assumptions on which management has based its determination of value-in-use includes estimated growth rates (including terminal growth rates) and discount rates. In circumstances where a reliable value-in-use estimate is difficult to make and market value of the asset or the cash generating unit is readily available, the latter is used for the determination of recoverable amount with appropriate adjustments, as applicable. Cash flow projections are usually considered for next five years except in case of service concession arrangement covering the concession period. Cash flows projections beyond the five-year period are extrapolated using terminal growth rates.

### NOTE [5]

#### Other Intangible assets and Intangible assets under development

₹ crore

Class of assets	Cost				As at 31-3-2024	Up to 31-3-2023	Amortisation			Book value	
	As at 1-4-2023	Additions	Foreign currency fluctuation	Deductions			For the year	Foreign currency fluctuation	Deductions	Up to 31-3-2024	As at 31-3-2024
Fare collection rights	16675.53	12.55	–	24.02	16664.06	994.53	278.95	–	–	1273.48	15390.58
Specialised software	1942.79	201.96	9.63	5.83	2148.55	1594.29	230.75	9.53	4.74	1829.84	318.71
Technical know-how	120.66	53.66	–	–	174.33	104.34	22.11	–	–	126.45	47.87
Trade names	306.06	–	0.08	–	306.14	305.86	–	0.28	–	306.14	–
New Product Design and Development	8.22	0.73	–	1.50	7.45	7.85	0.17	–	1.32	6.70	0.75
Customer contracts and relationship	3390.98	–	3.64	–	3394.62	1599.51	300.48	5.28	–	1905.27	1489.35
Rights under licensing agreement	139.70	–	2.12	–	141.82	50.34	23.46	0.94	–	74.74	67.08
Platforms and Courses	105.38	17.43	–	–	122.81	24.62	28.03	–	–	52.65	70.17
<b>Total</b>	<b>22689.32</b>	<b>286.33</b>	<b>15.48</b>	<b>31.35</b>	<b>22959.78</b>	<b>4681.34</b>	<b>883.95</b>	<b>16.03</b>	<b>6.06</b>	<b>5575.26</b>	<b>17384.52</b>

Add: Intangible assets under development

147.97

17532.49

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

**NOTE [5] (contd.)**

₹ crore

Class of assets	Cost					Amortisation					Book value		
	As at 1-4-2022	Business combination	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2023	Up to 31-3-2022	Business combination	For the year	Foreign currency fluctuation	Deductions	Up to 31-3-2023	As at 31-3-2023
Fare collection rights	16659.36	–	16.17	–	–	16675.53	715.79	–	278.74	–	–	994.53	15681.00
Specialised software	1736.76	11.45	214.57	4.78	24.77	1942.79	1395.07	10.96	208.08	4.59	24.41	1594.29	348.50
Technical know-how	120.66	–	–	–	–	120.66	96.65	–	7.69	–	–	104.34	16.32
Trade names	305.59	–	–	0.47	–	306.06	172.08	–	133.65	0.13	–	305.86	0.20
New Product Design and Development	8.98	–	–	–	0.76	8.22	8.12	–	0.32	–	0.59	7.85	0.37
Customer contracts and relationship	3376.53	–	–	14.45	–	3390.98	1268.27	–	319.57	11.67	–	1599.51	1791.47
Rights under licensing agreement	128.85	–	–	10.85	–	139.70	24.95	–	22.77	2.62	–	50.34	89.36
Platforms and Courses	76.91	–	28.47	–	–	105.38	3.34	–	21.28	–	–	24.62	80.76
<b>Total</b>	<b>22413.64</b>	<b>11.45</b>	<b>259.21</b>	<b>30.55</b>	<b>25.53</b>	<b>22689.32</b>	<b>3684.27</b>	<b>10.96</b>	<b>992.10</b>	<b>19.01</b>	<b>25.00</b>	<b>4681.34</b>	<b>18007.98</b>
Add: Intangible assets under development													116.48
													18124.46

**Notes:**

- (a) Amortisation for the year includes impact of foreign currency fluctuation ₹ 0.10 crore (previous year: ₹ Nil) and depreciation capitalised ₹ 0.30 crore (previous year: ₹ 0.30 crore)
- (b) **Details of addition in other intangible assets:**

₹ crore

Class of assets	2023-24			2022-23		
	Internal development	Acquired - external	Total	Internal development	Acquired - external	Total
Fare collection Rights	–	12.55	12.55	–	16.17	16.17
Specialised Software	82.46	119.50	201.96	49.20	165.37	214.57
Technical Know-how	–	53.66	53.66	–	–	–
New Product Design and Development	–	0.73	0.73	–	–	–
Platforms and Courses	16.22	1.21	17.43	28.47	–	28.47
<b>Total</b>	<b>98.68</b>	<b>187.65</b>	<b>286.33</b>	<b>77.67</b>	<b>181.54</b>	<b>259.21</b>

- (c) Ageing of Intangible assets under development

₹ crore

Particulars	As at 31-3-2024					As at 31-3-2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	98.24	49.73	–	–	147.97	85.71	30.77	–	–	116.48

As on the date of balance sheet, there is no Intangible assets under development whose completion is overdue or has exceeded the cost, based on the approved plan.



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

### NOTE [5] (contd.)

#### Notes:

(1) Borrowing cost capitalised in accordance with Ind AS 23 "Borrowing Cost" is as follows:

₹ crore

Class of Assets	2023-24	2022-23
Capital work-in-progress		
Property, plant and equipment - building	52.30	19.47
<b>Total</b>	<b>52.30</b>	<b>19.47</b>

(2) The average borrowing cost used for capitalisation is 7.29% (previous year : 6.68%).

### NOTE [6]

#### Non-current assets: Financial assets - Other investments

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Equity instruments	124.31	316.16
Preference shares	165.24	180.69
Government and trust securities	1761.71	373.46
Debentures and bonds	477.76	549.16
Security receipts	6769.51	6321.07
Units of fund	27.37	29.49
Other investments	100.04	150.00
	<b>9425.94</b>	<b>7920.03</b>

### NOTE [7]

#### Non-current assets: Financial assets - Loans towards financing activities

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Considered good - secured	28259.85	21605.35
Less : Allowance for expected credit loss	46.82	51.03
	<b>28213.03</b>	<b>21554.32</b>
Considered good - unsecured	24369.91	19617.46
Less : Allowance for expected credit loss	518.06	438.35
Less : Impairment	1932.39	1932.39
	<b>21919.46</b>	<b>17246.72</b>
Having significant increase in credit risk	1870.76	1931.92
Less : Allowance for expected credit loss	327.40	266.21
	<b>1543.36</b>	<b>1665.71</b>
Credit impaired	2270.91	2196.86
Less : Allowance for expected credit loss	1792.00	1742.69
	<b>478.91</b>	<b>454.17</b>
	<b>52154.76</b>	<b>40920.92</b>

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

**NOTE [8]**
**Non-current assets: Financial assets - Other loans**

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Loans and advances to related parties		
Joint ventures and associates, considered good - unsecured	1319.17	1316.50
Less: Allowance for expected credit loss	1139.08	1139.76
	180.09	176.74
Others loans		
Considered good - unsecured	511.75	311.20
Less: Allowance for expected credit loss	216.38	131.94
	295.37	179.26
	475.46	356.00

**NOTE [9]**
**Non-current assets: Financial assets - Others**

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Security deposits		
Considered good - unsecured	529.65	499.42
Less: Allowance for expected credit loss	41.66	41.82
	487.99	457.60
Cash and bank balances not available for immediate use	194.91	128.82
Fixed deposits with banks (maturity more than 12 months)	478.52	1049.35
Forward contract receivables	757.59	300.43
Embedded derivative receivables	11.94	27.40
Other receivables <sup>[1]</sup>	21.13	2.18
	1952.08	1965.78

<sup>[1]</sup> Mainly includes deferred receivables, lease receivables and recoverable from banks.

**NOTE [10]**
**Other non-current assets**

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Capital advances:		
Secured	4.21	1.47
Unsecured	76.20	36.22
	80.41	37.69
Advance recoverable other than in cash	2076.14	2339.69
	2156.55	2377.38

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

### NOTE [11]

#### Current assets: Inventories

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Raw materials [include goods-in-transit ₹ 65.39 crore (previous year: ₹ 16.48 crore)]	840.58	638.77
Components [include goods-in-transit ₹ 12.48 crore (previous year: ₹ 10.67 crore)]	466.95	425.62
Construction materials [include goods-in-transit ₹ 119.58 crore (previous year: ₹ 275.00 crore)]	409.75	382.25
Manufacturing work-in-progress	347.81	326.81
Finished goods	85.13	98.29
Stock-in-trade (in respect of goods acquired for trading) [include goods-in-transit ₹ 53.45 crore (previous year: ₹ 39.62 crore)]	228.30	364.92
Stores and spares [include goods-in-transit ₹ 2.56 crore (previous year: ₹ 3.17 crore)]	299.41	311.90
Loose tools [include goods-in-transit ₹ Nil crore (previous year: ₹ Nil crore)]	9.36	10.43
Property development projects (including land)	3932.90	4269.79
	<u>6620.19</u>	<u>6828.78</u>

Note: During the year ₹ 24.76 crore (previous year ₹ 10.74 crore) was recognised as expense towards write-down of inventories (net).

### NOTE [12]

#### Current assets: Financial assets - Investments

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Equity shares	16.14	40.31
Government and trust securities	6747.58	6210.69
Debentures and bonds	6713.72	7339.40
Mutual funds	11387.59	11608.92
Collateral borrowing and lending obligation (CBLO)	699.87	899.67
Commercial Paper	937.25	2515.31
InvITs	2694.57	802.08
Treasury bills and other investments	5760.91	6157.04
	<u>34957.63</u>	<u>35573.42</u>

### NOTE [13]

#### Current assets: Financial assets - Trade receivables

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Considered good - secured	13.05	13.67
Considered good - unsecured	53103.21	48785.63
Less: Allowance for expected credit loss	<u>4353.75</u>	<u>4075.09</u>
	48749.46	44710.54
Credit impaired	248.34	347.07
Less: Allowance for expected credit loss	<u>239.90</u>	<u>339.75</u>
	8.44	7.32
	<u>48770.95</u>	<u>44731.53</u>

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

**NOTE [13][a]**
**Current assets: Financial assets - Trade receivables ageing**

₹ crore

Particulars	As at 31-3-2024						Total
	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed:</b>							
- Considered good	29895.27	12893.57	2748.51	2007.31	1360.25	2481.88	51386.79
- Credit impaired	–	10.72	11.20	2.90	8.62	50.02	83.46
<b>Disputed:</b>							
- Considered good	105.90	253.84	0.33	141.00	10.91	1217.49	1729.47
- Credit impaired	–	–	–	–	–	164.88	164.88
Gross trade receivables	30001.17	13158.13	2760.04	2151.21	1379.78	3914.27	53364.60
Less: Allowance for expected credit loss							4593.65
							48770.95

₹ crore

Particulars	As at 31-3-2023						Total
	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed:</b>							
- Considered good	27634.95	10655.35	2949.83	2796.48	1104.20	2119.03	47259.84
- Credit impaired	–	1.74	1.23	10.30	10.39	109.20	132.86
<b>Disputed:</b>							
- Considered good	104.49	21.87	2.52	101.19	54.58	1254.81	1539.46
- Credit impaired	–	–	–	–	–	214.21	214.21
Gross trade receivables	27739.44	10678.96	2953.58	2907.97	1169.17	3697.25	49146.37
Less: Allowance for expected credit loss							4414.84
							44731.53

**NOTE [14]**
**Current assets: Financial assets - Cash and cash equivalents**

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Balance with banks	8536.70	9990.60
Cheques and drafts on hand	520.18	451.03
Cash on hand	7.17	14.86
Fixed deposits with banks (maturity less than 3 months)	2894.45	6470.20
	11958.50	16926.69

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

### NOTE [15]

#### Current assets: Financial assets - Other bank balances

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Fixed deposits with banks	1716.13	1937.19
Earmarked balances with banks - unclaimed dividend	137.16	145.04
Earmarked balances with banks - Section 4(2)(I)(D) of RERA <sup>[1]</sup>	12.85	11.66
Earmarked balances with banks - others	175.23	426.44
Margin money deposits with banks	941.61	2716.39
Margin money deposits with others	-	4.23
Cash and bank balances not available for immediate use	416.91	351.96
	<u>3399.89</u>	<u>5592.91</u>

<sup>[1]</sup> Real Estate (Regulation and Development) Act, 2016

### NOTE [16]

#### Current Assets: Financial Assets - Loans towards financing activities

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Considered good - secured	15320.61	23860.34
Less : Allowance for expected credit loss	33.28	35.53
Less : Net fair value changes	330.42	1008.63
	14956.91	22816.18
Considered good - unsecured	19225.57	14836.92
Less : Allowance for expected credit loss	726.08	652.41
Less : Impairment	56.25	56.25
	18443.24	14128.26
Having significant increase in credit risk	1418.88	3425.70
Less : Allowance for expected credit loss	94.55	99.79
Less : Net fair value changes	91.83	532.58
	1232.50	2793.33
Credit Impaired	427.07	1633.87
Less : Net fair value changes	245.13	911.09
	181.94	722.78
	<u>34814.59</u>	<u>40460.55</u>

### NOTE [17]

#### Current assets: Financial assets - Other loans

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Loans and advances to related parties		
Considered good - unsecured	26.94	168.31
Others loans		
Considered good - unsecured	79.60	82.84
	<u>106.54</u>	<u>251.15</u>



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

**NOTE [18]**
**Current assets: Financial assets - Others**

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Security deposits		
Considered good - unsecured	685.25	541.53
Less: Allowance for expected credit loss	0.76	0.52
	684.49	541.01
Receivables from related parties:		
Joint ventures	107.03	152.26
	107.03	152.26
Other recoverables	2790.22	1759.63
Forward contract receivables	407.38	564.40
Unbilled Revenue	1416.41	1684.35
Embedded derivative receivables	158.39	228.45
Doubtful advances:		
Deferred credit sale of ships	27.11	27.11
Other loans and advances	192.16	327.06
	219.27	354.17
Less: Allowance for expected credit loss	219.27	354.17
	-	-
	5563.92	4930.10

**NOTE [19]**
**Other current assets**

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Contract assets [Note 47(d)(i)]		
Unbilled revenue	45930.90	42169.63
Retention money	14194.43	13367.18
	60125.33	55536.81
Advance recoverable other than in cash	10740.44	10355.98
Government grant receivable	12.12	14.61
Other loans and advances	0.99	0.67
Less: Allowance for expected credit loss	0.99	0.67
	-	-
Others	4.41	12.99
	70882.30	65920.39

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

### NOTE [20]

#### Equity share capital

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

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

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

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

##### (c) Terms/rights attached to equity shares:

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

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

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

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

Particulars	As at 31-3-2024		As at 31-3-2023	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	Number of equity shares to be issued as fully paid	₹ crore (at face value)
Employee stock options granted and outstanding <sup>[1]</sup>	16,29,198	0.33 <sup>[2]</sup>	11,74,574	0.23 <sup>[2]</sup>

<sup>[1]</sup> Note 20(h) below for terms of employee stock option schemes

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

(f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2024 are NIL (previous period of five years ended March 31, 2023: 46,67,64,755 shares).

(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended on March 31, 2024 – NIL (previous period of five years ended March 31, 2023: NIL).

##### (h) Stock option scheme of the Parent Company:

###### (A) Terms:

- The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. During the year company has issued the new ESOP series 2006(B) in which options are vested equally over a period of 4 years. The options are vested equally over a period of 4 years for series 2003(B), 2006(B) and 5 years in the case of series 2006(A), subject to the discretion of the management and fulfillment of certain conditions.
- Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

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

**NOTE [20] (contd.)**

(B) The details of the grants under the aforesaid schemes are summarised below:

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

(C) The number and weighted average exercise price of stock options are as follows:

Particulars	2023-24		2022-23	
	No. of stock options	Weighted average exercise price (₹)	No. of stock options	Weighted average exercise price (₹)
i. Options granted and outstanding at the beginning of the year	11,74,574	219.74	17,18,419	224.86
ii. Options granted	9,70,968	135.63	21,424	7.80
iii. Options allotted	4,36,429	221.13	4,53,067	227.60
iv. Options lapsed	79,915	198.98	1,12,202	225.94
v. Options granted and outstanding at the end of the year	16,29,198	170.25	11,74,574	219.74
vi. Options exercisable at the end of the year out of (v) above	2,51,018	253.80	3,62,281	253.70

(D) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 2945.59 (previous year: ₹ 1779.07) per share.

(E) The fair value of the options granted under the stock option scheme is treated as discount and accounted as employee compensation over the vesting period.

(F) Weighted average fair values of options granted during the year is ₹ 2314.37 (previous year: ₹ 1496.52) per option.

(G) The fair value of the options granted during the year has been calculated using the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Sr. No.	Particulars	2023-24	2022-23
i.	Weighted average risk-free interest rate	7.05%	6.77%
ii.	Weighted average expected life of options	2.75 Years	2.83 years
iii.	Weighted average expected volatility	18.64%	25.03%
iv.	Weighted average expected dividends over the life of the options	₹ 65.90 per option	₹ 62.26 per option
v.	Weighted average share price	₹ 2479.86 per option	₹ 1553.63 per option
vi.	Weighted average exercise price	₹ 135.63 per option	₹ 7.80 per option
vii.	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the company's share price applicable to the total expected life of each option.	

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

### NOTE [20] (contd.)

- (i) During the year ended March 31, 2024, the company paid the final dividend of ₹ 24 per equity share for the year ended March 31, 2023 amounting to ₹ 3373.56 crore and a special dividend of ₹ 6 per equity share amounting to ₹ 843.39 crore.
- (j) The Board of Directors, at their meeting held on May 8, 2024 recommended a final dividend of ₹ 28 per equity share for the year ended March 31, 2024, subject to approval of shareholders. On approval, the total dividend outgo is expected to be ₹ 3849.07 crore based on number of shares outstanding as on March 31, 2024.
- (k) Further, during the year ended March 31, 2024, the shareholders approved the proposal of buyback of equity shares of the Company, as recommended by its Board of Directors. The settlement of all valid bids and extinguishment of equity shares bought back were completed on September 28, 2023.

Accordingly, the Company has bought back 3,12,50,000 equity shares of face value of ₹ 2 each, representing 2.22% of the number of equity shares in the paid-up share capital, at a price of ₹ 3,200 per share aggregating to ₹ 10000 crore. Consequently, the equity share capital stands reduced by ₹ 6.25 crore. The premium on buyback of ₹ 9993.75 crore, transaction cost (net of tax) with respect to the buyback of ₹ 26.37 crore and the tax on buyback of ₹ 2253.33 crore have been adjusted against securities premium account and free reserves.

- (l) Stock option scheme of subsidiary companies:

- (i) LTIMindtree Limited

- (A) Employee Stock Option Scheme 2015 (ESOS 2015)

Shares are granted to employees at an exercise price of not less than ₹ 1 per equity share or such higher price as determined by the Board but shall not exceed the market price as defined in the Regulations. Shares shall vest over such term as determined by the Nomination and Remuneration Committee not exceeding 5 years from the date of the grant.

On November 30, 2023, the special resolution dated May 22, 2021 passed by erstwhile Mindtree Limited relating to grant of loan to the 'LTIMindtree Employee Welfare Trust' (formerly known as Mindtree Employee Welfare Trust) ('ESOP Trust') with a view to enable the ESOP Trust to subscribe equity shares of the Company for implementation and administration of ESOP 2021 plan, has been partially modified and the shareholders of the Company, through postal ballot, have approved the grant of loan to the ESOP Trust to subscribe equity shares of the Company for administration of ESOP Scheme 2015 along with ESOP 2021 plan, the aggregate value of loan shall not exceed the statutory ceiling of five (5%) percent of the paid-up capital and free reserves of the Company.

- (i) The details of the grant under the aforesaid scheme is summarised below:

Sr. No.	Particulars	ESOS 2015	
		2023-24	2022-23
i.	Grant price	₹ 1	₹ 1
ii.	Grant dates	10-6-2016 onwards	
iii.	Vesting commences on	10-6-2017 onwards	
iv.	Options granted & outstanding at the beginning of the year	9,27,942	3,25,915
v.	Options granted during the year	30,872	7,66,815
vi.	Options exercised during the year	1,56,666	1,35,016
vii.	Options lapsed/cancelled during the year	1,60,172	29,772
viii.	Options granted & outstanding at the end of the year	6,41,976	9,27,942
ix.	Options vested at the end of the year out of (viii) above	1,32,537	73,565
x.	Options unvested at the end of the year out of (viii) above	5,09,439	8,54,377
xi.	Weighted average remaining contractual life of options (in years)	5.3	6.0

- (ii) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 5298 per share (previous year: ₹ 4761 per share).

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

### NOTE [20] (contd.)

- (iii) The fair value of the options granted during the year has been calculated using the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Sr. No.	Particulars	2023-24	2022-23
i.	Weighted average risk-free interest rate	7.12%	6.79%
ii.	Weighted average expected life of options	2.5 years	2.5 years
iii.	Weighted average expected volatility	32.98%	37.71%
iv.	Weighted average expected dividends over the life of the options	₹ 205.59	₹ 181.54
v.	Weighted average share price	₹ 4970	₹ 4776
vi.	Weighted average exercise price	₹ 1	₹ 1
vii.	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the company's share price	

- (B) Employee Restricted Stock Purchase Plan 2012 (ERSP 2012)

ERSP 2012 was instituted with effect from July 16, 2012 to issue equity shares of nominal value of ₹ 1 each. Shares under this program are granted to employees at an exercise price of not less than ₹ 10 per equity share or such higher price as determined by the Nomination and Remuneration Committee. Shares shall vest over such term as determined by the Nomination and Remuneration Committee not exceeding ten years from the date of the grant. All shares will have a minimum lock in period of one year from the date of allotment.

- (i) The details of the grant under the aforesaid scheme is summarised below:

Sr. No.	Particulars	ERSP 2012 <sup>(1)</sup>	
		2023-24	2022-23
i.	Grant price	₹ 10	₹ 10
ii.	Grant dates	24-7-2019 onwards	
iii.	Vesting commences on	24-7-2020 onwards	
iv.	Outstanding units/shares granted as at the beginning of the year	7,409	53,771
v.	Options granted during the year	–	–
vi.	Options exercised during the year	7,409	41,347
vii.	Options lapsed/cancelled during the year	–	5,015
viii.	Options granted & outstanding at the end of the year	–	7,409
ix.	Options vested at the end of the year out of (viii) above	–	7,409
x.	Options unvested at the end of the year out of (viii) above	–	–
xi.	Weighted average remaining contractual life of options (in years)	–	0.0

<sup>(1)</sup> Based on letter of intent

- (C) Employee Stock Option Plan 2021 (ESOP 2021)

ESOP 2021 was instituted with effect from May 22, 2021 for the issue of upto 20,00,000 options (including the unutilised options under ERSP 2012) to employees. The Nomination and Remuneration Committee administers the plan through a trust established specifically for this purpose, called the LTIMindtree Employee Welfare Trust - formerly known as Mindtree Employee Welfare Trust ('ESOP Trust').

The ESOP Trust shall subscribe to the equity shares of the company using the proceeds from loans obtained from the company, other cash inflows from allotment of shares to employees under the ESOP Plan, to the extent of number of shares as is necessary for transferring to the employees. The Nomination and Remuneration Committee shall determine the exercise price which will not be less than the face value of the shares.

Options under this program are granted to employees at an exercise price periodically determined by the Nomination and Remuneration Committee. All stock options have a four-year vesting term. The options vest and become fully exercisable at



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

### NOTE [20] (contd.)

the rate of 25% each over a period of four years from the date of grant. Each option is entitled to 1 equity share of ₹ 1 each. These options are exercisable within 6 years from the date of vesting.

Sr. No.	Particulars	Series A	
		2023-24	2022-23
i.	Grant price	₹ 10	₹ 10
ii.	Grant dates	9-8-2021 onwards	
iii.	Vesting commences on	9-8-2022 onwards	
iv.	Options granted & outstanding at the beginning of the year	1,71,624	2,27,736
v.	Options granted during the year	–	29,104
vi.	Options exercised during the year	33,264	28,292
vii.	Options lapsed/cancelled during the year	46,412	56,924
viii.	Options granted & outstanding at the end of the year	91,948	1,71,624
ix.	Options vested at the end of the year out of (viii) above	23,707	41,004
x.	Options unvested at the end of the year out of (viii) above	68,241	1,30,620
xi.	Weighted average remaining contractual life of options (in years)	6.0	7.0

The weighted average fair value of each option under the above mentioned Series A of ESOP 2021 plan was ₹ NIL (previous year: ₹ 4508) using the Black-Scholes model with the following assumptions:

Sr. No.	Particulars	2023-24	2022-23
i.	Weighted average grant date share price	–	₹ 4518
ii.	Weighted average Exercise price	–	₹ 10.00
iii.	Dividend yield %	–	0.20%
iv.	Weighted average Expected life	–	2.5 years
v.	Weighted average risk-free interest rate	–	6.28%
vi.	Weighted average expected volatility	–	36.39%
vii.	Method used to determine expected volatility	The expected volatility has been calculated based on historic company share price	

Sr. No.	Particulars	Series B	
		2023-24	2022-23
i.	Weighted average grant price	₹ 3268	₹ 3268
ii.	Grant dates	9-8-2021 onwards	
iii.	Vesting commences on	9-8-2022 onwards	
iv.	Options granted & outstanding at the beginning of the year	1,01,141	1,24,100
v.	Options granted during the year	–	–
vi.	Options exercised during the year	5,014	3,256
vii.	Options lapsed/cancelled during the year	9,168	19,703
viii.	Options granted & outstanding at the end of the year	86,959	1,01,141
ix.	Options vested at the end of the year out of (viii) above	41,128	26,564
x.	Options unvested at the end of the year out of (viii) above	45,831	74,577
xi.	Weighted average remaining contractual life of options (in years)	6.0	7.0

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

**NOTE [20] (contd.)**

(ii) L&T Technology Services Limited

(A) Employee stock option plan (ESOP)

- (i) ESOP Scheme 2016, include Series A, in which the options are vested equally over a period of 5 years and Series B, in which the options are vested equally over period of 4 years, subject to the discretion of the management and fulfillment of certain conditions.
- (ii) The exercise period for the options granted under the ESOP Scheme, 2016 would be seven years from the date of grant of options or six years from the date of first vesting or three years from the date of retirement/death, whichever is earlier, subject to any change as may be approved by the Board. The exercise price may be decided by the Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the exercise price per option shall not be less than the par value of the equity share of company and shall not be more than the market price as defined in the SEBI (Share Based Employee Benefits) Regulations, 2021 and shall be subject to compliance with accounting policies under the said regulation. The number of shares to be allotted on exercise of options should not exceed the total number of unexercised vested options that may be exercised by the employee. Details of grant under ESOP Scheme, 2016 is summarised below:

Sr. No.	Particulars	ESOP Scheme, 2016	
		2023-24	2022-23
i.	Grant price	₹ 2	₹ 2
ii.	Grant dates	28-7-2016 onwards	
iii.	Vesting commences on	28-7-2017 onwards	
iv.	Options granted & outstanding at the beginning of the year	5,14,250	2,15,725
v.	Options lapsed during the year	24,400	22,700
vi.	Options granted during the year	16,400	3,97,200
vii.	Options exercised during the year	1,45,700	75,975
viii.	Options granted & outstanding at the end of the year	3,60,550	5,14,250
ix.	Options vested at the end of the year out of (viii) above	47,150	50,350
x.	Options unvested at the end of the year out of (viii) above	3,13,400	4,63,900
xi.	Weighted average remaining contractual life of options (in years)	2.89	3.84

(B) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 4320.68 per share (previous year: ₹ 3692.66 per share).

(C) In respect of stock options granted pursuant to the company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.

(D) There were 16,400 new options granted during the year ended March 31, 2024. The fair value at grant date of options granted during the year: ₹ 3369.50. The fair value at grant date is determined using the Black-Scholes Option Pricing Model which takes into account the exercise price, term of option, share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The model inputs for options granted during the year included:

Sr. No.	Particulars	2023-24	2022-23
i.	Weighted average exercise price	₹ 2	₹ 2
ii.	Grant date	26-Apr-23	21-Apr-22
iii.	Expiry date	25-Apr-30	20-Apr-29
iv.	Weighted average share price at grant date	₹ 3447.00 per option	₹ 4244.30 per option
v.	Weighted average expected price volatility of company's share	39.00%	40.52%
vi.	Weighted average expected dividend yield over life of option	2.65%	2.07%
vii.	Weighted average risk-free interest	6.96%	5.86%
viii.	Method used to determine expected volatility	The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.	

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

### NOTE [20] (contd.)

(iii) L&T Finance Limited (formerly known as L&T Finance Holdings Limited)

The company has formulated Employee Stock Option Schemes 2010 (Scheme 2010) and 2013 (Scheme 2013). The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options allotted under the Scheme 2010 are vested over a period of four years in the ratio of 15%, 20%, 30% and 35% respectively from the end of 12 months from the date of grant, subject to the discretion of the management and fulfillment of certain conditions. The options granted under the Scheme 2013 are vested in a graded manner over a period of four years with 0%, 33%, 33% and 34% of grants vesting each year, commencing from the end of 24 months from the date of grant or w.e.f. July 10, 2019 vested in a graded manner over a period of four years with 25%, 25%, 25% and 25% of grants vesting each year, commencing from the end of 12 months from the date of grant.

(A) The details of the grants are summarised below:

Sr. No.	Particulars	Scheme 2010		Scheme 2013	
		2023-24	2022-23	2023-24	2022-23
i.	Grant Price	₹ 44.20		₹ 10.00 <sup>(1)</sup> /Market Price	
ii.	Options granted & outstanding at the beginning of the year	5,63,750	9,48,250	2,75,38,744	4,01,58,040
iii.	Options granted during the year	–	–	67,41,444	8,21,880
iv.	Options lapsed/cancelled during the year	–	1,88,000	32,49,742	80,02,047
v.	Options exercised & shares allotted during the year	4,98,750	1,96,500	87,70,443	54,39,129
vi.	Options granted & outstanding at the end of the year	–	–	–	–
vii.	Options vested at the end of the year out of (vi) above	65,000	4,85,000	1,13,32,467	1,83,45,892
viii.	Options unvested at the end of the year out of (vi) above	–	78,750	1,09,27,536	91,92,852
ix.	Weighted average remaining contractual life of options (in years)	0.75	2.81	4.18	4.78

<sup>(1)</sup> w.e.f. from July 10, 2019

(B) Weighted average fair values of options granted during the year is ₹ 118.74 (Previous year: ₹ 69.48) per options.

(C) The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2023-24	2022-23
i.	Weighted average risk-free interest rate	7.20%	6.65%
ii.	Weighted average expected life of options	2.77 years	2.75 years
iii.	Weighted average expected volatility	36.53%	39.16%
iv.	Weighted average expected dividends (₹)	5.54 per option	2.66 per option
v.	Weighted average share price (₹)	131.38 per option	79.87 per option
vi.	Weighted average exercise price (₹)	10.00 per option	10.00 per option
vii.	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the company's shares price applicable to the expected life of each option.	

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

**NOTE [21]**
**Other equity**

	₹ crore	
Particulars	As at 31-3-2024	As at 31-3-2023
Capital reserve [Note 1(II)(g)]		
Capital reserve	10.52	10.52
Capital reserve on consolidation	271.92	271.92
	282.44	282.44
Capital redemption reserve <sup>[1]</sup>	335.11	328.86
Securities premium [Note 1(II)(u)]	50.56	8770.19
Employee share options (net) [Note 1(II)(x)]		
Employee share options outstanding	839.15	885.15
Deferred employee compensation expense	(288.61)	(418.06)
	550.54	467.09
Statutory reserves		
Debenture redemption reserve <sup>[2]</sup>	3.12	24.39
Reserve u/s 45-IC of the Reserve Bank India Act, 1934 <sup>[3]</sup>	3133.69	2676.44
Reserve u/s 29C of the National Housing Bank Act, 1987 <sup>[4]</sup>	11.09	11.09
Reserve u/s 36(1)(viii) of the Income-tax Act, 1961 <sup>[5]</sup>	1051.27	1031.27
Impairment reserve as per Reserve Bank of India <sup>[6]</sup>	32.39	32.39
	4231.56	3775.58
Retained earnings	79489.69	74519.94
Foreign currency translation reserve [Note 1(II)(y)(iv)]	790.67	777.53
Hedging reserve [Note 1(II)(r)(iii)(B)]		
Cash flow hedging reserve	279.01	146.53
Cost of hedging reserve	(4.67)	(4.77)
	274.34	141.76
Debt instruments through Other comprehensive income [Note 1(II)(r)(i)(B)]	8.12	(89.82)
Equity instruments through Other comprehensive income [Note 1(II)(r)(i)(B)]	71.28	71.28
	<u>86084.31</u>	<u>89044.85</u>

<sup>[1]</sup> Capital redemption reserve: Created on:

- a. Buyback of equity shares out of free reserves and securities premium in accordance with Section 69 of the Companies Act, 2013
- b. Redemption of preference shares out of profits in accordance with Section 55(2)(c) of the Companies Act, 2013.

<sup>[2]</sup> Debenture redemption reserve: Created on non-convertible debentures in accordance with the Companies (Share capital and Debenture) Rules, 2014 (as amended).

<sup>[3]</sup> Reserve u/s-45 IC of the Reserve Bank of India Act, 1934: Created by subsidiary(ies) by transferring amount not less than twenty per cent of its net profit every year.

<sup>[4]</sup> Reserve u/s 29C of the National Housing Bank Act, 1987: Created by subsidiary(ies) by transferring amount not less than twenty per cent of its net profit every year.

<sup>[5]</sup> Reserve u/s 36(1)(viii) of Income tax Act, 1961: Created by subsidiary(ies) by transferring an amount not exceeding twenty percent of the profits derived from eligible business every year.

<sup>[6]</sup> Impairment reserve as per Reserve Bank of India: Created pursuant to circular issued by Reserve Bank of India where impairment allowance as per Ind AS 109 is lower than the provisioning required as per extant prudential norms.

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

### NOTE [22]

#### Non-current liabilities: Financial liabilities - Borrowings

Particulars	₹ crore					
	As at 31-3-2024			As at 31-3-2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Redeemable non-convertible fixed rate debentures	26242.71	11577.02	37819.73	27896.07	9874.26	37770.33
Term loans from banks	12757.14	2138.92	14896.06	17392.98	2104.05	19497.03
Term loans from others	–	318.09	318.09	–	35.37	35.37
Loans from financial institutions	3473.09	–	3473.09	3914.95	–	3914.95
	42472.94	14034.03	56506.97	49204.00	12013.68	61217.68

Notes:

- (a) Loans guaranteed by directors: ₹ Nil (previous year: ₹ Nil)
- (b) Non-convertible debentures and borrowings from banks and financial institutions are secured by charge on the specified movable and immovable assets of the respective entities.

### NOTE [23]

#### Non-current liabilities: Other financial liabilities

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Forward contract payables	18.30	202.89
Embedded derivative payables	–	4.89
Financial guarantee contracts	0.03	0.36
Due to others <sup>(1)</sup>	77.74	64.82
	96.07	272.96

<sup>(1)</sup> Mainly includes security deposits and liabilities towards capital goods

### NOTE [24]

#### Non-current liabilities: Provisions

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Employee pension scheme [Note 52(b)(i)]	351.87	346.44
Post-retirement medical benefits plan [Note 52(b)(i)]	375.92	337.66
Provision for other employee benefits	13.90	11.22
Other provisions [Note 56(a)]	245.69	174.67
	987.38	869.99

### NOTE [25]

#### Other non-current liabilities

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Deferred Income in respect of Government Grants	585.00	64.64
Other payables	33.02	17.09
	618.02	81.73



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

**NOTE [26]**
**Current liabilities: Financial liabilities - Borrowings**

₹ crore

Particulars	As at 31-3-2024			As at 31-3-2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans repayable on demand	5785.00	3550.00	9335.00	6980.22	3665.02	10645.24
Short-term loans and advances from banks	7565.67	814.58	8380.25	5187.23	1846.03	7033.26
Loans from related parties	–	207.67	207.67	–	202.04	202.04
Commercial paper	–	9911.35	9911.35	–	13015.78	13015.78
	13350.67	14483.60	27834.27	12167.45	18728.87	30896.32

Note: The secured portion of loans payable on demand and bank borrowings are secured by charge on the specified movable and immovable assets of the respective entities.

**NOTE [27]**
**Current liabilities: Financial liabilities - Current maturities of long term borrowings**

₹ crore

Particulars	As at 31-3-2024			As at 31-3-2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Redeemable non-convertible fixed rate debentures	7845.26	6549.07	14394.33	8373.71	5768.69	14142.40
Redeemable non-convertible floating rate debentures	–	–	–	–	143.51	143.51
Term loans from banks	14797.67	42.20	14839.87	11339.29	169.45	11508.74
Loans from financial institutions	464.33	–	464.33	604.73	–	604.73
	23107.26	6591.27	29698.53	20317.73	6081.65	26399.38

Notes:

- Loans guaranteed by directors: ₹ Nil (previous year: ₹ Nil)
- Non-convertible debentures and borrowings from banks and financial institutions are secured by charge on the specified movable and immovable assets of the respective entities.

**NOTE [28]**
**Current liabilities: Financial liabilities - Other trade payables**

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Acceptances	93.89	15.69
Due to related parties:		
Associates	5.97	9.20
Joint ventures	1286.39	1458.16
	1292.36	1467.36
Due to others	50887.92	47449.37
	52274.17	48932.42

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

### NOTE [28][a]

#### Current liabilities: Financial liabilities - Trade payables ageing

₹ crore

Particulars	As at 31-3-2024						Total
	Unbilled Dues	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed:</b>							
Micro and small enterprises	18.05	938.76	51.05	5.49	2.91	2.45	1018.71
Others	16324.39	25192.16	8638.94	436.12	379.97	1295.49	52267.07
<b>Disputed:</b>							
Micro and small enterprises	–	–	–	–	–	–	–
Others	–	7.06	0.04	–	–	–	7.10
	16342.44	26137.98	8690.03	441.61	382.88	1297.94	53292.88

₹ crore

Particulars	As at 31-3-2023						Total
	Unbilled Dues	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed:</b>							
Micro and small enterprises	58.19	709.68	73.66	5.82	2.47	1.88	851.70
Others	13331.70	24110.32	9273.61	554.01	201.45	1453.19	48924.28
<b>Disputed:</b>							
Micro and small enterprises	–	–	–	–	–	–	–
Others	–	7.48	–	–	–	0.66	8.14
	13389.89	24827.48	9347.27	559.83	203.92	1455.73	49784.12

### NOTE [29]

#### Current liabilities: Other financial liabilities

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Unclaimed dividend	129.90	129.10
Unclaimed interest on debentures	166.34	181.20
Financial guarantee contracts	0.17	1.18
Forward contract payables	325.49	384.61
Embedded derivative payables	41.64	43.78
Due to others <sup>[1][2]</sup>	6912.13	6702.07
	7575.67	7441.94

<sup>[1]</sup> Due to others include due to directors: ₹ 125.36 crore (previous year: ₹ 95.41 crore)

<sup>[2]</sup> Mainly includes security deposits and liability towards employee benefits and capital goods

### NOTE [30]

#### Other current liabilities

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Contract liabilities [Note 47(d)(i)]		
Excess of billing over revenue	20647.38	18371.09
Advances from customers	26874.76	20424.75
	47522.14	38795.84
Deferred income in respect of Government Grants	1.06	–
Other payables <sup>[1]</sup>	4810.53	3370.71
	52333.73	42166.55

<sup>[1]</sup> Mainly includes statutory dues and liabilities towards joint operations, volume discount and employee benefits

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

**NOTE [31]**
**Current liabilities: Provisions**

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
Provision for employee benefits:		
Gratuity [Note 52(b)(i)]	301.67	253.80
Compensated absences	1598.68	1645.46
Employee pension scheme [Note 52(b)(i)]	30.39	28.83
Post-retirement medical benefits plan [Note 52(b)(i)]	19.84	15.08
Others	0.28	0.29
	1950.86	1943.46
Other provisions [Note 56(a)]	1506.65	1550.01
	<u>3457.51</u>	<u>3493.47</u>

**NOTE [32]**
**Contingent Liabilities**

₹ crore

Particulars	As at 31-3-2024	As at 31-3-2023
(a) Claims against the Group not acknowledged as debts	4624.58	4421.78
(b) Sales tax/GST liability that may arise in respect of matters in appeal	1430.04	619.15
(c) Excise duty/service tax/custom duty/entry tax/stamp duty/municipal cess liability that may arise, including those in respect of matters in appeal/challenged by the Group in Writ	1118.68	1138.80
(d) Income tax liability (including penalty) that may arise in respect of which the Group is in appeal	3929.85	3110.91
(e) Guarantees or letter of credit or letter of comfort given to third parties	56.00	266.05
(f) Corporate guarantees for financial obligations of joint ventures	210.56	276.58
(g) Bank guarantees given on behalf of joint venture	32.66	35.34
(h) Contingent liabilities in relation to interest in joint operations	3006.66	2976.71
(i) Share in contingent liabilities of joint operations for which the Group is contingently liable	123.84	87.48
(j) Contingent liabilities in respect of liabilities of other joint operators in respect of joint operations	4364.24	4407.38
(k) Share of joint ventures' contingent liabilities in respect of a legal claim lodged against the entity	33.95	74.06
(l) Indemnities for performance given on behalf of third parties	56.79	96.41

**Notes:**

- (i) The Group expects reimbursements of ₹ 1.91 crore (previous year: ₹ 5.77 crore) in respect of the above contingent liabilities except in respect of matters at (l)
- (ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings. Further, the liability mentioned in (a) to (d) above excludes interest and penalty except in cases where the Group has determined that the possibility of such levy is remote.
- (iii) In respect of matters at (e), the cash flows, if any, could occur any time during the subsistence of the underlying agreement.
- (iv) In respect of matters at (f), the cash outflows, if any, could generally occur up to four years, being the period over which the validity of the guarantees extends except in a few cases where the cash outflows, if any, could occur any time during the subsistence of the borrowing to which the guarantees relate.
- (v) In respect of matters at (g), the cash outflows, if any, could generally occur up to two years, being the period over which the validity of the guarantees extends.
- (vi) In respect of matters at (h) to (j), the cash outflows, if any, could generally occur upto completion of projects undertaken by the respective joint operations.
- (vii) In respect of matters at (k), the cash outflows, in any, could generally occur any time up to settlement of claims or during subsistence of the underlying agreements.
- (viii) In respect of matters at (l), the cash outflows, if any, is fully reimbursable by the third parties under an agreement entered in to with them.

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

### NOTE [33]

#### Commitments

₹ crore		
Particulars	As at 31-3-2024	As at 31-3-2023
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances):		
(i) Property, plant and equipment	984.57	1217.03
(ii) Investment property	252.69	4.22
(iii) Intangible assets	43.41	36.85
(b) Other funding commitments:		
(i) Undrawn/undisbursed commitments to other companies (in Financial Services segment)	972.34	847.52
(ii) Share of joint ventures' capital commitments	5.38	4.49

### NOTE [34]

#### Revenue from operations

₹ crore		
Particulars	2023-24	2022-23
Sales & service:		
Construction and project related activity	147603.49	116096.12
Manufacturing and trading activity	4828.33	4572.86
Engineering service fees	8940.19	7982.07
Software development products and services	35119.11	32846.03
Income from financing activity/annuity based projects	14074.87	13375.96
Property development activity	2804.71	1316.14
Fare collection and related activity	602.98	458.20
Servicing fees	1868.83	1522.46
Commission	130.37	125.84
Charter hire income	2.48	0.65
Investment/portfolio management and trusteeship fees	–	217.47
Fees for operation and maintenance of power plant	3140.33	3147.62
	219115.69	181661.42
Other operational income:		
Lease rentals	166.11	148.45
Property maintenance recoveries	86.44	57.56
Gain on sale of subsidiary/business undertaking	511.73	–
Premium earned (net) on related forward exchange contracts	28.83	65.14
Net gain/(loss) on sale of investment property	21.93	106.28
Miscellaneous income	1182.18	1301.85
	1997.22	1679.28
	221112.91	183340.70

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

**NOTE [35]**
**Other income**

	₹ crore	
Particulars	2023-24	2022-23
Interest income on: [Note 46(a)]		
Loans and advances to joint ventures and associates	22.91	42.93
Investments	1540.43	1257.81
Others	883.73	516.73
	2447.07	1817.47
Dividend income on:		
Joint venture	114.98	–
Trade investments	6.37	0.97
Current investments	55.74	3.09
Others	31.40	2.22
	208.49	6.28
Net gain/(loss) on fair valuation of investments	242.63	(478.15)
Net gain/(loss) on sale of investments	491.57	531.02
Net gain/(loss) on derivatives at fair value through profit or loss	(6.18)	135.08
Net gain/(loss) on sale of property, plant and equipment	73.51	61.37
Lease rentals	8.44	14.46
Miscellaneous income (net of expenses)	692.50	841.64
	4158.03	2929.17

**NOTE [36]**
**Manufacturing, construction and operating expenses**

	₹ crore	
Particulars	2023-24	2022-23
Cost of raw materials, components consumed:		
Raw materials and components	19625.81	19178.65
Less: Scrap sales	183.56	183.54
	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, stock-in-trade, work-in-progress and property development:		
Closing stock:		
Finished goods	82.09	94.95
Stock-in-trade	228.30	364.92
Work-in-progress	9470.98	10005.68
Cost of built-up space and property development land:		
Work-in-progress	3710.77	3998.29
Completed property	222.13	271.50
	13714.27	14735.34
Carried forward	13714.27	14735.34
	114806.36	93724.66



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

### NOTE [36]

#### Manufacturing, construction and operating expenses (contd.)

Particulars	2023-24		2022-23	
Brought forward	13714.27	114806.36	14735.34	93724.66
Less: Opening stock:				
Finished goods	94.95		89.29	
Stock-in-trade	364.92		319.61	
Work-in-progress	10005.68		7171.57	
Cost of built-up space and property development land:				
Work-in-progress	3998.29		3277.96	
Completed property	271.50		366.49	
	14735.34		11224.92	
	1021.07		(3510.42)	
Inventorisation of investment property	–		353.78	
		1021.07		(3156.64)
Other manufacturing, construction and operating expenses:				
Power and fuel	2526.75		2655.76	
Royalty and technical know-how fees	127.09		30.70	
Packing and forwarding	749.95		901.27	
Rent and hire charges	5724.39		3916.13	
Bank guarantee charges	309.75		304.62	
Engineering, professional, technical and consultancy fees	4226.57		2618.85	
Insurance	821.43		616.65	
Rates and taxes	955.76		857.25	
Travelling and conveyance	1704.92		1602.08	
Repairs to plant and equipment	155.23		135.31	
Repairs to buildings	19.74		26.09	
General repairs and maintenance	759.27		699.94	
Provision/(reversal) for foreseeable losses on construction contracts	207.86		148.32	
Other provisions/(reversal of provisions)	18.18		(125.90)	
Expenses on construction job in realty business	994.82		707.80	
Software development expenses	4130.13		3912.39	
Miscellaneous expenses	1054.65		1013.55	
		24486.49		20020.81
Finance cost of financial services business and finance lease activity		5714.90		6026.44
		146028.82		116615.27

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

**NOTE [37]**
**Employee benefits expense**

	₹ crore	
<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
Salaries, wages and bonus	37042.85	33565.22
Contribution to and provision for:		
Provident fund and pension fund	883.75	772.66
Superannuation/employee pension and social security schemes	1202.48	1011.14
Gratuity funds [Note 52(b)(ii)]	285.52	260.59
	2371.75	2044.39
Expenses on employee stock option scheme	297.63	249.51
Employee medical and other insurance premium expenses	347.07	447.54
Staff welfare expenses	1287.71	1067.24
Recoveries on account of deputation charges	(175.99)	(159.79)
	<u>41171.02</u>	<u>37214.11</u>

**NOTE [38]**
**Sales, administration and other expenses**

	₹ crore	
<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
Power and fuel	218.44	167.85
Packing and forwarding	80.20	88.04
Insurance	135.27	120.15
Rent and hire charges	333.89	323.06
Rates and taxes	478.86	359.22
Travelling and conveyance	711.54	565.22
Repairs to buildings	125.52	122.49
General repairs and maintenance	784.64	579.00
Professional fees	1550.32	1512.25
Directors' fees	7.18	8.76
Telephone, postage and telegrams	193.76	233.93
Advertising and publicity	345.49	304.84
Stationery and printing	80.23	75.32
Commission:		
Distributors and agents	34.86	37.39
Others	7.94	5.70
	42.80	43.09
Bank charges	251.42	211.84
Impairment on lease receivables	-	23.34
Corporate social responsibility expenses	271.29	257.97
Collection cost (Financial Services business)	520.30	419.61
Miscellaneous expenses	1108.90	849.74
Bad debts and advances written off (net of written back)	2129.70	2592.71
Less: Allowances for expected credit loss written back	1567.90	1706.00
	561.80	886.71
Allowances for expected credit loss	2350.80	1908.53
Loss on fair valuation/sale of investments towards financing activities (net)	1106.66	716.20
Loss on fair valuation of loans towards financing activities (net)	(675.20)	(509.54)
Recoveries from joint ventures and associates	(26.65)	(32.20)
Exchange (gain)/loss [net]	(145.20)	(550.08)
Other provisions	7.16	72.70
	<u>10419.42</u>	<u>8758.04</u>

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

### NOTE [39]

#### Finance costs

Particulars	₹ crore	
	2023-24	2022-23
Interest expenses	3369.30	3019.58
Interest on lease liabilities	167.21	158.10
Other borrowing costs	–	0.39
Exchange (gain)/loss [net]	9.34	29.09
	<u>3545.85</u>	<u>3207.16</u>

39(a) Aggregation of expenses disclosed vide Note 36 - Manufacturing, construction and operating expenses, Note 37 - Employee benefits expense, Note 38 - Sales, administration and other expenses and Note 39 - Finance costs

Sr. No.	Nature of expenses	2023-24					2022-23				
		Note 36	Note 37	Note 38	Note 39	Total	Note 36	Note 37	Note 38	Note 39	Total
1	Power and fuel	2526.75	–	218.44	–	2745.19	2655.76	–	167.85	–	2823.61
2	Packing and forwarding	749.95	–	80.20	–	830.15	901.27	–	88.04	–	989.31
3	Insurance	821.43	347.07	135.27	–	1303.77	616.65	447.54	120.15	–	1184.34
4	Rent and hire charges	5724.39	–	333.89	–	6058.28	3916.13	–	323.06	–	4239.19
5	Rates and taxes	955.76	–	478.86	–	1434.62	857.25	–	359.22	–	1216.47
6	Travelling and conveyance	1704.92	–	711.54	–	2416.46	1602.08	–	565.22	–	2167.30
7	Repairs to plant and equipment	155.23	–	–	–	155.23	135.31	–	–	–	135.31
8	Repairs to buildings	19.74	–	125.52	–	145.26	26.09	–	122.49	–	148.58
9	General repairs and maintenance	759.27	–	784.64	–	1543.91	699.94	–	579.00	–	1278.94
10	Engineering, professional, technical and consultancy fees	4226.57	–	1550.32	–	5776.89	2618.85	–	1512.25	–	4131.10
11	Finance Costs	5714.90	–	–	3545.85	9260.75	6026.44	–	–	3207.16	9233.60
12	Miscellaneous expenses	1054.65	–	1108.90	–	2163.55	1013.55	–	849.74	–	1863.29

### NOTE [40]

#### Depreciation, amortisation, impairment and obsolescence

Particulars	₹ crore	
	2023-24	2022-23
Depreciation on:		
Property, plant and equipment	2241.97	1828.30
Right-of-use assets	508.08	471.52
Investment property	40.70	92.28
	<u>2790.75</u>	<u>2392.10</u>
Amortisation of Intangible assets	883.95	992.10
Impairment on Investment property	–	112.69
Obsolescence on Property, plant and equipment	7.63	5.36
	<u>3682.33</u>	<u>3502.25</u>

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

**NOTE [41]**

The list of subsidiaries, associates, joint ventures and joint operations included in the Consolidated Financial Statements are as under:

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2024	As at 31-3-2023
			Proportion of effective ownership interest /voting power(%)	Proportion of effective ownership interest /voting power(%)
<b>Indian subsidiaries</b>				
1	Hi-Tech Rock Products and Aggregates Limited	India	100.00	100.00
2	L&T Geostructure Private Limited	India	100.00	100.00
3	L&T Infrastructure Engineering Limited <sup>(a)</sup>	India	–	100.00
4	LTIMindtree Limited	India	68.64	68.68
5	Lymbyc Solutions Private Limited <sup>(b)</sup>	India	–	68.68
6	Powerup Cloud Technologies Private Limited <sup>(b)</sup>	India	–	68.68
7	Cuelogic Technologies Private Limited <sup>(b)</sup>	India	–	68.68
8	L&T Technology Services Limited	India	73.74	73.85
9	L&T Thales Technology Services Private Limited	India	54.57	54.65
10	Graphene Semiconductor Services Private Limited <sup>(c)</sup>	India	–	73.85
11	Seastar Labs Private Limited <sup>(c)</sup>	India	–	73.85
12	Esencia Technologies India Private Limited <sup>(c)</sup>	India	–	73.85
13	L&T Network Services Private Limited	India	100.00	100.00
14	L&T Semiconductor Technologies Limited <sup>(d)</sup>	India	100.00	–
15	L&T Finance Limited (formerly known as L&T Finance Holdings Limited)	India	65.86	66.11
16	L&T Finance Limited <sup>(e)</sup>	India	–	66.11
17	L&T Infra Credit Limited <sup>(e)</sup>	India	–	66.11
18	L&T Infra Investment Partners Advisory Private Limited	India	65.86	66.11
19	L&T Infra Investment Partners Trustee Private Limited	India	65.86	66.11
20	L&T Mutual Fund Trustee Limited <sup>(e)</sup>	India	–	66.11
21	L&T Financial Consultants Limited	India	65.86	66.11
22	L&T Energy Hydrocarbon Engineering Limited	India	100.00	100.00
23	L&T Offshore Private Limited (formerly known as L&T Sapura Offshore Private Limited) <sup>(f)</sup>	India	100.00	–
24	Mudit Cement Private Limited <sup>(g)</sup>	India	–	66.11
25	L&T Infra Investment Partners	India	36.17	36.31
26	L&T Metro Rail (Hyderabad) Limited <sup>(h)</sup>	India	99.99	99.99
27	L&T Arunachal Hydropower Limited <sup>(i)</sup>	India	–	100.00
28	L&T Himachal Hydropower Limited	India	100.00	100.00
29	L&T Power Development Limited	India	100.00	100.00
30	Nabha Power Limited	India	100.00	100.00
31	Chennai Vision Developers Private Limited	India	100.00	100.00
32	Elevated Avenue Realty LLP (formerly known as L&T Avenue Realty LLP)	India	100.00	100.00
33	L&T Parel Project Private Limited	India	100.00	100.00
34	L&T Westend Project LLP	India	100.00	100.00
35	Think Tower Developers Private Limited <sup>(j)</sup>	India	–	99.00
36	L&T Seawoods Limited	India	100.00	100.00
37	L&T Innovation Campus (Chennai) Limited <sup>(k)</sup>	India	–	100.00
38	L&T Realty Developers Limited	India	100.00	100.00
39	Prime Techpark (Chennai) Private Limited	India	100.00	100.00
40	Avenue Techpark (Bangalore) Private Limited <sup>(l)</sup>	India	100.00	–
41	Bangalore Spectrum Techpark Private Limited <sup>(m)</sup>	India	100.00	–
42	Bangalore Galaxy Techpark Private Limited <sup>(n)</sup>	India	100.00	–
43	Chennai Nova Techpark Private Limited <sup>(o)</sup>	India	100.00	–
44	Business Park (Powai) Private Limited <sup>(p)</sup>	India	100.00	–
45	Millennium Techpark (Chennai) Private Limited <sup>(q)</sup>	India	100.00	–
46	Bangalore Fortune Techpark Private Limited <sup>(r)</sup>	India	100.00	–
47	Corporate Park (Powai) Private Limited <sup>(s)</sup>	India	100.00	–
48	LH Residential Housing Private Limited (formerly known as LH Residential Housing Limited) <sup>(s)</sup>	India	100.00	–
49	LH Uttarayan Premium Realty Private Limited <sup>(t)</sup>	India	100.00	–

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

### NOTE [41] (contd.)

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2024	As at 31-3-2023
			Proportion of effective ownership interest /voting power(%)	Proportion of effective ownership interest /voting power(%)
<b>Indian subsidiaries</b>				
50	L&T Construction Equipment Limited	India	100.00	100.00
51	L&T Valves Limited	India	100.00	100.00
52	L&T Energy Green Tech Limited (formerly known as L&T Power Limited) <sup>[a]</sup>	India	100.00	99.99
53	L&T Electrolysers Limited <sup>[b]</sup>	India	100.00	–
54	Bhilai Power Supply Company Limited	India	99.90	99.90
55	Kesun Iron and Steel Company Private Limited <sup>[c]</sup>	India	–	95.00
56	L&T Aviation Services Private Limited	India	100.00	100.00
57	L&T Capital Company Limited	India	100.00	100.00

<sup>[a]</sup> Divested w.e.f January 3, 2024

<sup>[b]</sup> Merged with LTIMindtree Limited w.e.f April 1, 2023

<sup>[c]</sup> Merged with L&T Technology Services Limited w.e.f April 1, 2022

<sup>[d]</sup> Incorporated on November 29, 2023

<sup>[e]</sup> Merged with L&T Finance Holdings Limited w.e.f April 1, 2023 and post-merger the resultant entity is renamed as L&T Finance Limited

<sup>[f]</sup> Reclassified as subsidiary w.e.f December 27, 2023 and post-reclassification the company is renamed as L&T Offshore Private Limited

<sup>[g]</sup> Divested w.e.f September 26, 2023

<sup>[h]</sup> One equity share (the Golden Share) is held by the Government of Telangana in pursuance of the Shareholders' Agreement

<sup>[i]</sup> Struck off from register of companies w.e.f July 21, 2023

<sup>[j]</sup> Divested w.e.f April 17, 2023

<sup>[k]</sup> Merged with L&T Seawoods Limited on April 1, 2023

<sup>[l]</sup> Incorporated on April 10, 2023

<sup>[m]</sup> Incorporated on April 12, 2023

<sup>[n]</sup> Incorporated on April 13, 2023

<sup>[o]</sup> Incorporated on April 17, 2023

<sup>[p]</sup> Incorporated on April 20, 2023

<sup>[q]</sup> Incorporated on April 30, 2023

<sup>[r]</sup> Incorporated on May 01, 2023

<sup>[s]</sup> Incorporated on July 31, 2023

<sup>[t]</sup> Incorporated on February 17, 2024

<sup>[u]</sup> During the year balance stake is purchased and entity became a wholly-owned subsidiary

<sup>[v]</sup> Incorporated on June 27, 2023

<sup>[w]</sup> Struck off from register of companies w.e.f August 08, 2023

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2024	As at 31-3-2023
			Proportion of effective ownership interest /voting power(%)	Proportion of effective ownership interest /voting power(%)
<b>Foreign subsidiaries</b>				
1	Larsen & Toubro (Oman) LLC	Sultanate of Oman	65.00	65.00
2	Larsen & Toubro Qatar LLC <sup>[a]</sup>	Qatar	49.00	49.00
3	Larsen & Toubro Saudi Arabia LLC	Kingdom of Saudi Arabia	100.00	100.00
4	Larsen and Toubro T&D SA Proprietary Limited	South Africa	72.50	72.50
5	Larsen & Toubro Heavy Engineering LLC	Sultanate of Oman	70.00	70.00
6	L&T Modular Fabrication Yard LLC	Sultanate of Oman	70.00	70.00
7	Larsen Toubro Arabia LLC	Kingdom of Saudi Arabia	75.00	75.00
8	L&T Hydrocarbon Saudi Company	Kingdom of Saudi Arabia	100.00	100.00
9	Larsen & Toubro Kuwait Construction General Contracting Co. W.L.L.	Kuwait	49.00	49.00
10	PT Larsen & Toubro Hydrocarbon Engineering Indonesia <sup>[b]</sup>	Indonesia	–	95.00
11	Larsen & Toubro Electromech LLC	Sultanate of Oman	70.00	70.00
12	LTIMindtree Information Technology Services (Shanghai) Co, Ltd. (formerly known as L&T Information Technology Services (Shanghai) Co., Ltd.)	China	68.64	68.68



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

**NOTE [41] (contd.)**

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2024	As at 31-3-2023
			Proportion of effective ownership interest /voting power(%)	Proportion of effective ownership interest /voting power(%)
<b>Foreign subsidiaries</b>				
13	LTIMindtree Financial Services Technologies Inc.	Canada	68.64	68.68
14	LTIMindtree Canada Limited	Canada	68.64	68.68
15	LTIMindtree LLC	USA	68.64	68.68
16	LTIMindtree South Africa (Pty) Limited	South Africa	47.77	47.80
17	LTIMindtree GMBH	Germany	68.64	68.68
18	LTIMindtree Spain, S.L (formerly known as L&T Information Technology Spain SL)	Spain	68.64	68.68
19	LTIMindtree Norge AS	Norway	68.64	68.68
20	LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable	Mexico	68.64	68.68
21	LTIMindtree S.A. (formerly known as Syncordis S.A.)	Luxembourg	68.64	68.68
22	Syncordis France SARL	France	68.64	68.68
23	Syncordis Limited	UK	68.64	68.68
24	LTIMindtree PSF S.A. (formerly known as Syncordis PSF S.A.)	Luxembourg	68.64	68.68
25	Nielsen+Partner Unternehmensberater GmbH	Germany	68.64	68.68
26	LTIMindtree Switzerland AG (formerly known as Nielsen+Partner Unternehmensberater AG)	Switzerland	68.64	68.68
27	Nielsen+Partner Pte Ltd	Singapore	68.64	68.68
28	LTIMindtree (Thailand) Limited (formerly known as Nielsen&Partner Company Limited)	Thailand	68.64	68.68
29	Nielsen&Partner Pty Ltd	Australia	68.64	68.68
30	LTIMindtree UK Limited	UK	68.64	68.68
31	LTIMindtree Middle East FZ-LLC	UAE	68.64	68.68
32	LTIMindtree USA Inc. (formerly known as Lymbyc Solutions Inc.)	USA	68.64	68.68
33	Cuelogic Technologies Inc. <sup>[d]</sup>	USA	–	68.68
34	L&T Technology Services LLC	USA	73.74	73.85
35	L&T Technology Services Pte. Ltd.	Singapore	73.74	73.85
36	Graphene Solutions SDN. BHD.	Malaysia	73.74	73.85
37	Graphene Solutions Taiwan Limited	Taiwan	73.74	73.85
38	L&T Technology Services (Shanghai) Co. Ltd	China	73.74	73.85
39	L&T Technology Services (Canada) Ltd	Canada	73.74	73.85
40	Orchestra Technology, Inc. <sup>[d]</sup>	USA	–	73.85
41	L&T Technology Services Poland spółka z ograniczoną odpowiedzialnością <sup>[e]</sup>	Poland	73.74	–
42	Mindtree Software (Shanghai) Co., Limited ('MSSCL'), Republic of China <sup>[f]</sup>	China	–	68.68
43	Larsen & Toubro (East Asia) Sdn.Bhd.	Malaysia	30.00	30.00
44	PT Larsen and Toubro	Indonesia	100.00	100.00
45	Larsen & Toubro International FZE	UAE	100.00	100.00
46	L&T Global Holdings Limited	UAE	100.00	100.00
47	L&T Valves Arabia Manufacturing LLC	Kingdom of Saudi Arabia	100.00	100.00
48	L&T Valves USA LLC	USA	100.00	100.00

<sup>[a]</sup> Under liquidation

<sup>[b]</sup> Liquidated w.e.f July 10, 2023

<sup>[c]</sup> Liquidated w.e.f. April 26, 2023

<sup>[d]</sup> Merged with L&T Technology Services LLC w.e.f February 1, 2024

<sup>[e]</sup> Incorporated on October 30, 2023

<sup>[f]</sup> Liquidated w.e.f. August 26, 2023

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

### NOTE [41] (contd.)

Sr. No.	Name of associates	Principal place of business	As at 31-3-2024	As at 31-3-2023
			Proportion of effective ownership interest /voting power(%)	Proportion of effective ownership interest /voting power(%)
1	Larsen & Toubro Qatar & HBK Contracting Co. WLL	Qatar	50.00	50.00
2	L&T Camp Facilities LLC <sup>[a]</sup>	UAE	49.00	49.00
3	Magtorq Private Limited	India	42.85	42.85
4	Magtorq Engineering Solutions Private Limited	India	39.28	39.28
5	Gujarat Leather Industries Limited <sup>[a]</sup>	India	50.00	50.00

<sup>[a]</sup> Under liquidation

Sr. No.	Name of joint ventures	Principal place of business	As at 31-3-2024	As at 31-3-2023
			Proportion of effective ownership interest /voting power(%)	Proportion of effective ownership interest /voting power(%)
1	L&T - MHI Power Boilers Private Limited	India	51.00	51.00
2	L&T - MHI Power Turbine Generators Private Limited	India	51.00	51.00
3	L&T Howden Private Limited	India	50.10	50.10
4	L&T-Sargent & Lundy Limited	India	50.00	50.00
5	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	74.00
6	L&T MBDA Missile Systems Limited	India	51.00	51.00
7	L&T Sapura Offshore Private Limited <sup>[a]</sup>	India	–	60.00
8	L&T Sapura Shipping Private Limited	India	60.00	60.00
9	L&T Hydrocarbon Caspian LLC <sup>[b]</sup>	Azerbaijan	–	50.00
10	L&T Infrastructure Development Projects Limited <sup>[c]</sup>	India	51.00	51.00
11	Rewin Infrastructure Limited <sup>[c]</sup>	India	51.00	51.00
12	L&T Chennai-Tada Tollway Limited <sup>[c]</sup>	India	51.00	51.00
13	L&T Rajkot-Vadinar Tollway Limited <sup>[c]</sup>	India	51.00	51.00
14	L&T Deccan Tollways Limited <sup>[c]</sup>	India	51.00	52.89
15	L&T Samakhiali Gandhidham Tollway Limited <sup>[c]</sup>	India	51.00	51.01
16	Kudgi Transmission Limited <sup>[c]</sup>	India	51.00	51.00
17	L&T Sambalpur-Rourkela Tollway limited <sup>[c]</sup>	India	51.00	51.00
18	Panipat Elevated Corridor Limited <sup>[c]</sup>	India	51.00	51.00
19	Vadodara Bharuch Tollway Limited <sup>[c]</sup>	India	51.00	51.00
20	L&T Transportation Infrastructure Limited <sup>[c]</sup>	India	51.00	63.86
21	L&T Interstate Road Corridor Limited <sup>[c]</sup>	India	51.00	51.00
22	Ahmedabad - Maliya Tollway Limited <sup>[c]</sup>	India	51.00	51.00
23	PNG Tollway Limited <sup>[c]</sup>	India	37.74	37.74
24	Watrak Infrastructure Private Limited <sup>[c]</sup>	India	51.00	51.00
25	Raykal Aluminium Company Private Limited	India	75.50	75.50
26	Indiran Engineering Projects and Systems Kish PJSC	Iran	50.00	50.00
27	GH4India Private Limited <sup>[d]</sup>	India	33.33	–
28	Hydrocarbon Arabia Limited Company <sup>[e]</sup>	Kingdom of Saudi Arabia	60.00	–
29	L&T Infrastructure Engineering Limited and LEA Associates South Asia Private Limited JV LLP <sup>[f]</sup>	Maldives	–	61.00

<sup>[a]</sup> Reclassified as subsidiary w.e.f December 27, 2023 and post-reclassification the company is renamed as L&T Offshore Private Limited

<sup>[b]</sup> Liquidated w.e.f September 25, 2023

<sup>[c]</sup> Divested w.e.f April 10, 2024

<sup>[d]</sup> Incorporated on August 25, 2023

<sup>[e]</sup> Incorporated on June 19, 2023

<sup>[f]</sup> Divested w.e.f January 3, 2024

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

**NOTE [41] (contd.)**

Sr. No.	Name of joint operations (with specific ownership interest in the arrangement)	Principal place of business	As at 31-3-2024	As at 31-3-2023
			Proportion of effective ownership interest (%)	Proportion of effective ownership interest (%)
1	Desbuild L&T Joint Venture	India	49.00	49.00
2	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	India	50.00	50.00
3	Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture	Qatar	80.00	80.00
4	L&T-AM Tapovan Joint Venture	India	65.00	65.00
5	HCC-L&T Purulia Joint Venture	India	43.00	43.00
6	International Metro Civil Contractors Joint Venture	India	26.00	26.00
7	Metro Tunneling Group	India	26.00	26.00
8	L&T-Hochtief Seabird Joint Venture	India	90.00	90.00
9	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	India	75.00	75.00
10	Metro Tunneling Delhi-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	India	60.00	60.00
11	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	India	68.00	68.00
12	Aktor-Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	Qatar	22.00	22.00
13	Civil Works Joint Venture	Kingdom of Saudi Arabia	29.00	29.00
14	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	India	51.00	51.00
15	DAEWOO and L&T Joint Venture	India	50.00	50.00
16	L&T-STEC JV MUMBAI	India	65.00	65.00
17	L&T-ISDPL (JV)	India	100.00	100.00
18	L&T-IHI Consortium	India	100.00	100.00
19	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture	India	60.00	60.00
20	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	India	50.00	50.00
21	L&T- Inabensa Consortium	India	100.00	100.00
22	L&T-Delma Mafraq Joint Venture	UAE	100.00	100.00
23	L&T-AL-Sraiya LRDP 6 Joint Venture	Qatar	75.00	75.00
24	Larsen & Toubro Limited & NCC Limited Joint Venture	India	55.00	55.00
25	Besix - Larsen & Toubro Joint Venture	UAE	50.00	50.00
26	Larsen & Toubro Ltd - Passavant Energy & Environment JV	India	50.00	50.00
27	LNT-Shriram EPC Tanzania UJV	Tanzania	90.00	90.00
28	LTH Milcom Private Limited	India	56.67	56.67
29	L&T - Tecton JV	India	60.00	60.00
30	L&T - Powerchina JV	UAE	55.00	55.00
31	L&T - PCIPL JV	India	99.00	99.00
32	Bauer- L&T Geo Joint Venture	India	50.00	50.00
33	Larsen Toubro Arabia LLC - Subsea Seven Saudi Company Ltd.	Kingdom of Saudi Arabia	50.00	50.00
34	L&T Infrastructure Engineering - LEA Associates South Asia JV <sup>[a]</sup>	India	–	61.00
35	L&T Infra Engineering JV United Consultancy <sup>[a]</sup>	Bhutan	–	75.81

<sup>[a]</sup> Divested w.e.f January 3, 2024

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

### NOTE [42]

Disclosure pursuant to Ind AS 112 "Disclosure of interest in other entities": Subsidiaries

(a) Change in the Group's ownership interest in a subsidiary:

(i) On account of merger between non-wholly owned listed entities:

₹ crore

Name of Group companies	2023-24			2022-23		
	Dilution of stake on merger (%)	(Dr)/Cr to Non-controlling interest <sup>(1)</sup>	(Dr)/Cr to Retained earnings	Dilution of stake on merger (%)	(Dr)/Cr to Non-controlling interest <sup>(1)</sup>	(Dr)/Cr to Retained earnings
LTIMindtree Limited	–	–	–	5.32%	(1.93)	1.93

<sup>(1)</sup> Represents proportionate share of the net assets of subsidiaries.

(ii) On account of dilution due to exercise of Employee Stock Options (without ceding control):

₹ crore

Name of Group companies	2023-24				2022-23			
	Dilution (%)	Proceeds received	(Dr)/Cr to Non-controlling interest <sup>(1)</sup>	(Dr)/Cr to Retained earnings	Dilution (%)	Proceeds received	(Dr)/Cr to Non-controlling interest <sup>(1)</sup>	(Dr)/Cr to Retained earnings
L&T Finance Limited (formerly known as L&T Finance Holding Limited)	0.25%	9.27	90.92	(81.65)	0.15%	10.29	51.14	(40.85)
LTIMindtree Limited	0.04%	0.02	28.65	(28.63)	0.05%	0.02	23.10	(23.08)
L&T Technology Services Limited	0.11%	0.03	16.82	(16.79)	0.05%	0.02	4.39	(4.37)
Total		9.32	136.39	(127.07)		10.33	78.63	(68.30)

<sup>(1)</sup> Represents proportionate share of the net assets of subsidiaries.

(b) The effect of divestment with ceding of control in subsidiaries during the year is as under:

₹ crore

Sr. No.	Name of company	Effect on consolidated profit before non-controlling interest		Line item in Statement of Profit & Loss in which the gain is recognised
		2023-24	2022-23	
1	Think Tower Developers Private Limited	– <sup>(1)</sup>	–	Revenue from Operations
2	Mudit Cement Private Limited	5.88	–	Other income
3	L&T Infrastructure Engineering Limited	(3.24)	–	Other income
4	L&T Investment Management Limited	–	2595.20	Exceptional items before tax
	Total	2.64	2595.20	

<sup>(1)</sup> Less than ₹ 1 Lakh

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

**NOTE [42] (contd.)**

(c) Disclosure of subsidiaries having material non-controlling interest:

(i) Summarised Statement of Profit and Loss

Particulars	₹ crore			
	L&T Finance Limited (formerly known as L&T Finance Holding Limited)		L&T Technology Services Limited	
	2023-24	2022-23	2023-24	2022-23
Revenue	13107.78	12532.20	8678.90	7910.00
Profit/(loss) for the year	2286.23	1919.87	1258.50	1153.20
Other comprehensive income	6.22	44.48	41.60	(168.80)
Total comprehensive income	2292.45	1964.35	1300.10	984.40
Effective % of non-controlling interest	34.14%	33.89%	26.26%	26.15%
Profit/(loss) allocated to non-controlling interest (including consolidation adjustments)	776.36	572.66	322.10	289.83
Dividend to non-controlling interest	168.77	41.76	129.92	82.66

Particulars	₹ crore	
	LTIMindtree Limited	
	2023-24	2022-23
Revenue	34253.40	31975.50
Profit/(loss) for the year	4485.90	4248.20
Other comprehensive income	484.90	(683.40)
Total comprehensive income	4970.80	3564.80
Effective % of non-controlling interest	31.36%	31.32%
Profit/(loss) allocated to non-controlling interest (including consolidation adjustments)	1319.03	1291.25
Dividend to non-controlling interest	556.54	489.37

(ii) Summarised Balance Sheet

Particulars	₹ crore			
	L&T Finance Limited (formerly known as L&T Finance Holding Limited)		L&T Technology Services Limited	
	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023
Current assets (a)	45007.28	60191.08	5789.90	6015.10
Current liabilities (b)	46077.81	44043.59	2374.00	3161.40
Net current assets (c)=(a)-(b)	(1070.53)	16147.49	3415.90	2853.70
Non-current assets (d)	57343.55	45836.01	2214.70	1756.60
Non-current liabilities (e)	33078.06	40664.66	579.50	406.00
Net non-current assets (f)=(d)-(e)	24265.49	5171.35	1635.20	1350.60
Net assets (h)=(c)+(f)+(g)	23194.96	21318.84	5051.10	4204.30
Accumulated non-controlling interest	7900.69	7005.45	1430.26	1219.22



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

### NOTE [42] (contd.)

₹ crore

Particulars	LTIMindtree Limited	
	As at 31-3-2024	As at 31-3-2023
Current assets (a)	18181.60	16526.40
Current liabilities (b)	5469.20	5104.90
Net current assets (c)=(a)-(b)	12712.40	11421.50
Non-current assets (d)	8276.10	5910.60
Non-current liabilities (e)	1690.00	1355.10
Net non-current assets (f)=(d)-(e)	6586.10	4555.50
Net assets (g)=(c)+(f)	19298.50	15977.00
Accumulated non-controlling interest	6230.41	5290.68

#### (iii) Summarised statement of cash flows

₹ crore

Particulars	L&T Finance Limited (formerly known as L&T Finance Holding Limited)		L&T Technology Services Limited	
	2023-24	2022-23	2023-24	2022-23
Cash flows from operating activities	637.44	6360.44	1341.30	1266.90
Cash flows from investing activities	858.79	(505.44)	(231.40)	(560.20)
Cash flows from financing activities	(7040.50)	(1659.27)	(646.60)	(434.20)
Net increase/(decrease) in cash and cash equivalents	(5544.27)	4195.73	463.30	272.50

₹ crore

Particulars	LTIMindtree Limited	
	2023-24	2022-23
Cash flows from operating activities	5529.60	2886.50
Cash flows from investing activities	(3832.50)	(248.80)
Cash flows from financing activities	(2162.60)	(1980.20)
Net increase/(decrease) in cash and cash equivalents	(465.50)	657.50

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

**NOTE [43]**

Disclosures pursuant to Ind AS 112 "Disclosure of interest in other entities" : Joint Ventures and Associates

(a) Summarised Balance Sheet of material joint ventures:

Particulars	L&T - MHI Power Boilers Private Limited		L&T Sapura Shipping Private Limited		L&T - MHI Power Turbine Generators Private Limited	
	As at	As at	As at	As at	As at	As at
	31-3-2024	31-3-2023	31-3-2024	31-3-2023	31-3-2024	31-3-2023
Current assets						
Cash and bank balances	365.40	267.18	7.89	15.07	6.94	11.25
Other assets	1763.13	2497.75	95.92	200.07	548.86	793.03
Total current assets	(A) 2128.53	2764.93	103.81	215.14	555.80	804.28
Total non-current assets	(B) 353.60	450.74	452.97	508.89	447.43	576.79
Current liabilities						
Financial liabilities (excluding trade payables)	178.09	207.35	342.05	472.94	119.42	272.06
Other liabilities (including trade payables)	783.41	1461.04	42.68	40.86	356.46	295.17
Total current liabilities	(C) 961.50	1668.39	384.73	513.80	475.88	567.23
Non-current liabilities						
Financial liabilities (excluding trade payables)	0.18	0.51	0.17	0.47	137.60	406.74
Other liabilities (including trade payables)	–	–	–	–	69.77	67.00
Total non-current liabilities	(D) 0.18	0.51	0.17	0.47	207.37	473.74
Net assets	(A+B-C-D) 1520.45	1546.77	171.88	209.76	319.98	340.10

(b) Reconciliation of carrying amounts of material joint ventures:

Particulars	L&T - MHI Power Boilers Private Limited		L&T Sapura Shipping Private Limited		L&T - MHI Power Turbine Generators Private Limited	
	As at	As at	As at	As at	As at	As at
	31-3-2024	31-3-2023	31-3-2024	31-3-2023	31-3-2024	31-3-2023
Opening net assets	1546.77	1735.14	209.76	320.06	340.10	385.18
Profit/(loss) for the year	(30.91)	32.25	(40.72)	(133.95)	(21.30)	(53.26)
Dividend distributed during the year	–	(234.10)	–	–	–	–
Other comprehensive income	4.59	13.48	2.84	23.65	1.18	8.18
Closing net assets	1520.45	1546.77	171.88	209.76	319.98	340.10
Group's share in %	51.00%	51.00%	60.00%	60.00%	51.00%	51.00%
Group's share	775.43	788.86	103.13	125.86	163.19	173.45
Carrying amount	775.43	788.86	103.13	125.86	163.19	173.45

(c) Summarised Statement of Profit and Loss of material joint ventures:

Particulars	L&T - MHI Power Boilers Private Limited		L&T Sapura Shipping Private Limited		L&T - MHI Power Turbine Generators Private Limited	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue	1182.72	2121.13	162.50	58.45	275.78	351.43
Interest income	20.05	21.33	1.86	0.60	1.23	2.37
Depreciation and amortisation	(37.95)	(50.43)	(68.64)	(66.16)	(46.34)	(47.36)
Finance cost	(0.60)	(0.09)	(23.03)	(18.99)	50.20	(53.99)
Tax expense	8.34	(13.27)	(0.05)	0.04	–	–
Profit/(loss) for the year	(30.91)	32.25	(40.72)	(133.95)	(21.30)	(53.26)
Other comprehensive income	4.59	13.48	2.84	23.65	1.18	8.18
Total comprehensive income	(26.32)	45.73	(37.88)	(110.30)	(20.12)	(45.08)

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

### NOTE [43] (contd.)

(d) Financial information in respect of individually not material joint ventures/associates:

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Aggregate carrying amount of investment in individually not material joint venture/associate	222.50	216.69
Aggregate amounts of the Group's share of:		
Profit/(loss) for the year	28.44	72.62
Other comprehensive income for the year	(0.08)	0.27
Total comprehensive income for the year	28.36	72.89

(e) Carrying amount of investments in joint ventures/associates:

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Non-material associates	8.96	8.07
Non-material joint ventures	213.54	208.62
Sub-total	222.50	216.69
Material joint ventures	1041.75	1088.17
Total	1264.25	1304.86

(f) Share in profit/(loss) of joint ventures/associates (net):

Particulars	₹ crore	
	2023-24	2022-23
Non-material associates	0.90	(2.33)
Non-material joint ventures	27.54	74.95
Sub-total	28.44	72.62
Material joint ventures	(51.06)	(166.87)
Total	(22.62)	(94.25)

### NOTE [44]

Acquisitions during the year:

Acquisition of L&T Offshore Private Limited (formerly known as L&T Sapura Offshore Private Limited)

On December 27, 2023, the Parent Company acquired balance 40% stake in L&T Offshore Private Limited (LTOPL). Post this transaction, the joint venture company has become a wholly owned subsidiary of the Group. It operates in the Energy Projects segment with the objective of carrying out installation of offshore structure. The net assets acquired by the Parent Company is ₹ 0.04 crore. The assets and liabilities are accounted for in accordance with the applicable Indian Accounting Standard.

### NOTE [45]

Disclosure pursuant to Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations":

(a) The Company entered into a Share Purchase Agreement dated December 16, 2022 to sell its stake in L&T Infrastructure Development Projects Limited, a joint venture, primarily engaged in the development and operation of toll roads and power transmission assets. As on March 31, 2024, the investment in the joint venture is classified as "Held for Sale". Subsequently, the Company completed the sale on April 10, 2024, consequent to completion of customary conditions precedent as per the Share Purchase Agreement.

(b) The Group has following non-current assets recognised as held for sale:

Particulars	₹ crore	
	Reportable segment	Amount
<b>As at 31-3-2024</b>		
Investment in L&T Infrastructure Development Projects Limited	Development projects	1005.36
<b>As at 31-3-2023</b>		
Investment in L&T Infrastructure Development Projects Limited and its subsidiaries	Development projects	988.80

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

**NOTE [46]**

Disclosure pursuant to Ind AS 108 "Operating Segment":

(a) Information about reportable segments:

Particulars	₹ crore					
	2023-24			2022-23		
	External	Inter-segment	Total	External	Inter-segment	Total
<b>Revenue</b>						
Infrastructure Projects	112550.76	1457.45	114008.21	86717.36	1105.79	87823.15
Energy Projects	29538.91	31.99	29570.90	24907.15	49.11	24956.26
Hi-Tech Manufacturing	8195.95	569.34	8765.29	6534.91	625.96	7160.87
IT & Technology Services	44472.68	443.63	44916.31	41538.17	251.08	41789.25
Financial Services	13108.62	–	13108.62	12574.92	–	12574.92
Development Projects	5620.29	7.72	5628.01	5024.36	4.41	5028.77
Others	7625.70	867.19	8492.89	6043.83	226.95	6270.78
<b>Total</b>	<b>221112.91</b>	<b>3377.32</b>	<b>224490.23</b>	<b>183340.70</b>	<b>2263.30</b>	<b>185604.00</b>
Inter-segment revenue	–	(3377.32)	(3377.32)	–	(2263.30)	(2263.30)
<b>Total</b>	<b>221112.91</b>	<b>–</b>	<b>221112.91</b>	<b>183340.70</b>	<b>–</b>	<b>183340.70</b>
<b>Segment result [Profit/(loss) before interest and tax]</b>						
Infrastructure Projects			5720.93			5140.18
Energy Projects			2700.63			2066.69
Hi-Tech Manufacturing			1139.77			995.24
IT & Technology Services			7658.79			7215.08
Financial Services			3028.41			2258.78
Development Projects			1014.73			391.77
Others			1507.70			1103.02
<b>Total</b>			<b>22770.96</b>			<b>19170.76</b>
Inter-segment margins on capital jobs			(248.61)			(69.43)
Finance costs			(3545.85)			(3207.16)
Unallocated corporate income net of expenditure			1447.00			1078.87
<b>Profit before exceptional items and tax</b>			<b>20423.50</b>			<b>16973.04</b>
Exceptional items (net of tax)			93.61			135.99
Profit before tax			20517.11			17109.03
Tax expense:						
Current tax			(5127.70)			(5055.17)
Deferred tax			180.31			571.01
<b>Profit after tax</b>			<b>15569.72</b>			<b>12624.87</b>
Share in profit/(loss) after tax of joint ventures/associates (net)			(22.62)			(94.25)
<b>Profit for the year</b>			<b>15547.10</b>			<b>12530.62</b>
Non-controlling interest			(2487.99)			(2059.90)
<b>Profit for the year attributable to Owners of the Company</b>			<b>13059.11</b>			<b>10470.72</b>

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

### NOTE [46] (contd.)

(a) Information about reportable segments:

₹ crore

Particulars	Segment assets		Segment liabilities	
	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023
Infrastructure Projects	96899.29	86528.20	72851.28	61951.34
Energy Projects	24564.66	23880.49	18772.84	19581.52
Hi-Tech Manufacturing	10228.88	9263.35	8875.58	6612.24
IT & Technology Services	43582.80	39028.20	10548.67	9640.18
Financial Services	100863.03	104501.99	79165.68	84718.92
Development Projects	26212.32	26774.69	7020.30	7020.88
Others	15214.32	14386.27	7239.09	6546.25
Segment total	317565.30	304363.19	204473.44	196071.33
Corporate unallocated assets/liabilities	27146.71	28962.70	37688.91	33687.34
Inter-segment assets/liabilities	(5084.77)	(2973.58)	(5084.77)	(2973.58)
Consolidated total assets/liabilities	339627.24	330352.31	237077.58	226785.09

₹ crore

Particulars	Depreciation, amortisation, impairment & obsolescence included in segment expense		Non-cash expenses other than depreciation included in segment expense	
	2023-24	2022-23	2023-24	2022-23
Infrastructure Projects	1262.73	924.02	48.14	21.18
Energy Projects	245.64	209.59	12.29	2.94
Hi-Tech manufacturing	196.84	178.97	7.60	1.99
IT & Technology Services	1402.73	1276.72	168.01	195.67
Financial Services	114.77	113.38	37.85	25.65
Developmental Projects	318.67	323.62	–	–
Others	110.41	90.98	3.34	0.92
Segment total	3651.79	3117.28	277.23	248.35
Unallocable	101.69	408.32	20.40	1.16
Inter-segment	(71.15)	(23.35)	–	–
Consolidated total	3682.33	3502.25	297.63	249.51

Note: There is no impairment/reversal of impairment in non-financial assets of the operating segments.



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

**NOTE [46] (contd.)**

(a) Information about reportable segments:

₹ crore

Particulars	Interest income included in segment income		Finance costs included in segment expense		Profit/(loss) of associates and joint ventures accounted applying equity method not included in segment result	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	Infrastructure Projects	68.86	40.47	231.60	202.35	3.97
Energy Projects	26.04	39.73	–	–	(29.14)	(80.31)
Hi-Tech manufacturing	0.49	–	–	–	3.93	58.05
IT & Technology Services	392.04	260.76	–	–	–	–
Financial Services	467.80	360.70	5377.19	5799.87	–	–
Developmental Projects	23.52	29.57	423.97	410.48	(1.37)	(75.79)
Others	145.92	83.52	–	–	(0.01)	(0.71)
Segment total	1124.67	814.75	6032.76	6412.70	(22.62)	(94.25)
Unallocable	1719.00	1,607.92	(231.60)	(202.35)	–	–
Inter-segment	(396.60)	(605.20)	(86.26)	(183.91)	–	–
Consolidated total	2447.07	1817.47	5714.90	6026.44	(22.62)	(94.25)

₹ crore

Particulars	Additions to non-current assets		Investment in associates and joint ventures accounted applying equity method included in segment assets	
	2023-24	2022-23	As at 31-3-2024	As at 31-3-2023
	Infrastructure Projects	2914.42	3803.20	–
Energy Projects	1266.25	980.06	1161.72	1203.45
Hi-Tech manufacturing	558.96	161.25	102.90	98.33
IT & Technology Services	3845.40	2043.96	–	–
Financial Services	145.99	188.96	–	–
Developmental Projects	44.00	49.38	(0.37)	–
Others	926.33	572.84	–	–
Segment total	9701.35	7799.65	1264.25	1304.86
Unallocable	2228.96	149.64	–	–
Inter-segment	(1437.77)	(82.26)	–	–
Consolidated total	10492.54	7867.03	1264.25	1304.86

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

### NOTE [46] (contd.)

#### (b) Geographical information

₹ crore

Particulars	Revenue <sup>(1)</sup>	
	2023-24	2022-23
India (i)	126027.04	114553.84
Foreign countries (ii):		
United States of America	30881.10	28506.03
Kingdom of Saudi Arabia	40166.35	15379.74
United Arab Emirates	3160.74	2421.78
Qatar	2472.64	2322.06
United Kingdom	2172.29	1864.41
Bangladesh	1495.57	1662.40
Sultanate of Oman	1342.51	2359.59
Algeria	664.19	1919.59
Kuwait	660.86	735.97
Other countries	12069.62	11615.29
<b>Total foreign countries (ii)</b>	<b>95085.87</b>	<b>68786.86</b>
<b>Total (i+ii)</b>	<b>221112.91</b>	<b>183340.70</b>

<sup>(1)</sup> Geography wise break up of revenue is based on location of project other than service industries where it is based on location of customer.

₹ crore

Particulars	Non-current assets	
	As at 31-3-2024	As at 31-3-2023
India	50127.31	49291.03
Foreign countries	2283.85	2404.58
<b>Total</b>	<b>52411.16</b>	<b>51695.61</b>

(c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed 10% of the Group's total revenue.

(d) The identification of operating segments is consistent with performance assessment and resource allocation by the management.

(e) Segment reporting: basis of identifying operating segments, reportable segments and definition of each reportable segment:

(i) Basis of identifying operating segments:

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components); (b) whose operating results are regularly reviewed by the Group's Corporate Executive Management to make decisions about resource allocation and performance assessment; and (c) for which discrete financial information is available.

The Group has seven reportable segments [described under "segment composition"] which are the Group's independent businesses. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements. In arriving at the reportable segment, the six operating segments have been aggregated and reported as "infrastructure segment" as these operating segments have similar economic characteristics in terms of long term average gross margins, nature of the products and services, type of customers, methods used to distribute the products and services and the nature of regulatory environment applicable to them.

(ii) Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

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

### NOTE [46] (contd.)

- (iii) Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Group's Corporate Executive Management. The performance of financial services segment and finance lease activities of power development segment are measured based on segment profit (before tax) after deducting the interest expense.
- (iv) Consequent to transfer of the Carved-out Business of Smart World and Communication (SWC) to L&T Technology Services Limited (LTTS), a listed subsidiary w.e.f. April 1, 2023, the business which was hitherto a part of Others segment has now been included in IT & Technology Services segment. Concurrently, the military communications business has been transferred from Others segment to Hi-Tech Manufacturing segment.

The Revised Segment Composition:

- **Infrastructure Projects segment** comprises engineering and construction of (a) building and factories, (b) transportation infrastructure, (c) heavy civil infrastructure, (d) power transmission & distribution, (e) water & effluent treatment and (f) minerals and metals.
- **Energy Projects segment** comprises EPC/turnkey solutions in (a) Hydrocarbon business covering Oil & Gas industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning, (b) Power business covering Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages and (c) EPC solutions in Green Energy space.
- **Hi-Tech Manufacturing segment** comprises design, manufacture/construct, supply and revamp/retrofit of (a) custom designed, engineered critical equipment & systems to the process plants, nuclear energy & green hydrogen sectors. (b) marine and land platforms including related equipment & systems; aerospace products & systems; precision and electronics products & systems for defence, security, space and industrial sectors and (c) electrolyzers.
- **IT & Technology Services segment** comprises (a) information technology and integrated engineering services (including smart world and communication projects), (b) E-commerce/digital platforms & data centres and (c) semiconductor chip design.
- **Financial Services segment** comprises retail finance, wholesale finance and asset management (upto the date of divestment).
- **Development Projects segment** comprises (a) development, operation and maintenance of infrastructure projects, toll and fare collection and (b) power generation & development – (i) thermal power and (ii) green energy
- **Others segment** includes (a) realty, (b) manufacture and sale of industrial valves, (c) manufacture, marketing and servicing of construction equipment and parts thereof, (d) marketing and servicing of mining machinery and parts thereof and (e) manufacture and sale of rubber processing machinery. None of the businesses reported as part of others segment meet any of the quantitative thresholds for determining reportable segments for the year ended March 31, 2024.

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

### NOTE [47]

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":

(a) Disaggregation of revenue into operating segments and geographical areas:

₹ crore

Segment	2023-24				
	Revenue as per Ind AS 115			Other revenue	Total as per Statement of Profit and Loss/Segment report
	Domestic	Foreign	Total		
Infrastructure Projects	78375.15	33813.10	112188.25	362.51	112550.76
Energy Projects	12074.71	17130.31	29205.02	333.89	29538.91
Hi-Tech Manufacturing	5636.37	2530.94	8167.31	28.64	8195.95
IT & Technology Services	3654.62	40818.06	44472.68	–	44472.68
Financial Services	0.84	–	0.84	13107.78	13108.62
Development Projects	4037.64	–	4037.64	1582.65	5620.29
Others	6794.47	746.90	7541.37	84.33	7625.70
Total	110573.80	95039.31	205613.11	15499.80	221112.91

₹ crore

Segment	2022-23				
	Revenue as per Ind AS 115			Other revenue	Total as per Statement of Profit and Loss/Segment report
	Domestic	Foreign	Total		
Infrastructure Projects	67200.02	19164.49	86364.51	352.85	86717.36
Energy Projects	15200.92	9665.65	24866.57	40.58	24907.15
Hi-Tech Manufacturing	4919.02	1551.84	6470.86	64.05	6534.91
IT & Technology Services	3706.90	37831.27	41538.17	–	41538.17
Financial Services	243.14	–	243.14	12331.78	12574.92
Development Projects	3912.39	–	3912.39	1111.97	5024.36
Others	5346.60	532.69	5879.29	164.54	6043.83
Total	100528.99	68745.94	169274.93	14065.77	183340.70

(b) Break up of revenue (as per Ind AS 115) into over a period of time and at a point in time:

₹ crore

Year	Over a period of time	At a point in time
2023-24	191680.32	13932.79
2022-23	156723.26	12551.67

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

**NOTE [47] (contd.)**

(c) Movement in expected credit loss ("ECL") during the year:

₹ crore

Particulars	Provision on trade receivables		Provision on contract assets	
	2023-24	2022-23	2023-24	2022-23
Provision as at April 1	4414.84	3892.11	1602.44	1619.72
Changes in allowance for ECL:				
Provision/(reversal) of allowance for ECL	332.45	410.65	427.52	27.76
Additional provision (net)	402.46	310.61	(4.48)	(46.43)
Written off as bad debts	(561.45)	(207.26)	–	–
Translation adjustment	5.35	8.73	(0.79)	1.39
Provision as at March 31	4593.65	4414.84	2024.69	1602.44

(d) Contract balances:

(i) Movement in contract balances during the year:

₹ crore

Particulars	2023-24			2022-23		
	Contract assets (A)	Contract liabilities (B)	Net contract balances (A-B)	Contract assets (A)	Contract liabilities (B)	Net contract balances (A-B)
Balance as at April 1	55536.81	38795.84	16740.97	52242.34	30781.57	21460.77
Balance as at March 31	60125.33	47522.14	12603.19	55536.81	38795.84	16740.97
Net increase/(decrease)	4588.52	8726.30	(4137.78)	3294.47	8014.27	(4719.80)

**Note:**

Decrease in net contract balances is primarily due to lower revenue recognition as compared to progress bills raised in both the years.

- (ii) Revenue recognised from opening balance of contract liabilities amounts to ₹ 11846.91 crore (previous year: ₹ 8316.01 crore).
- (iii) Revenue recognised from the performance obligation satisfied (or partially satisfied) upto previous year (arising out of contract modifications) amounts to ₹ 940.22 crore (previous year: ₹ 35.32 crore).

(e) Cost to obtain/fulfil the contract:

- (i) Amortisation in Statement of Profit and Loss: ₹ 31.84 crore (previous year: ₹ 48.96 crore).
- (ii) Recognised as contract assets as at March 31, 2024: ₹ 80.78 crore (as at March 31, 2023: ₹ 56.28 crore).



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

### NOTE [47] (contd.)

(f) Reconciliation of contracted price with revenue during the year:

₹ crore

Particulars	2023-24	2022-23
Opening contracted price of orders on hand as at April 1 <sup>(1)</sup>	978212.48	849547.00
Add:		
Fresh orders/change orders received (net)	278518.15	228776.72
Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net)	4015.43	5056.73
Addition/(deletion) on account of business combination/divestment	(306.26)	–
Increase/(decrease) due to exchange rate movements (net) and others	3829.87	9041.90
Less:		
Orders completed during the year	124283.14	114209.87
Closing contracted price of orders on hand as at March 31 <sup>(1)</sup>	1139986.52	978212.48
Total revenue recognised during the year	205613.11	169274.93
Less: Revenue out of orders completed during the year	29418.23	38063.73
Revenue out of orders under execution at the end of the year (i)	176194.88	131211.20
Revenue recognised upto previous year (from orders pending completion at the end of the year) (ii)	459443.34	425947.50
Increase/(Decrease) due to exchange rate movements (net) (iii)	(1339.81)	(2413.84)
Balance revenue to be recognised in future viz. Order book (iv)	505688.11	423467.62
Closing contracted price of orders on hand as at March 31 <sup>(1)</sup> (i+ii+iii+iv)	1139986.52	978212.48

<sup>(1)</sup> including full value of partially executed contracts

(g) Outstanding performance and time for its expected conversion into revenue:

₹ crore

Outstanding performance	Total	Time for expected conversion in revenue					Beyond 5 years
		Upto 1 Year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	
As at March 31, 2024	505688.11	219544.63	158114.25	67877.58	27805.89	12857.99	19487.78
As at March 31, 2023	423467.62	170444.59	145550.78	66675.00	18710.62	9978.95	12107.68

(h) The Group has undertaken a project for construction, operation and maintenance of the Metro Rail System on Design-Build-Finance-Operate-Transfer (DBFOT) basis as per the concession agreement with the government authorities. The significant terms of the arrangement are as under:

<b>Period of the concession</b>	Initial period of 35 years and extendable by another 25 years at the option of the concessionaire subject to fulfilment of certain conditions under concession agreement. Considered further extension of initial concession period by 7 years in terms of Article 29 of Concession Agreement.
<b>Remuneration</b>	Fare collection rights from the users of the Metro Rail System, license to use land provided by the government for constructing depots and for transit oriented development and earn lease rental income on such development and grant of viability gap fund.
<b>Funding from grantor</b>	Viability Gap Funding of ₹ 1458 crore.
<b>Infrastructure return at the end of the concession period</b>	Being DBFOT project, the project assets have to be transferred at the end of concession period.

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

### NOTE [47] (contd.)

<b>Renewal and termination options</b>	Further extension of 25 years will be granted at the option of the concessionaire upon satisfaction of Key Performance Indicators laid under the concession agreement. This option is to be exercised by the concessionaire during the 33rd year of the initial concession period. Termination of the concession agreement can either be due to (a) force majeure (b) non political event (c) Indirect political event (d) political event. On occurrence of any of the above events, the obligations, dispute resolution, termination payments etc are as detailed in the concession agreement.
<b>Rights &amp; Obligations</b>	<p>Major obligations of the concessionaire are relating to:</p> <ul style="list-style-type: none"> <li>(a) project agreements</li> <li>(b) change in ownership</li> <li>(c) issuance of Golden Share to the Government</li> <li>(d) maintenance of aesthetic quality of the Rail System</li> <li>(e) operation and maintenance of the rolling stock and equipment necessary and sufficient for handling users equivalent to 110% of the Average PHPDT etc.</li> </ul> <p>Major obligations of the Government are:</p> <ul style="list-style-type: none"> <li>(a) providing required constructible right of way for construction of rail system and land required for construction of depots and transit oriented development</li> <li>(b) providing reasonable support and assistance in procuring applicable permits required for construction</li> <li>(c) providing reasonable assistance in obtaining access to all necessary infrastructure facilities and utilities</li> <li>(d) obligations relating to competing facilities</li> <li>(e) obligations relating to supply of electricity etc.</li> </ul>
<b>Classification of service arrangement</b>	The service arrangement has been classified as a Service Concession Arrangement for a PPP project as per Appendix C to Ind AS 115 - Revenue from contracts with customers. Accordingly, construction revenues and expenses are accounted during construction phase and intangible asset is recognised towards rights to charge the users of the system.
<b>Construction revenue recognised</b>	₹ 8.50 crore (previous year: ₹ 20.67 crore) [included in Note 47(a) above]

### NOTE [48]

- (a) Exceptional Items (net of tax) for 2023-24 include:
- (i) Gain on divestment of stake in L&T Transportation Infrastructure Limited, a subsidiary of L&T Infrastructure Development Projects Limited ("L&T IDPL"): ₹ 60.56 crore.
  - (ii) Reversal of impairment of investment in L&T IDPL net off customary closing adjustments: ₹ 33.05 crore.
- (b) Exceptional Items (net of tax) for 2022-23 include:
- (i) Gain of ₹ 2146.85 crore (net of tax) on divestment of the Mutual Fund business of the Financial Services segment.
  - (ii) One-time charge of ₹ 2010.86 crore (net of tax) on remeasurement of the wholesale loan assets of Financial Services segment at fair value instead of at amortised cost, pursuant to the strategic decision to reduce the said portfolio through accelerated sell down.

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

### NOTE [49]

Disclosure pursuant to Ind AS 1 "Presentation of Financial Statements":

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

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2024			As at 31-3-2023		
			Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
1	Inventories	11	4255.68	2364.51	6620.19	4533.84	2294.94	6828.78
2	Trade receivables	13	47423.40	1347.55	48770.95	43565.31	1166.22	44731.53
3	Other loans	17	106.54	–	106.54	251.15	–	251.15
4	Other financial assets	18	5415.41	148.51	5563.92	4889.12	40.98	4930.10
5	Other current assets	19	54371.16	16511.14	70882.30	57065.76	8854.63	65920.39

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

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2024			As at 31-3-2023		
			Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
1	Lease liability		513.61	34.06	547.67	439.27	51.48	490.75
2	Trade payables:							
	Due to micro enterprises and small enterprises		995.75	22.96	1018.71	761.17	90.53	851.70
	Due to others	28	51532.67	741.50	52274.17	45918.99	3013.43	48932.42
3	Other financial liabilities	29	7553.13	22.54	7575.67	7418.01	23.93	7441.94
4	Other current liabilities	30	42102.75	10230.98	52333.73	36433.89	5732.66	42166.55
5	Provisions	31	3195.44	262.07	3457.51	2838.61	654.86	3493.47

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

**NOTE [50]**

Disclosure with regard to changes in liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows":

₹ crore

Sr. No.	Particulars	Non-current borrowings (Note 22)	Current borrowings (Note 26)	Current maturities of long-term borrowings (Note 27)	Non-current lease liability	Current lease liability	Total
i	Balance as at 1-4-2022	61618.31	30476.96	31372.96	1633.31	406.54	125508.08
ii	Additions to lease liability	–	–	–	449.87	86.47	536.34
iii	Changes from financing cash flows	23567.88	357.40	(28421.94)	(225.62)	(197.72)	(4920.00)
iv	Effect of changes in foreign exchange rates	157.82	71.50	0.11	9.17	26.33	264.93
v	Interest accrued (net of interest paid)	844.05	(9.54)	(1457.50)	–	–	(622.99)
vi	Other changes (transfer within categories)	(24905.75)	–	24905.75	(176.79)	176.79	–
vii	De-recognition of lease liability	–	–	–	(46.55)	(10.43)	(56.98)
viii	Addition on account of business combination	–	–	–	2.92	2.77	5.69
ix	Classified as deferred government grant	(64.63)	–	–	–	–	(64.63)
x	Balance as at 31-3-2023 (x = i to ix)	61217.68	30896.32	26399.38	1646.31	490.75	120650.44
xi	Additions to lease liability	–	–	–	686.21	98.84	785.05
xii	Changes from financing cash flows	22084.03	(2871.15)	(23315.25)	(275.10)	(184.79)	(4562.26)
xiii	Effect of changes in foreign exchange rates	34.16	6.12	0.01	21.32	27.33	88.94
xiv	Interest accrued (net of interest paid)	819.62	(195.29)	(516.85)	0.18	(0.18)	107.48
xv	Other changes (transfer within categories)	(27131.24)	–	27131.24	(116.43)	116.43	–
xvi	De-recognition on termination/divestment	–	(1.73)	–	(227.71)	(0.71)	(230.15)
xvii	Classified as deferred government grant	(517.28)	–	–	–	–	(517.28)
xviii	Balance as at 31-3-2024 (xviii = x to xvii)	56506.97	27834.27	29698.53	1734.78	547.67	116322.22

Amounts reported in Statement of Cash Flows under financing activities:

₹ crore

Sr. No.	Particulars	2023-24	2022-23
a	Proceeds from non-current borrowings	23125.43	27940.93
b	Repayment of non-current borrowings	(24356.65)	(32794.99)
c	Proceeds from/(repayment of) other borrowings (net)	(2871.15)	357.40
d	Repayment of lease liability	(459.89)	(423.34)
e	Total changes from financing cash flows (e = a to d)	(4562.26)	(4920.00)

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

### NOTE [51]

Disclosure pursuant to Ind AS 12 "Income Taxes":

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

		₹ crore	
Sr. No.	Particulars	2023-24	2022-23
	Consolidated Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current income tax:		
	Current income tax expense	5566.44	5697.07
	Effect of previously unrecognised tax losses and tax offsets used during the year	(311.90)	(259.69)
	Tax expense of earlier years	(106.01)	66.14
		5148.53	5503.52
	(ii) Deferred tax:		
	Tax expense on origination and reversal of temporary differences	(182.58)	(1252.32)
	Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised	2.27	5.00
		(180.31)	(1247.32)
	<b>Income tax expense/(income) [(i)+(ii)]</b>	4968.22	4256.20
(b)	Other comprehensive income section:		
	(i) Items that will not be reclassified to profit or loss:		
	(A) Current tax expense/(income):		
	On remeasurement of net defined benefit plans	7.62	(7.48)
		7.62	(7.48)
	(B) Deferred tax expense/(income):		
	On remeasurement of net defined benefit plans	0.99	0.69
		0.99	0.69
	(ii) Items that will be reclassified to profit or loss:		
	(A) Current tax expense/(income):		
	On gain/(loss) on cash flow hedges other than mark to market	(44.52)	(66.96)
		(44.52)	(66.96)
	(B) Deferred tax expense/(income):		
	On gain/(loss) on cost of hedging reserve	0.03	(0.02)
	On mark to market gain/(loss) on cash flow hedges	165.88	(254.99)
	On gain/(loss) on fair valuation of debt instruments	26.97	(53.21)
	On exchange differences in translating the financial statements of foreign operations	(1.74)	(3.55)
		191.14	(311.77)
	<b>Income tax expense/(income) [(i)+(ii)]</b>	155.23	(385.52)



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

**NOTE [51] (contd.)**

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

₹ crore

Sr. No.	Particulars	2023-24	2022-23
(a)	Profit before tax (including exceptional items):	20537.94	16881.07
(b)	Corporate tax rate as per Income Tax Act, 1961	25.17%	25.17%
(c)	Tax on accounting profit [(c)=(a)*(b)]	5168.99	4248.63
(d)	(i) Tax effect on Corporate Social Responsibility expenses, not tax deductible	69.03	65.76
	(ii) Tax effect on impairment/(reversal) and fair valuation losses/(gains) recognised on which deferred tax asset is not recognised	(140.82)	170.39
	(iii) Tax effect of losses of current year on which no deferred tax asset is recognised	248.08	413.97
	(iv) Effect of previously unrecognised tax losses used to reduce tax expense	(309.63)	(254.70)
	(v) Effect of deferred tax due to change in income tax rate	–	(206.41)
	(vi) Effect of lower tax rate on capital gains	(15.06)	(207.23)
	(vii) Tax expense of earlier years	(106.01)	66.14
	(viii) Tax effect on various other Items	53.64	(40.35)
	Total effect of tax adjustments [(i) to (viii)]	(200.77)	7.57
(e)	Tax expense recognised during the year [(e)=(c)+(d)]	4968.22	4256.20
(f)	Effective tax rate [(f)=(e)/(a)]	24.19%	25.21%

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

Particulars	As at 31-3-2024		As at 31-3-2023	
	₹ crore	Expiry year	₹ crore	Expiry year
Tax losses (Business loss and unabsorbed depreciation)				
- Amount of losses having expiry	5155.05	FY 2024-25 to FY 2031-32	4839.37	FY 2023-24 to FY 2030-31
- Amount of losses having no expiry	4667.98	NA	5086.29	NA
Tax losses (Capital loss)	2629.33	FY 2024-25 to FY 2031-32	2590.06	FY 2023-24 to FY 2030-31
<b>Total</b>	<b>12452.36</b>		<b>12515.72</b>	

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

₹ crore

Sr. No.	Particulars	As at 31-3-2024	As at 31-3-2023
(a)	Towards provision for diminution in value of investments/loans	1929.03	2316.05
(b)	Arising out of upward revaluation of tax base of assets (on account of indexation benefit)	4156.49	3734.53
(c)	Other items giving rise to temporary differences	1371.25	1686.82
	<b>Total</b>	<b>7456.77</b>	<b>7737.40</b>

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

### NOTE [51] (contd.)

(d) Major components of deferred tax liabilities and deferred tax assets:

₹ crore

Particulars	Deferred tax liabilities/ (assets) as at 1-4-2022	Charge/ (credit) to Statement of Profit and Loss	Effect due to acquisition	Charge/ (credit) to Other comprehensive income (OCI)	Debit/(credit) to hedge reserve (other than through OCI)	Recognised through Balance Sheet	Exchange difference	Deferred tax liabilities/ (assets) as at 31-3-2023
<b>Deferred tax liabilities:</b>								
- Difference between book base and tax base of property, plant and equipment, investment property and intangible assets	2422.86	456.68	6.81	–	–	–	0.02	2886.37
- Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	194.34	4.61	–	–	–	–	–	198.95
- Net gain/(loss) on derivative transactions to be offered for tax purposes in the year of transfer/ settlement	282.72	(15.74)	–	(255.00)	(13.70)	–	–	(1.72)
- Other items giving rise to temporary differences	1215.25	(485.39)	8.32	(0.03)	–	–	(6.00)	732.15
Deferred tax liabilities	4115.17	(39.84)	15.13	(255.03)	(13.70)	–	(5.98)	3815.75
Offsetting of deferred tax liabilities with deferred tax (assets)	(3075.84)							(3185.32)
<b>Net deferred tax liabilities</b>	1039.33							630.43
<b>Deferred tax (assets):</b>								
- Provision on expected credit loss (ECL)	(2478.50)	(492.08)	–	(0.07)	–	–	–	(2970.65)
- Unpaid statutory liabilities	(323.46)	(8.30)	–	–	–	–	–	(331.76)
- Unabsorbed depreciation	(2235.69)	(453.13)	–	–	–	–	–	(2688.82)
- Brought forward tax losses	(32.25)	5.52	–	–	–	–	–	(26.73)
- Unutilised MAT credit	(185.76)	(2.22)	(3.77)	–	–	15.55	–	(176.20)
- Other items giving rise to temporary differences	(660.28)	(257.27)	(3.69)	(55.98)	–	3.89	(2.62)	(975.95)
Deferred tax (assets)	(5915.94)	(1207.48)	(7.46)	(56.05)	–	19.44	(2.62)	(7170.11)
Offsetting of deferred tax (assets) with deferred tax liabilities	3075.84							3185.32
<b>Net deferred tax (assets)</b>	(2840.10)							(3984.79)
<b>Net deferred tax liability/(assets)</b>	(1800.77)	(1247.32)	7.67	(311.08)	(13.70)	19.44	(8.60)	(3354.36)

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

**NOTE [51] (contd.)**

₹ crore

Particulars	Deferred tax liabilities/ (assets) as at 31-3-2023	Charge/ (credit) to Statement of Profit and Loss	Effect due to disposal	Charge/ (credit) to Other comprehensive income (OCI)	Debit/(credit) to hedge reserve (other than through OCI)	Recognised through Balance Sheet	Exchange difference	Deferred tax liabilities/ (assets) as at 31-3-2024
<b>Deferred tax liabilities:</b>								
- Difference between book base and tax base of property, plant and equipment, investment property and intangible assets	2886.37	186.65	0.02	–	–	–	0.09	3073.13
- Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	198.95	1.77	–	–	–	–	–	200.72
- Net gain/(loss) on derivative transactions to be offered for tax purposes in the year of transfer/ settlement	(1.72)	(0.19)	–	165.91	(4.48)	–	–	159.52
- Other items giving rise to temporary differences	732.15	70.96	–	(0.19)	–	–	1.53	804.45
Deferred tax liabilities	3815.75	259.19	0.02	165.72	(4.48)	–	1.62	4237.82
Offsetting of deferred tax liabilities with deferred tax (assets)	(3185.32)							(3704.19)
<b>Net deferred tax liabilities</b>	630.43							533.63
<b>Deferred tax (assets):</b>								
- Provision on expected credit loss (ECL)	(2970.65)	294.09	3.44	–	–	–	–	(2673.12)
- Unpaid statutory liabilities	(331.76)	33.62	0.88	–	–	–	–	(297.26)
- Unabsorbed depreciation	(2688.82)	(235.97)	–	–	–	–	–	(2924.79)
- Brought forward tax losses	(26.73)	24.22	–	–	–	–	(0.26)	(2.77)
- Unutilised MAT credit	(176.20)	(41.92)	–	–	–	5.26	–	(212.86)
- Other items giving rise to temporary differences	(975.95)	(513.54)	2.49	26.41	–	3.89	(0.41)	(1457.11)
Deferred tax (assets)	(7170.11)	(439.50)	6.81	26.41	–	9.15	(0.67)	(7567.91)
Offsetting of deferred tax (assets) with deferred tax liabilities	3185.32							3704.19
<b>Net deferred tax (assets)</b>	(3984.79)							(3863.72)
<b>Net deferred tax liability/(assets)</b>	(3354.36)	(180.31)	6.83	192.13	(4.48)	9.15	0.95	(3330.09)

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

### NOTE [52]

Disclosure pursuant to Ind AS 19 "Employee Benefits" [Note 1(II)(p)]:

- (a) Defined contribution plans: ₹ 1579.73 crore (previous year: ₹ 1424.68 crore) has been incurred and is included in "Employee benefits expense" [Note 37].
- (b) Defined benefit plans:
- (i) The amounts recognised in Balance Sheet are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023
A) Present value of defined benefit obligation								
– Wholly funded	1572.21	1369.78	–	–	–	–	9173.37	6992.32
– Wholly unfunded	301.67	253.80	395.76	352.74	382.26	375.27	–	–
	1873.88	1623.58	395.76	352.74	382.26	375.27	9173.37	6992.32
Less: Fair value of plan assets	1375.36	1094.48	–	–	–	–	9596.45	7165.44
Add: Amount not recognised as an asset [limit in para 64(b)]	0.16	0.25	–	–	–	–	6.60	4.31
Amount to be recognised as liability/(asset)	498.68	529.35	395.76	352.74	382.26	375.27	(416.48)	(168.81)
B) Amounts reflected in the Balance Sheet:								
Liabilities	499.06	529.41	395.76	352.74	382.26	375.27	119.63	113.60
Assets	(0.38)	(0.06)	–	–	–	–	–	–
Net liability/(asset)	498.68	529.35	395.76	352.74	382.26	375.27	119.63	113.60
Net liability/(asset) - Current	498.68	529.35	19.84	15.08	30.39	28.83	119.63	113.60
Net liability/(asset) - Non-current	–	–	375.92	337.66	351.87	346.44	–	–

- (ii) The amounts recognised in Statement of Profit and Loss are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1 Current service cost	280.73	246.76	22.37	25.64	3.14	3.26	534.16 <sup>(1)</sup>	373.99 <sup>(1)</sup>
2 Interest cost	100.83	83.89	25.72	24.36	26.92	25.28	641.14	489.91
3 Interest income on plan assets	(80.13)	(73.07)	–	–	–	–	(641.14)	(489.91)
4 Actuarial (gains)/losses - Difference between actual return on plan assets and interest income	(48.31)	31.14	–	–	–	–	(243.28)	243.76
5 Actuarial (gains)/losses - Others	30.02	35.48	(15.23)	(35.95)	4.72	(7.21)	–	–
6 Past service cost	5.13	14.47	27.18	0.12	–	8.23	–	–
7 Actuarial gains/(losses) not recognised in books	–	–	–	–	–	–	243.28	(243.76)
8 Translation adjustments	(0.38)	(0.77)	–	–	–	–	–	–
9 Amount capitalised out of the above	–	0.04	–	–	–	–	–	–
<b>Total (1 to 9)</b>	<b>287.89</b>	<b>337.94</b>	<b>60.04</b>	<b>14.17</b>	<b>34.78</b>	<b>29.56</b>	<b>534.16</b>	<b>373.99</b>

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

**NOTE [52] (contd.)**

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
I. Amount included in "Employee benefits expense"	285.52	260.59	49.55	25.76	3.14	11.49	534.16	373.99
II. Amount included as part of "Manufacturing, construction and operating expenses"	0.80	0.49	–	–	–	–	–	–
III. Amount included as part of "Finance costs"	19.86	10.19	25.72	24.36	26.92	25.28	–	–
IV. Amount included as part of "Other comprehensive income"	(18.29)	66.67	(15.23)	(35.95)	4.72	(7.21)	–	–
Total (I+II+III+IV)	287.89	337.94	60.04	14.17	34.78	29.56	534.16	373.99
Actual return on plan assets	128.44	41.93	–	–	–	–	884.42	246.15

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

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Opening balance of the present value of defined benefit obligation	1623.58	1428.28	352.74	354.57	375.27	371.56	6992.32	5849.85
Add: Current service cost	280.73	246.76	22.37	25.64	3.14	3.26	534.16 <sup>(1)</sup>	373.99 <sup>(1)</sup>
Add: Interest cost	100.83	83.89	25.72	24.36	26.92	25.28	641.14	489.91
Add: Contribution by plan participants - Employee	–	–	–	–	–	–	920.17	697.17
Add/(less): Actuarial (gains)/losses arising from changes in -								
i) Demographic assumptions	(8.71)	(2.87)	(35.62)	(6.45)	–	–	–	–
ii) Financial assumptions	35.51	(12.82)	9.83	(19.28)	7.58	(11.57)	–	–
iii) Experience adjustments	3.22	51.18	10.56	(10.22)	(2.86)	4.36	–	–
Less: Benefits paid	(166.94)	(203.62)	(16.76)	(16.00)	(27.79)	(25.85)	(1081.79)	(871.82)
Add: Past service cost	5.13	14.47	27.18	0.12	–	8.23	–	–
Add: Liabilities assumed/(transferred)	0.29	–	(0.26)	–	–	–	1165.03	379.06
Add: Business combination/disposal	(2.84)	1.58	–	–	–	–	–	74.11
Add: Adjustment for earlier years	–	–	–	–	–	–	1.75	–
Add/(less): Translation adjustments	3.08	16.73	–	–	–	–	0.59	0.05
Closing balance of the present value of defined benefit obligation	1873.88	1623.58	395.76	352.74	382.26	375.27	9173.37	6992.32

<sup>(1)</sup> Employer's contribution to provident fund.



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

### NOTE [52] (contd.)

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

₹ crore

Particulars	Gratuity plan		Trust-managed provident fund plan	
	2023-24	2022-23	2023-24	2022-23
Opening balance of the fair value of the plan assets	1094.48	1090.95	7165.44	6301.96
Add: Interest income on plan assets <sup>[2]</sup>	80.13	73.07	641.14	489.91
Add/(Less): Actuarial gains/(losses) - Difference between actual return on plan assets and interest income	48.31	(31.14)	243.28	(243.76)
Add: Contribution by the employer	273.85	102.24	528.76	351.27
Add: Contribution by plan participants	–	–	934.54	686.55
Add: Assets assumed/(transferred)	(0.74)	–	1165.03	379.09
Add: Business combination/disposal (net)	(0.79)	1.07	–	72.63
Less: Benefits paid	(119.88)	(141.71)	(1081.79)	(871.82)
Add: Adjustment for earlier years	–	–	0.05	(0.39)
Closing balance of the plan assets	1375.36	1094.48	9596.45	7165.44

**Notes:** The fair value of the plan assets under the trust managed provident fund plan has been determined at amounts based on their value at the time of redemption, assuming a constant rate of return to maturity.

<sup>[2]</sup> Basis used to determine interest income on plan assets:

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

The Group expects to fund ₹ 193.49 crore (previous year: ₹ 265.02 crore) towards its gratuity plan and ₹ 282.75 crore (previous year: ₹ 239.56 crore) towards its trust-managed provident fund plan during the year 2024-25.

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

₹ crore

Particulars	Gratuity plan					
	As at 31-3-2024			As at 31-3-2023		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	4.35	4.35	–	6.09	6.09
Equity instruments	46.51	–	46.51	23.23	–	23.23
Debt instruments - Corporate bonds	252.62	–	252.62	220.74	–	220.74
Debt instruments - Central Government bonds	134.93	–	134.93	116.33	–	116.33
Debt instruments - State Government bonds	210.18	–	210.18	172.16	–	172.16
Debt instruments - Public Sector Unit bonds	19.16	–	19.16	20.10	–	20.10
Mutual funds - Equity	36.61	73.85	110.46	25.41	50.89	76.30
Mutual funds - Debt	2.25	4.01	6.26	1.10	–	1.10
Special deposit scheme	–	1.48	1.48	–	1.48	1.48
Fixed deposits	–	3.84	3.84	–	3.58	3.58
Insurer managed fund	–	571.78	571.78	–	440.49	440.49
Others	0.58	13.21	13.79	5.83	7.05	12.88
Closing balance of the plan assets	702.84	672.52	1375.36	584.90	509.58	1094.48

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

**NOTE [52] (contd.)**

₹ crore

Particulars	Trust-managed provident fund plan					
	As at 31-3-2024			As at 31-3-2023		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	12.22	12.22	–	25.69	25.69
Equity instruments	485.07	–	485.07	135.58	–	135.58
Debt instruments - Corporate bonds	3175.01	–	3175.01	2291.32	–	2291.32
Debt instruments - Central Government bonds	963.00	–	963.00	851.78	–	851.78
Debt instruments - State Government bonds	3358.65	–	3358.65	2408.20	–	2408.20
Debt instruments - Public Sector Unit bonds	334.97	–	334.97	466.85	–	466.85
Mutual funds - Equity	193.57	611.72	805.29	265.79	436.72	702.51
Mutual funds - Debt	27.30	6.68	33.98	0.72	–	0.72
Mutual funds - Others	7.51	–	7.51	–	–	–
Special deposit scheme	–	231.72	231.72	–	235.47	235.47
Fixed deposits	–	1.36	1.36	–	1.56	1.56
InvIT instruments	165.43	–	165.43	43.09	–	43.09
Others	2.42	19.82	22.24	–	2.67	2.67
Closing balance of the plan assets	8712.93	883.52	9596.45	6463.33	702.11	7165.44

- (vi) The average duration (in number of years) of the defined benefit obligation at the Balance Sheet date is as follows:

Plans	As at 31-3-2024	As at 31-3-2023
1. Gratuity	5.57	6.05
2. Post-retirement medical benefit plan	12.13	13.64
3. Pension plan	7.26	7.25

- (vii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):

Plans	As at 31-3-2024	As at 31-3-2023
(A) Discount rate:		
(a) Gratuity plan	7.15%	7.36%
(b) Post-retirement medical benefit plan	7.15%	7.36%
(c) Pension plan	7.15%	7.36%
(B) Annual increase in healthcare costs (see note below)	0.00%	5.00%
(C) Salary growth rate:		
(a) Gratuity plan	6.71%	6.53%
(b) Pension plan	9.00%	9.00%

- (D) Attrition rate for various age groups:

- For gratuity plan, the entity wise attrition rate varies from 1% to 48% (previous year: 1% to 46%).
- For post-retirement medical benefit plan, the entity wise attrition rate varies from 1% to 30% (previous year: 1% to 40%).
- For pension plan, the entity wise attrition rate varies from 0% to 2% (previous year: 0% to 2%).

- (E) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- (F) The interest payment obligation of trust-managed provident fund is expected to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised in the Statement of Profit and Loss as actuarial losses.

- (G) The obligation of the Group under the post-retirement medical benefit plan is limited to the overall ceiling limits.

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

### NOTE [52] (contd.)

(H) A one percentage point change in actuarial assumptions would have the following effects on defined benefit obligation:

Particulars	₹ crore			
	Effect of 1% increase		Effect of 1% decrease	
	As at 31-3-2024	As at 31-3-2023	As at 31-3-2024	As at 31-3-2023
Gratuity				
Impact of change in salary growth rate	101.44	99.41	(93.05)	(89.37)
Impact of change in discount rate	(92.23)	(88.34)	102.29	100.21
Post-retirement medical benefit plan				
Impact of change in health care cost	8.24	25.70	(9.10)	(21.27)
Impact of change in discount rate	(44.42)	(43.63)	55.12	54.92
Pension plan				
Impact of change in discount rate	(25.84)	(25.69)	29.46	29.35

(viii) Characteristics of defined benefit plans and associated risks:

(A) Gratuity plan:

The Parent Company operates gratuity plan through a trust whereby every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable to vested employees at retirement, death while in employment or on termination of employment. The benefit vests after five years of continuous service. The Company's scheme is more favourable as compared to the obligation under The Payment of Gratuity Act, 1972.

The defined benefit plans for gratuity of the Parent Company and material domestic subsidiary companies are administered by separate gratuity funds that are legally separate from the Parent Company and the material domestic subsidiary companies. The trustees nominated by the Group are responsible for the administration of the plans. There are no minimum funding requirements of these plans. The funding of these plans is based on gratuity fund's actuarial measurement framework set out in the funding policies of the plan. These actuarial measurements are similar compared to the assumptions set out in (vii) above. An insignificant portion of the gratuity plan of the Group attributable to subsidiary companies is administered by the respective subsidiary companies and is funded through insurer managed funds. A part of the gratuity plan is unfunded and managed within the Group. Further, the unfunded portion also includes amounts payable in respect of the Group's foreign operations which result in gratuity payable to employees engaged as per the local laws of country of operation. Employees do not contribute to any of these plans.

(B) Post-retirement medical care plan:

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

(C) Pension plan:

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

(D) Trust-managed provident fund plan:

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

Any loss/gain arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

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

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

**NOTE [53]**

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

During the year, the Group has recognised the Government Grants as below:

Particulars	2023-24	2022-23
(i) Income/reduction from underlying expenses recognised towards export incentives, duty drawback and other schemes	98.38	97.97
(ii) Benefit towards employee benefit expenses for COVID-19 pandemic	1.59	0.57
(iii) Tax credit for Research & Development in foreign jurisdiction(s)	4.46	4.06
(iv) Incentives under the Investment Promotion Scheme for manufacturing facility	1.38	–

₹ crore

**NOTE [54]**

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

(a) List of related parties:

(i) Name of associate entities with whom transactions were carried out during the year:

**Associate entities:**

1 Magtorq Private Limited	2 Magtorq Engineering Solutions Private Limited
3 Larsen & Toubro Qatar & HBK Contracting Co. WLL	4 L&T Camp Facilities LLC <sup>(1)</sup>

<sup>(1)</sup> Under liquidation

(ii) Name of joint venture entities with whom transactions were carried out during the year:

**Joint Venture entities:**

1 L&T Infrastructure Development Projects Limited <sup>(5)</sup>	2 L&T Interstate Road Corridor Limited <sup>(5)</sup>
3 Ahmedabad - Maliya Tollway Limited <sup>(5)</sup>	4 Hydrocarbon Arabia Limited Company <sup>(1)</sup>
5 Panipat Elevated Corridor Limited <sup>(5)</sup>	6 L&T Rajkot-Vadinar Tollway Limited <sup>(5)</sup>
7 Vadodara Bharuch Tollway Limited <sup>(5)</sup>	8 L&T Deccan Tollways Limited <sup>(5)</sup>
9 L&T Samakhiali Gandhidham Tollway Limited <sup>(5)</sup>	10 Kudgi Transmission Limited <sup>(5)</sup>
11 L&T Sambalpur-Rourkela Tollway limited <sup>(5)</sup>	12 L&T Transportation Infrastructure Limited <sup>(5)</sup>
13 L&T Energy Hydrocarbon Engineering Limited <sup>(7)</sup>	14 L&T - MHI Power Boilers Private Limited
15 L&T - MHI Power Turbine Generators Private Limited	16 L&T-Sargent & Lundy Limited
17 L&T Howden Private Limited	18 L&T Sapura Shipping Private Limited
19 L&T Offshore Private Limited (formerly known as L&T Sapura Offshore Private Limited) <sup>(3)</sup>	20 L&T Special Steels and Heavy Forgings Private Limited
21 L&T MBDA Missile Systems Limited	22 Raykal Aluminium Company Private Limited
23 L&T Infrastructure Engineering Limited and LEA Associates South Asia Private Limited JV LLP <sup>(4)</sup>	24 GH4India Private Limited <sup>(2)</sup>
25 Rewin Infrastructure Limited <sup>(5)</sup>	26 L&T Hydrocarbon Caspian LLC <sup>(6)</sup>

<sup>(1)</sup> Incorporated on June 19, 2023

<sup>(2)</sup> Incorporated on August 25, 2023

<sup>(3)</sup> Reclassified as subsidiary w.e.f December 27, 2023

<sup>(4)</sup> Divested w.e.f January 3, 2024

<sup>(5)</sup> Divested w.e.f April 10, 2024

<sup>(6)</sup> Liquidated w.e.f September 25, 2023

<sup>(7)</sup> Reclassified as subsidiary w.e.f January 19, 2023

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

**(A) Provident Fund Trusts:**

1 Larsen & Toubro Officers & Supervisory Staff Provident Fund	2 Larsen & Toubro Limited Provident Fund of 1952
3 Larsen & Toubro Limited Provident Fund	4 L&T Kansbahal Officers & Supervisory Provident Fund
5 L&T Kansbahal Staff & Workmen Provident Fund	6 L&T Construction Equipment Employees Provident Fund Trust
7 L&T Valves Employees Provident Fund	8 L&T Chiyoda Staff Provident Fund

**(B) Gratuity Trusts:**

1 Larsen & Toubro Officers & Supervisors Gratuity Fund	2 Larsen & Toubro Gratuity Fund
3 L&T Technology Services Limited Employee Group Gratuity Scheme	4 Nabha Power Limited Employees' Group Gratuity Assurance Scheme
5 LTIMindtree Limited Employees Gratuity Fund Trust	6 LTIMindtree Employees' Group Gratuity Assurance Scheme
7 L&T Chiyoda Officers and Supervisors Gratuity Fund	8 L&T Valves Workmen Gratuity Trust

**(C) Superannuation Trust:**

1 Larsen & Toubro Limited Senior Officers' Superannuation Scheme
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## Notes forming part of the Consolidated Financial Statements (contd.)

### NOTE [54] (contd.)

- (iv) Name of Key Management Personnel (of the Parent Company) and close member of their family with whom transactions were carried out during the year:

#### (A) Executive Directors:

1	Mr. S. N. Subrahmanyam (Chairman & Managing Director) <sup>[1]</sup>	2	Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)
3	Mr. Subramanian Sarma (Whole-time Director)	4	Mr. D. K. Sen (Whole-time Director) <sup>[2]</sup>
5	Mr. M.V. Satish (Whole-time Director) <sup>[3]</sup>	6	Mr. J. D. Patil (Whole-time Director) <sup>[3]</sup>
7	Mr. S. V. Desai (Whole-time Director)	8	Mr. T. Madhava Das (Whole-time Director)
9	Mr. Anil Parab (Whole-time Director) <sup>[4]</sup>		

<sup>[1]</sup> Designated as Chairman w.e.f October 1, 2023

<sup>[2]</sup> Ceased w.e.f April 7, 2023 on account of completion of term

<sup>[3]</sup> Ceased w.e.f June 30, 2022 on account of completion of term

<sup>[4]</sup> Appointed w.e.f August 5, 2022

<sup>[5]</sup> Ceased w.e.f April 7, 2024 on account of completion of term

#### (B) Non-executive/Independent Directors:

1	Mr. A. M. Naik <sup>[1]</sup>	2	Mr. M. M. Chitale <sup>[2]</sup>
3	Mr. M. Damodaran <sup>[2]</sup>	4	Mr. Vikram Singh Mehta <sup>[2]</sup>
5	Mr. Adil Zainulbhai	6	Mr. Sanjeev Aga
7	Mr. Narayanan Kumar	8	Mr. Hemant Bhargava
9	Ms. Preetha Reddy	10	Mr. Pramit Jhaveri <sup>[3]</sup>
11	Mr. Rajnish Kumar <sup>[4]</sup>	12	Mr. Jyoti Sagar <sup>[4]</sup>
13	Mr. Ajay Tyagi <sup>[5]</sup>	14	Mr. P. R. Ramesh <sup>[5]</sup>

<sup>[1]</sup> Ceased to be Non-executive Chairman w.e.f. September 30, 2023

<sup>[2]</sup> Ceased w.e.f March 31, 2024 on account of completion of term

<sup>[3]</sup> Appointed w.e.f April 1, 2022

<sup>[4]</sup> Appointed w.e.f May 10, 2023

<sup>[5]</sup> Appointed w.e.f October 31, 2023

#### (C) Company Secretary

1	Mr. Sivaram Nair A
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#### (D) Close Member of Key Management Personnel's (KMP's) family

1	Ms. Meena Subrahmanyam	2	Ms. Vasanti Narayanan
3	Mr. Ajinkya Anil Parab	4	Ms. Sulabha Anil Parab
5	Ms. Smita Narayan Sarang	6	Ms. Bhagyasree Joshi
7	Mr. Anand V Desai	8	Ms. Kalavathi S Desai
9	Mr. Raghavendra V Desai	10	Ms. Madhuri Subhash Gadre
11	Mr. Saurabh Mukund Chitale	12	Mr. Sushrut Mukund Chitale
13	Mr. M.V. Srinath	14	Ms. Vasanti Satish
15	Ms. Hamida Zainulbhai	16	Ms. Mukeeta Pramit Jhaveri
17	Mr. Harshad Reddy	18	Mr. Uday Singh Mehta

- (v) Entity with common Key Managerial Personnel with whom transactions were carried out during the year:

1	LTIMindtree Foundation (Formerly known as Mindtree Foundation)
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- (b) Disclosure of related party transactions:

Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(i)	Purchase of goods & services (including commission paid)				
	Joint ventures, including:	870.37		1189.45	
	L&T - MHI Power Boilers Private Limited		332.06		480.57
	L&T - MHI Power Turbine Generators Private Limited		32.48		131.41
	L&T Special Steels and Heavy Forgings Private Limited		457.43		338.01
	L&T Energy Hydrocarbon Engineering Limited		-		172.01
	Associates, including:	28.30		25.48	
	Magtorq Private Limited		28.30		25.06
	Total	898.67		1214.93	
(ii)	Sale of goods/contract revenue & services				
	Joint ventures, including:	40.10		103.01	
	L&T - MHI Power Boilers Private Limited		23.56		75.18
	L&T Special Steels and Heavy Forgings Private Limited		9.99		8.36
	L&T MBDA Missile Systems Limited		4.69		17.53
	Total	40.10		103.01	

₹ crore



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

**NOTE [54] (contd.)**

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(iii)	Purchase/lease of property, plant and equipment				
	Joint venture:	0.42		0.05	
	L&T-Sargent & Lundy Limited		–		0.05
	L&T - MHI Power Turbine Generators Private Limited		0.42		–
	Total	0.42		0.05	
(iv)	Investment as equity/other equity				
	Joint ventures, including:	1.66		0.04	
	L&T Infrastructure Development Projects Limited		–		0.04
	GH4India Private Limited		1.00		–
	Hydrocarbon Arabia Limited Company		0.66		–
	Total	1.66		0.04	
(v)	Sale/Redemption of investments				
	Joint ventures, including:	129.26		–	
	L&T Infrastructure Development Projects Limited		128.88		–
	Total	129.26		–	
(vi)	Inter-corporate deposits repaid by				
	Joint venture:	151.72		14.07	
	L&T Sapura Shipping Private Limited		151.72		14.07
	Total	151.72		14.07	
(vii)	Inter-corporate borrowing taken from				
	Joint ventures:	557.16		1283.65	
	L&T-MHI Power Turbine Generators Private Limited		224.16		755.15
	L&T MBDA Missile Systems Limited		333.00		528.50
	Total	557.16		1283.65	
(viii)	Inter-corporate borrowing repaid to				
	Joint ventures:	551.56		1271.90	
	L&T-MHI Power Turbine Generators Private Limited		220.56		715.15
	L&T MBDA Missile Systems Limited		331.00		556.75
	Total	551.56		1271.90	
(ix)	Charges paid for miscellaneous services				
	Joint ventures, including:	9.04		26.48	
	L&T-Sargent & Lundy Limited		7.83		6.33
	L&T Energy Hydrocarbon Engineering Limited		–		18.69
	L&T - MHI Power Boilers Private Limited		1.15		1.23
	Total	9.04		26.48	
(x)	Rent paid, including lease rentals under leasing arrangements				
	Joint ventures, including:	182.27		38.22	
	L&T Sapura Shipping Private Limited		164.58		28.45
	L&T - MHI Power Turbine Generators Private Limited		13.58		8.93
	Total	182.27		38.22	

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

### NOTE [54] (contd.)

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(xi)	Rent received, overheads recovered and miscellaneous income				
	Joint ventures, including:	74.18		97.02	
	L&T - MHI Power Boilers Private Limited		28.83		37.62
	L&T-Sargent & Lundy Limited		12.61		11.66
	L&T - MHI Power Turbine Generators Private Limited		9.42		10.20
	L&T Infrastructure Development Projects Limited		7.84		7.47
	L&T Energy Hydrocarbon Engineering Limited		-		13.66
	Total	74.18		97.02	
(xii)	Charges recovered for deputation of employees to related parties				
	Joint ventures:	9.71		7.50	
	L&T Infrastructure Development Projects Limited		0.92		0.98
	L&T Special Steels and Heavy Forgings Private Limited		1.03		0.93
	L&T Sapura Shipping Private Limited		7.76		5.59
	Total	9.71		7.50	
(xiii)	Dividend received from				
	Joint ventures, including:	132.57		144.34	
	L&T Infrastructure Development Projects Limited		112.24		4.92
	L&T - MHI Power Boilers Private Limited		-		119.39
	Total	132.57		144.34	
(xiv)	Buyback of shares from				
	Key Management Personnel, including:	20.14		-	
	Mr. R. Shankar Raman		10.20		-
	Mr. Subramanian Sarma		5.47		-
	Mr. Anil Parab		3.20		-
	Close member of KMP's family, including:	2.62		-	
	Ms. Meena Subrahmanyam		2.61		-
	Total	22.76		-	
(xv)	Dividend paid to				
	Key Management Personnel, including:	4.93		3.66	
	Mr. A.M Naik		1.88		1.38
	Mr. R. Shankar Raman		0.99		0.72
	Mr. S. N. Subrahmanyam		0.80		0.58
	Mr. Subramanian Sarma		0.53		0.33
	Close member of KMP's family, including:	0.32		0.23	
	Ms. Meena Subrahmanyam		0.25		0.19
	Total	5.25		3.89	
(xvi)	Guarantee charges recovered from				
	Joint venture:	0.67		0.79	
	L&T - MHI Power Turbine Generators Private Limited		0.67		0.79
	Total	0.67		0.79	
(xvii)	Interest paid to				
	Joint ventures:	12.82		12.38	
	L&T MBDA Missile Systems Limited		11.64		10.02
	L&T - MHI Power Turbine Generators Private Limited		1.18		2.36
	Total	12.82		12.38	

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

**NOTE [54] (contd.)**

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2023-24		2022-23	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(xviii)	Interest received from				
	Joint ventures:	81.22		100.48	
	L&T Special Steels and Heavy Forgings Private Limited		4.84		27.19
	Kudgi Transmission Limited		58.31		57.68
	L&T Sapura Shipping Private Limited		18.07		15.60
	Associate:	–		0.13	
	L&T Camp Facilities LLC		–		0.13
	Total	81.22		100.61	
(xix)	Amount written off as bad debts				
	Joint venture:	20.37		–	
	L&T - MHI Power Boilers Private Limited		20.37		–
	Total	20.37		–	
(xx)	Allowance/(reversal) for expected credit loss				
	Joint ventures, including:	(27.32)		3.13	
	L&T Deccan Tollways Limited		–		1.73
	L&T Infrastructure Development Projects Limited		–		0.45
	L&T - MHI Power Boilers Private Limited		(22.41)		0.79
	L&T-MHI Power Turbine Generators Private Limited		0.12		0.11
	L&T Offshore Private Limited (formerly known as L&T Sapura Offshore Private Limited)		(5.08)		0.01
	Raykal Aluminium Company Private Limited		0.01		0.01
	L&T-Sargent & Lundy Limited		0.02		0.03
	Total	(27.32)		3.13	
(xxi)	Amount recognised in Profit or Loss on account of impairment/(reversal of impairment) loss on investment				
	Joint venture:	(33.05)		–	
	L&T Infrastructure Development Projects Limited		(33.05)		–
	Total	(33.05)		–	
(xxii)	Donation given				
	Entity with common Key Management Personnel:	81.70		24.10	
	LTIMindtree Foundation (Formerly known as Mindtree Foundation)		81.70		24.10
	Total	81.70		24.10	
(xxiii)	Contribution to post employment benefit plan				
(A)	Towards Employer's contribution to provident fund trusts, including:	533.53		321.24	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		516.34		309.26
	Total	533.53		321.24	
(B)	Towards Employer's contribution to gratuity fund trusts, including:	261.98		90.46	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		123.95		14.20
	LTIMindtree Limited Employees Gratuity Fund Trust (Formerly Mindtree Limited Employees Gratuity Fund Trust)		–		21.09
	LTIMindtree Employees' Group Gratuity Assurance Scheme (Formerly Larsen & Toubro Infotech Employees' Group Gratuity Assurance Scheme)		94.57		37.89
	L&T Technology Services Limited Employee Group Gratuity Scheme		30.50		12.39
	Total	261.98		90.46	
(C)	Towards Employer's contribution to superannuation trust:	16.09		15.84	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		16.09		15.84
	Total	16.09		15.84	

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

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

### NOTE [54] (contd.)

(xxiv) Compensation/benefits to Key Management Personnel (KMP):

₹ crore

Key Management Personnel	2023-24					2022-23			
	Short term employee benefits	Post employment benefits	Other Long term benefit	ESOP granted during the year <sup>[5]</sup>	Total	Short term employee benefits	Post employment benefits	Other long term benefit	Total
Executive Directors:									
(a) Mr. S. N. Subrahmanyam	39.15	10.50	–	32.40	82.05	27.54	7.36	–	34.90
(b) Mr. R. Shankar Raman	24.26	6.50	–	–	30.76	17.10	4.57	–	21.67
(c) Mr. Subramanian Sarma	20.81	5.57	–	–	26.38	14.57	3.89	–	18.46
(d) Mr. D. K. Sen	0.21	15.31 <sup>[1]</sup>	6.94 <sup>[2]</sup>	–	22.46	9.52	2.52	–	12.04
(e) Mr. M. V. Satish	10.53	2.78	–	–	13.31	9.55	2.51	–	12.06
(f) Mr. J. D. Patil	–	–	–	–	–	2.12	18.31 <sup>[4]</sup>	10.98 <sup>[2]</sup>	31.41
(g) Mr. S. V. Desai	14.82	3.95	–	9.26	28.03	10.41	2.76	–	13.17
(h) Mr. Anil Parab	9.85	2.61	–	–	12.46	4.28	1.11	–	5.39
(i) Mr. T. Madhava Das	14.47	3.86	–	–	18.33	8.92	2.36	–	11.28
Non-executive/Independent Directors:									
(j) Remuneration									
(a) Mr. A. M. Naik	4.14	1.50 <sup>[3]</sup>	–	–	5.64	9.16	3.00 <sup>[3]</sup>	–	12.16
(b) Other Non-executive/Independent Directors	5.76	–	–	–	5.76	4.96	–	–	4.96
Company Secretary									
(a) Mr. Sivaram Nair A	1.70	0.02	–	–	1.72	1.57	0.02	–	1.59
<b>Total</b>	<b>145.70</b>	<b>52.60</b>	<b>6.94</b>	<b>41.66</b>	<b>246.90</b>	<b>119.70</b>	<b>48.41</b>	<b>10.98</b>	<b>179.09</b>

<sup>[1]</sup> Post employment benefits include gratuity ₹ 15.25 crore

<sup>[2]</sup> Represents encashment of past service accumulated leave

<sup>[3]</sup> Represents pension

<sup>[4]</sup> Post employment benefits include gratuity ₹ 17.75 crore

<sup>[5]</sup> Represents fair value of ESOPs granted during the year which will be vested equally over a period of 4 years.

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

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2024		As at 31-3-2023	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(i)	Accounts receivable				
	Joint ventures, including:	29.37		93.80	
	L&T - MHI Power Boilers Private Limited		17.79		83.98
	L&T Special Steels and Heavy Forgings Private Limited		3.19		0.67
	Associate:	0.23		0.22	
	Larsen & Toubro Qatar & HBK Contracting Co. WLL		0.23		0.22
	<b>Total</b>	<b>29.60</b>		<b>94.02</b>	
(ii)	Accounts payable including other payable				
	Joint ventures, including:	1288.16		1462.27	
	L&T - MHI Power Boilers Private Limited		750.63		761.11
	L&T - MHI Power Turbine Generators Private Limited		268.01		454.30
	L&T Special Steels and Heavy Forgings Private Limited		210.84		112.14
	Associates, including:	5.89		9.21	
	Magtorq Private Limited		5.51		8.82
	<b>Total</b>	<b>1294.05</b>		<b>1471.48</b>	

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

**NOTE [54] (contd.)**

		₹ crore			
Sr. No.	Category of balance/relationship/major parties	As at 31-3-2024		As at 31-3-2023	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(iii)	Investment in debt securities [including preference shares (debt portion)]				
	Joint ventures:	949.43		955.56	
	L&T Special Steels and Heavy Forgings Private Limited*		213.17		213.17
	Kudgi Transmission Limited#		736.26		742.39
	Total	949.43		955.56	
	* Before set-off of losses under equity accounting and impairment				
	# Secured				
(iv)	Loans & advances recoverable				
	Joint ventures, including:	2036.29		2317.70	
	L&T Special Steels and Heavy Forgings Private Limited*		1790.93		1829.14
	L&T Sapura Shipping Private Limited		208.23		345.96
	Associates:	7.13		7.57	
	L&T Camp Facilities LLC		2.58		2.52
	Magtorq Private Limited		4.55		5.05
	Total	2043.42		2325.27	
	* Before set-off of losses under equity accounting and impairment				
(v)	Impairment/provision of loans & advances recoverable				
	Joint ventures, including:	1139.91		1145.09	
	L&T Special Steels and Heavy Forgings Private Limited		1139.03		1139.03
	Total	1139.91		1145.09	
(vi)	Provision towards constructive obligation				
	Joint venture:	14.84		14.84	
	L&T Special Steels and Heavy Forgings Private Limited		14.84		14.84
	Total	14.84		14.84	
(vii)	Unsecured loans taken				
	Joint ventures:	207.68		202.04	
	L&T MBDA Missile Systems Limited		164.06		162.03
	L&T - MHI Power Turbine Generators Private Limited		43.62		40.01
	Total	207.68		202.04	
(viii)	Advances from customers				
	Joint ventures, including:	2.39		5.80	
	L&T - MHI Power Boilers Private Limited		2.39		5.70
	Close member of KMP's family:	0.11		–	
	Ms. Meena Subrahmanyam		0.11		–
	Total	2.50		5.80	



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

### NOTE [54] (contd.)

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2024		As at 31-3-2023	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
(ix)	Due to Key Management Personnel <sup>(a)</sup> :	125.36		95.41	
	Key Management Personnel, including:				
	Mr. A. M. Naik		1.22		2.74
	Mr. S. N. Subrahmanyam		35.28		24.10
	Mr. R. Shankar Raman		21.83		14.82
	Mr. D. K. Sen		0.18		7.75
	Mr. M. V. Satish		8.57		7.72
	Mr. J. D. Patil		–		1.73
	Mr. Subramanian Sarma		18.56		12.44
	Mr. S. V. Desai		13.41		9.07
	Mr. T. Madhava Das		13.06		7.60
	Mr. Anil Parab		8.62		3.50
	Total	125.36		95.41	
(x)	Provision towards unspent CSR expenses				
	Entity with common Key Management Personnel:	0.90		4.20	
	LTIMindtree Foundation (Formerly known as Mindtree Foundation)		0.90		4.20
	Total	0.90		4.20	
(xi)	Post employment benefit plans				
(A)	Due to provident fund trusts, including:	138.71		100.29	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		134.57		95.40
	Total	138.71		100.29	
(B)	Due to gratuity trusts, including:	182.73		259.82	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		44.12		107.15
	L&T Technology Services Limited Employee Group Gratuity Scheme		39.42		30.50
	LTIMindtree Limited Employees Gratuity Fund Trust		–		36.88
	LTIMindtree Employees' Group Gratuity Assurance Scheme		94.37		57.69
	Larsen & Toubro Gratuity Fund		3.45		26.49
	Total	182.73		259.82	
(C)	Due to superannuation fund:	17.93		10.65	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		17.93		10.65
	Total	17.93		10.65	
(xii)	Revenue commitment given				
	Joint ventures, including:	1028.34		1287.63	
	L&T - MHI Power Boilers Private Limited		570.11		652.15
	L&T Special Steels and Heavy Forgings Private Limited		370.22		556.15
	Associates, including:	31.76		41.38	
	Magtorq Private Limited		31.76		40.94
	Total	1060.10		1329.01	

<sup>(a)</sup> includes commission due to other Non-executive directors ₹ 4.63 crore (previous year: ₹ 3.94 crore)

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

**NOTE [54] (contd.)**

		₹ crore			
Sr. No.	Category of balance/relationship/major parties	As at 31-3-2024		As at 31-3-2023	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(xiii)	Revenue commitment received				
	Joint ventures, including:	15.48		57.52	
	L&T - MHI Power Boilers Private Limited		10.68		47.84
	L&T MBDA Missile Systems Limited		4.80		9.38
	Close Member of KMP's family:	7.68		–	
	Ms. Meena Subrahmanyam		7.68		–
	Total	23.16		57.52	
(xiv)	Provision for expected credit loss				
	Joint ventures, including:	2.74		25.15	
	L&T - MHI Power Boilers Private Limited		0.12		22.61
	L&T - MHI Power Turbine Generators Private Limited		0.36		0.24
	L&T Infrastructure Development Projects Limited		0.45		0.45
	L&T Deccan Tollways Limited		1.73		1.73
	Total	2.74		25.15	
(xv)	Guarantees given on behalf of				
	Joint ventures, including:	243.22		311.92	
	L&T - MHI Power Turbine Generators Private Limited		210.56		276.58
	Total	243.22		311.92	

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

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

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

3. The interest rate charged on loans given to related parties are as per market rates.

**NOTE [55]**

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

Particulars		2023-24	2022-23
<b>Basic EPS</b>			
Profit after tax (₹ crore)	A	13059.11	10470.72
Weighted average number of equity shares outstanding	B	1,38,98,17,026	1,40,52,58,885
<b>Basic EPS (₹)</b>	A/B	93.96	74.51
<b>Diluted EPS</b>			
Profit after tax (₹ crore)	A	13059.11	10470.72
Weighted average number of equity shares outstanding	B	1,38,98,17,026	1,40,52,58,885
Add: Weighted average number of potential equity shares on account of employee stock options	C	12,33,876	11,80,266
Weighted average number of equity shares outstanding for diluted EPS	D=B+C	1,39,10,50,903	1,40,64,39,151
<b>Diluted EPS (₹)</b>	A/D	93.88	74.45
Face value per share (₹)		2.00	2.00

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

### NOTE [56]

Disclosure pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets":

(a) Movement in provisions:

₹ crore

Sr. No.	Particulars	Class of provisions					Total
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation-related obligations	Contractual rectification cost-construction contracts	Others	
1	Balance as at 1-4-2023	19.70	396.49	534.63	688.58	85.28	1724.68
2	Additional provision during the year	7.13	30.71	29.12	472.12	39.33	578.41
3	Provision used during the year	(1.08)	(42.42)	–	(56.87)	(14.67)	(115.04)
4	Unused provision reversed during the year	(4.88)	(63.66)	(41.00)	(326.57)	–	(436.11)
5	Translation adjustments	–	–	–	0.40	–	0.40
6	Balance as at 31-3-2024 (1 to 5)	20.87	321.12	522.75	777.66	109.94	1752.34

Breakup of provisions:

₹ crore

Particulars	Note 24	Note 31	Total
Balance as at 1-4-2023	174.67	1550.01	1724.68
Balance as at 31-3-2024	245.69	1506.65	1752.34

(b) Nature of provisions:

(i) Product warranties: The Group gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period.

Provision made as at March 31, 2024 represents the amount of the expected cost of meeting such obligations of rectification/ replacement. The timing of the outflows is expected to be within a period of three years from the date of Balance Sheet.

(ii) Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms and liability for goods and services tax, customs duty and excise duty.

(iii) Provision for litigation-related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

(iv) Contractual rectification cost represents the estimated cost the Group is likely to incur during defect liability period as per the contract obligations and in respect of completed construction contracts accounted under Ind AS 115 "Revenue from contracts with customers".

(v) Other provisions mainly includes provision for onerous contracts.

(c) Disclosure in respect of contingent liabilities is given in Note 32.

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

### NOTE [57]

Research & Development

The expenditure on research and development activities is as follows:

		₹ crore	
Sr. No.	Particulars	2023-24	2022-23
(i)	Recognised as expense in the Statement of Profit and Loss	187.43	207.29
(ii)	Capital expenditure on:		
	(a) tangible assets	5.61	9.36
	(b) intangible assets being expenditure on new product development	58.79	–
	(c) other intangible assets	1.32	1.07

### NOTE [58]

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

(a) Foreign exchange rate and interest rate risk:

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

(i) Foreign exchange rate risk:

The Group has both receivable and payable exposure in foreign currency. Accordingly, changes in exchange rates, may adversely affect the Group’s revenue, cost and profitability. There is a risk that the Group may also have to adjust local currency product pricing due to competitive pressures when there has been significant volatility in foreign currency exchange rates.

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

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

### NOTE [58] (contd.)

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

Particulars	As at 31-3-2024						
	US Dollar including pegged currencies	EURO	British Pound	Algerian Dinar	Canadian Dollar	Japanese Yen	Kuwaiti Dinar
Net exposure to foreign currency risk in respect of recognised financial assets/ (recognised financial liabilities)	982.08	627.16	88.55	(48.16)	(433.05)	(134.53)	137.81
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non-financial assets/(non-financial liabilities)	208.69	(331.95)	–	–	–	(11.01)	–
Derivatives including embedded derivatives for hedging receivable/(payable) exposures with respect to firm commitments and highly probable forecast transactions	43047.38	(15828.85)	(55.54)	–	–	1442.30	490.23
Receivable/(payable) exposures with respect to forward contracts and embedded derivatives not designated as cash flow hedge	1221.52	(424.23)	2.36	–	–	10.27	–

₹ crore

Particulars	As at 31-3-2023						
	US Dollar including pegged currencies	EURO	British Pound	Algerian Dinar	Canadian Dollar	Japanese Yen	Kuwaiti Dinar
Net exposure to foreign currency risk in respect of recognised financial assets/ (recognised financial liabilities)	274.34	(569.13)	260.77	(349.30)	75.06	(378.20)	(209.37)
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non-financial assets/(non-financial liabilities)	863.58	(677.01)	–	–	–	–	–
Derivatives including embedded derivatives for hedging receivable/(payable) exposures with respect to firm commitments and highly probable forecast transactions	42186.54	(2855.70)	(175.71)	–	–	164.96	507.44
Receivable/(payable) exposures with respect to forward contracts and embedded derivatives not designated as cash flow hedge	2501.89	(43.19)	(485.62)	–	–	7.89	–

₹ crore

To provide a meaningful assessment of the foreign currency risk associated with the Group's foreign currency derivative positions against off-balance sheet exposures and unhedged portion of on-balance sheet financial assets and liabilities, the Group uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian Rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposure due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Group uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments is generally offset by increase in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VAR for the Group at 95% confidence level is ₹ 140.87 crore as at March 31, 2024 and ₹ 184.30 crore as at March 31, 2023.

Actual future gains and losses associated with the Group's investment portfolio and derivative positions may differ materially from the sensitivity analysis performed as at March 31, 2024 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchange rates and the Group's actual exposures and position.

(ii) Interest rate risk:

The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt and lending. The Group's outstanding debt in local currency is a combination of fixed rate and floating rate. For the portion of local currency debt on fixed rate basis, there is no interest rate risk. For the portion of local currency debt on floating rate basis, there exists a natural hedge with receivables in respect of financial services business. There is a portion of debt that is linked to international interest rate benchmarks like SOFR/LIBOR. The Group also hedges a portion of these risks by way of derivative instruments.

The Group has completed transition of its LIBOR linked loans to SOFR linked loans.

The exposure of the Group's borrowing to interest rate changes is ₹ 24652.62 crore (as at 31-3-2023 ₹ 28755.80 crore).



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

### NOTE [58] (contd.)

A hypothetical 50 basis point shift in respective currency SOFR and other benchmarks, holding all other variables constant, on the unhedged loans would result in a corresponding increase/decrease in interest cost for the Group on a yearly basis as follows:

₹ crore

Particulars	Increase/(decrease) in Profit after tax		Increase/(decrease) in Equity	
	2023-24	2022-23	As at 31-3-2024	As at 31-3-2023
<b>INR loans given (net of INR borrowings)</b>				
Interest rates - increase by 0.50% in INR interest rate	3.72	15.49	3.72	15.49
Interest rates - decrease by 0.50% in INR interest rate	(3.72)	(15.49)	(3.72)	(15.49)
<b>USD (including pegged currencies) borrowings</b>				
Interest rates - increase by 0.50% in USD interest rate	(10.20)	(12.73)	(10.20)	(12.73)
Interest rates - decrease by 0.50% in USD interest rate	10.20	12.73	10.20	12.73

(b) Liquidity risk management:

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through adequate committed credit lines. Given the need to fund diverse businesses, the Group maintains flexibility by needbased drawing from committed credit lines. Management regularly monitors the position of cash and cash equivalents. The maturity profiles of financial assets/liabilities including debt financing plans and liquidity ratios are considered while reviewing the liquidity position.

The Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The Group uses a combination of internal and external tools to execute its investment strategy and achieve its investment objectives. The Group typically invests in money market funds, large debt funds, Government of India securities, equity and equity marketable securities and other highly rated securities under an exposure limit framework. The investment policy focusses on minimising the potential risk of principal loss. To provide a meaningful assessment of the price risk associated with the Group's investment portfolio, the Group performed a sensitivity analysis to determine the impact of change in price of the securities on the value of the investment portfolio assuming a 0.50% movement in the fair market value of debt funds and debt securities and a 5% movement in the NAV of the equity and equity marketable securities as below:

₹ crore

Particulars	Increase/(decrease) in investment value	
	As at 31-3-2024	As at 31-3-2023
Debt funds and debt securities - increase by 0.50% in fair market value	101.58	104.02
Debt funds and debt securities - decrease by 0.50% in fair market value	(101.58)	(104.02)
Equity and equity marketable securities - increase by 5% in NAV	8.90	4.44
Equity and equity marketable securities - decrease by 5% in NAV	(8.90)	(4.44)

The investments in money market funds are for the purpose of liquidity management only and hence not subject to any material price risk.

(c) Credit risk management:

(i) Financial services business:

Financial services business has a risk management framework that monitors and ensures that the business lines operate within the defined risk appetite and risk tolerance levels defined by the management. Risk management function is closely involved in management and control of credit risk, portfolio monitoring, market risks including liquidity risk and operational risks. The credit risk function independently evaluates proposals based on well-established sector specific internal frameworks, in order to identify, mitigate and allocate risks as well as to enable risk-based pricing of assets. Regulatory and process risks are identified, mitigated and managed by a separate group. Risk management policies are made under the guidance of Risk Management Committee and are approved by Board of Directors.

(ii) Other than financial services business:

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

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

### NOTE [58] (contd.)

(iii) Reconciliation of loss allowance provision for financial services business - Loans:

	₹ crore			
Particulars	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1-4-2022	1091.03	1101.47	1434.02	3626.52
New assets originated or purchased	1088.17	61.16	111.59	1260.92
Amount written off	–	–	(1404.77)	(1404.77)
Transfers to Stage 1	66.22	(46.71)	(19.51)	–
Transfers to Stage 2	(6.72)	16.21	(9.49)	–
Transfers to Stage 3	(21.29)	(315.79)	337.08	–
Impact on year end ECL of exposure transferred between stages during the year	(64.40)	67.57	1365.66	1368.83
Increase/ (Decrease) provision on existing financial assets (Net of recovery)	(927.55)	(260.19)	14.03	(1173.71)
Transfer to fair value through Profit or Loss on account of reclassification from amortised cost	(48.81)	(257.68)	(85.29)	(391.78)
Loss allowance as at 31-3-2023	1176.65	366.04	1743.32	3286.01
New assets originated or purchased	993.25	68.54	177.98	1239.77
Amount written off	–	(13.37)	(947.49)	(960.86)
Transfers to Stage 1	25.53	(13.13)	(12.40)	–
Transfers to Stage 2	(6.24)	13.30	(7.06)	–
Transfers to Stage 3	(15.28)	(72.22)	87.50	–
Impact on year end ECL of exposure transferred between stages during the year	(25.17)	103.60	1008.72	1087.15
Increase/ (Decrease) in provision on existing financial assets (Net of recovery)	(824.44)	(30.73)	(258.71)	(1113.88)
Loss allowance as at 31-3-2024	1324.30	422.03	1791.86	3538.19

(iv) Reconciliation of allowance for expected credit loss ("ECL") on trade receivables (other than financial services business):

	₹ crore	
Particulars	2023-24	2022-23
Provision as at April 1	4414.84	3892.11
Changes in allowance for ECL:		
Provision/(reversal) of allowance for ECL	332.45	410.65
Additional provision (net)	402.46	310.61
Write off as bad debts	(561.45)	(207.26)
Translation adjustment	5.35	8.73
Provision as at March 31 (Note 13)	4593.65	4414.84

(v) Amounts written off:

	₹ crore	
Particulars	2023-24	2022-23
Amount of financial assets written off during the year but still enforceable	947.78	1450.70

(d) Commodity price risk management:

The Group bids for and executes EPC projects. These projects entail procurement of various equipment and materials which may have direct or indirect linkages to commodity prices like steel (both long and flat steel), copper, aluminium, zinc, lead, nickel, cement etc. Accordingly, the Group is exposed to the price risk on these commodities. To mitigate the risk of commodity prices, the Group relies on contractual provisions like pass through of prices, price variation provisions and further uses hedging instruments where available [Note 59 (k)(iii)]. There is a certain residual risk carried by the Group that cannot be hedged.

The Group is also exposed to contingent risk on account of commodity price movements that may not be fully offset by contractual provisions in the projects that it has bid for but which are not awarded yet. Commodity prices have been volatile and have witnessed substantial two-way movements during the financial year. This may impact the margin on projects where the Group has submitted bids on a firm price basis. However, for projects where the Group is eligible for an adjustment, based on price variation clause, the actual impact will depend on the exact project wins and the relative contractual provisions therein.

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

**NOTE [59]**

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

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

Sr. No.	Particulars	Note	₹ crore	
			As at 31-3-2024	As at 31-3-2023
I.	Measured at Fair Value through Profit or Loss (FVTPL):			
	(a) Mandatorily measured:			
	(i) Investment in equity instruments	6,12	140.35	356.38
	(ii) Investment in preference shares	6	130.25	145.70
	(iii) Investment in mutual funds and units of fund	6,12	11414.96	11637.51
	(iv) Investment in government securities, debentures and bonds	6,12	553.03	978.55
	(v) Derivative instruments not designated as cash flow hedges	9,18	20.66	48.89
	(vi) Embedded derivatives not designated as cash flow hedges	9,18	113.47	168.47
	(vii) Investment in security receipts	6	6769.51	6321.07
	(viii) Investment in InvITs	12	2694.57	802.08
	Sub-total (a)		21836.80	20458.65
	(b) Designated:			
	(i) Loans	16	4861.56	17056.78
	Sub-total (b)		4861.56	17056.78
	Sub-total (I = a+b)		26698.36	37515.43
II.	Measured at amortised cost:			
	(i) Loans	7,8,16,17	82689.79	64931.84
	(ii) Investment in government securities, debentures, bonds and CBLO	6,12	2922.22	2096.97
	(iii) Investment in commercial paper	12	937.25	2515.31
	(iv) Treasury Bills and other investments	6,12	5860.95	6307.04
	(v) Trade receivables	13	48770.95	44731.53
	(vi) Other recoverable	18	2790.22	1759.63
	(vii) Unbilled revenue	18	1416.41	1684.35
	(viii) Cash and cash equivalents and bank balances	9,14,15	16031.82	23697.77
	(ix) Other receivables		1300.64	1153.05
	Sub-total (II)		162720.25	148877.49
III.	Measured at Fair Value through Other comprehensive income (FVTOCI):			
	(c) Mandatorily measured:			
	(i) Investment in government securities, debentures and bonds	6,12	12925.39	12296.86
	(ii) Investment in preference shares	6	34.99	34.99
	(iii) Investment in units of funds	6	–	0.90
	(iv) Derivative instruments designated as cash flow hedges	9,18	1144.31	815.94
	(v) Embedded derivative designated as cash flow hedges	9,18	56.86	87.38
	Sub-total (c)		14161.55	13236.07
	(d) Designated:			
	(i) Investment in equity instruments	6	0.10	0.09
	Sub-total (d)		0.10	0.09
	Sub-total (III = c+d)		14161.65	13236.16
	Total (I+II+III)		203580.26	199629.08

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

### NOTE [59] (contd.)

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

Sr. No.	Particulars	Note	₹ crore	
			As at 31-3-2024	As at 31-3-2023
I.	Measured at Fair Value through Profit or Loss (FVTPL):			
(i)	Derivative instruments not designated as cash flow hedges	23,29	32.86	35.96
(ii)	Embedded derivatives not designated as cash flow hedges	23,29	20.55	17.14
(iii)	Others		10.22	35.12
	Sub-total (I)		63.63	88.22
II.	Measured at amortised cost:			
(i)	Borrowings	22,26,27	114039.77	118513.38
(ii)	Trade payables:			
	Due to micro enterprises and small enterprises		1018.71	851.70
	Due to others	28	52274.17	48932.42
(iii)	Lease liability		2282.45	2137.06
(iv)	Others		7275.89	7042.07
	Sub-total (II)		176890.99	177476.63
III.	Measured at Fair Value through Other comprehensive income (FVTOCI):			
(i)	Derivative instruments designated as cash flow hedges	23,29	310.93	551.54
(ii)	Embedded derivatives designated as cash flow hedges	23,29	21.09	31.53
	Sub-total (III)		332.02	583.07
IV.	Financial guarantee contracts	23,29	0.20	1.54
	Total (I+II+III+IV)		177286.84	178149.46

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

Sr. No.	Particulars	₹ crore	
		2023-24	2022-23
I.	Net gains/(losses) on financial assets and financial liabilities measured at Fair Value through Profit or Loss (FVTPL) and amortised cost:		
A.	Financial asset or financial liabilities measured at FVTPL:		
1.	Gains/(losses) on fair valuation or sale of investments	698.90	89.91
2.	Gains/(losses) on fair valuation or sale of investments and loans (Financial Services) (including exceptional items)	(431.46)	(2893.82)
3.	Gains/(losses) on fair valuation/settlement of derivative:		
(a)	Gains/(losses) on fair valuation or settlement of forward contracts not designated as cash flow hedges	97.76	(101.47)
(b)	Gains/(losses) on fair valuation or settlement of embedded derivative contracts not designated as cash flow hedges	18.72	188.47
(c)	Gains/(losses) on fair valuation or settlement of futures not designated as cash flow hedges	(6.18)	135.08
	Sub-total (A)	377.74	(2581.83)
B.	Financial assets measured at amortised cost:		
(i)	Exchange difference gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	(8.09)	627.40
(ii)	(Allowance)/reversal for expected credit loss (ECL) during the year	(1650.85)	(1962.19)
(iii)	(Provision)/reversal for impairment loss (other than ECL) [net]	(306.42)	50.30
(iv)	Gains/(losses) on derecognition:		
(a)	Bad debts written off (net)	(104.09)	(527.02)
(b)	Gains/(losses) on transfer of financial assets (including non-recourse basis)	(473.42)	(385.35)
	Sub-total (B)	(2542.87)	(2196.86)

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

**NOTE [59] (contd.)**

		₹ crore	
Sr. No.	Particulars	2023-24	2022-23
C.	Financial liabilities measured at amortised cost:		
	(i) Exchange difference gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade payables, borrowing availed etc.)	(80.04)	(302.82)
	(ii) Unclaimed credit balances written back	575.54	259.27
	Sub-total (C)	495.50	(43.55)
	Total (I = A+B+C)	(1669.63)	(4822.24)
II.	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Other comprehensive income (FVTOCI):		
A.	Gains recognised in Other comprehensive income:		
	(i) Financial assets measured at FVTOCI:		
	(a) Gains/(losses) on fair valuation or sale of government securities, bonds, debentures etc.	159.44	(283.83)
	(ii) Derivative measured at FVTOCI:		
	(b) Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hedges	383.83	(1027.11)
	(c) Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	(13.72)	130.82
	Sub-total (A)	529.55	(1180.12)
	Less:		
B.	Gains reclassified to Profit and Loss from Other comprehensive income		
	(i) Financial assets measured at FVTOCI:		
	(a) On government securities, bonds, debentures etc. upon sale	32.63	(37.03)
	(ii) Derivative measured at FVTOCI:		
	(b) On forward contracts upon hedged future cash flows affecting the Profit and Loss or related assets or liabilities	91.94	409.76
	(c) On embedded derivative contracts upon hedged future cash flows affecting the Profit and Loss or related assets or liabilities	16.89	0.06
	Sub-total (B)	141.46	372.79
	Net gains recognised in Other comprehensive income (A-B)	388.09	(1552.91)
III.	Interest and other income/expense:		
A.	Dividend income:		
	(i) Dividend income from investments measured at FVTPL	96.25	6.28
	(ii) Dividend income from Joint Venture (classified as held for sale)	112.24	–
	Sub-total (A)	208.49	6.28
B.	Interest income:		
	(i) Financial assets measured at amortised cost	13746.37	11081.98
	(ii) Financial assets measured at FVTOCI	1192.11	1042.08
	(iii) Financial assets measured at FVTPL	1581.12	3043.44
	Sub-total (B)	16519.60	15167.50
C.	Interest expense:		
	(i) Financial liabilities measured at amortised cost	(8841.65)	(8745.41)
	(ii) Derivative instruments (including embeded derivatives) that are measured at FVTOCI (reclassified to Profit and Loss during the year)	–	(185.03)
	(iii) Financial liabilities measured at FVTPL	(23.80)	(0.36)
	Sub-total (C)	(8865.45)	(8930.80)
	Total (III = A+B+C)	7862.64	6242.98



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

### NOTE [59] (contd.)

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

₹ crore

Particulars	As at 31-3-2024		As at 31-3-2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans	52155.25	52155.25	40921.42	40921.42
Government securities, debentures and bonds	2922.22	2922.22	2096.97	2096.97
Total	55077.47	55077.47	43018.39	43018.39
Financial liabilities:				
Borrowings	52214.07	52061.62	51958.08	51665.91
Total	52214.07	52061.62	51958.08	51665.91

Notes:

- Carrying amount of loans are net of provision for expected credit losses.
  - The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of loans given, borrowings taken for short term or borrowings taken on floating rate of interest are considered to be close to the fair value. Accordingly, these items have not been included in the above table.
- (e) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

₹ crore

As at 31-3-2024	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	5142.68	47012.57	52155.25	Discounted cash flow
Government securities, debentures and bonds	2773.26	–	148.96	2922.22	
Total	2773.26	5142.68	47161.53	55077.47	
Financial liabilities:					
Borrowings	–	24290.93	27770.69	52061.62	Discounted cash flow
Total	–	24290.93	27770.69	52061.62	

₹ crore

As at 31-3-2023	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	5600.83	35320.59	40921.42	Discounted cash flow
Government securities, debentures and bonds	1853.41	105.67	137.89	2096.97	
Total	1853.41	5706.50	35458.48	43018.39	
Financial liabilities:					
Borrowings	–	21584.82	30081.09	51665.91	Discounted cash flow
Total	–	21584.82	30081.09	51665.91	

Valuation technique Level 2: Future cash flows discounted using market rates.

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

**NOTE [59] (contd.)**

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

₹ crore

Particulars	Note	As at 31-3-2024				As at 31-3-2023			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:									
Financial assets at FVTPL:									
(i) Equity shares	6,12	26.29	–	114.06	140.35	63.99	–	292.39	356.38
(ii) Preference shares	6	–	–	130.25	130.25	–	–	145.70	145.70
(iii) Mutual funds and units of fund	6,12	11387.59	–	27.37	11414.96	11608.92	–	28.59	11637.51
(iv) Debt instruments viz. government securities, bonds and debentures	6,12	347.73	–	205.30	553.03	781.27	–	197.28	978.55
(v) Derivative instruments not designated as cash flow hedges	9,18	–	20.66	–	20.66	–	48.89	–	48.89
(vi) Embedded derivative instruments not designated as cash flow hedges	9,18	–	113.47	–	113.47	–	168.47	–	168.47
(vii) Security receipts	6	–	–	6769.51	6769.51	–	–	6321.07	6321.07
(viii) InvITs	12	2694.57	–	–	2694.57	802.08	–	–	802.08
(ix) Loans (Financial Services)	16	–	–	4861.56	4861.56	–	–	17056.78	17056.78
Financial assets at FVTOCI:									
(i) Debt instruments viz. government securities, bonds and debentures	6,12	10072.95	2852.15	0.29	12925.39	9547.08	2749.49	0.29	12296.86
(ii) Preference shares	6	–	–	34.99	34.99	–	–	34.99	34.99
(iii) Equity shares	6	–	–	0.10	0.10	–	–	0.09	0.09
(iv) Derivative instruments designated as cash flow hedges	9,18	–	1144.31	–	1144.31	–	815.94	–	815.94
(v) Embedded derivative instruments designated as cash flow hedges	9,18	–	56.86	–	56.86	–	87.38	–	87.38
(vi) Units of fund	6	–	–	–	–	–	0.90	–	0.90
<b>Total</b>		<b>24529.13</b>	<b>4187.45</b>	<b>12143.43</b>	<b>40860.01</b>	<b>22803.34</b>	<b>3871.07</b>	<b>24077.18</b>	<b>50751.59</b>
Financial liabilities:									
Financial liabilities at FVTPL:									
(a) Designated at FVTPL:									
(i) Derivative instruments not designated as cash flow hedges	23,29	–	32.86	–	32.86	–	35.96	–	35.96
(ii) Embedded derivative instruments not designated as cash flow hedges	23,29	–	20.55	–	20.55	–	17.14	–	17.14
(iii) Others		–	–	10.22	10.22	–	–	35.12	35.12
(b) Designated at FVTOCI:									
(i) Derivative instruments designated as cash flow hedges	23,29	–	310.93	–	310.93	–	551.54	–	551.54
(ii) Embedded derivative instruments designated as cash flow hedges	23,29	–	21.09	–	21.09	–	31.53	–	31.53
<b>Total</b>		<b>–</b>	<b>385.43</b>	<b>10.22</b>	<b>395.65</b>	<b>–</b>	<b>636.17</b>	<b>35.12</b>	<b>671.29</b>

Valuation technique and key inputs used to determine fair value:

- A. Level 1: Mutual funds, bonds, debentures and government securities - Quoted price in the active market.
- B. Level 2: (a) Derivative Instruments – Present value technique using forward exchange rates as at balance sheet date.  
(b) Preference share and government securities, bonds and debentures – Future cash flows are discounted using G-sec rates as at balance sheet date.

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

### NOTE [59] (contd.)

(g) Movement of items measured using unobservable inputs (Level 3):

Particulars	₹ crore					
	Equity shares	Preference shares	Debt instruments	Loans	Other Investments	Total
Balance as at 1-4-2022	605.74	121.67	591.09	22753.78	4918.33	28990.61
Addition during the year	0.09	71.02	–	14601.32	2494.75	17167.18
Disposal during the year	(0.05)	–	–	(25115.93)	(689.18)	(25805.16)
Reclassification from Amortised cost to FVTPL	–	–	–	6508.91	–	6508.91
Gains/(losses) recognised in Statement of Profit and Loss	(313.30)	(12.00)	(393.52)	(1691.30)	(374.24)	(2784.36)
Balance as at 31-3-2023	292.48	180.69	197.57	17056.78	6349.66	24077.18
Addition during the year	–	–	113.84	2025.85	2504.10	4643.79
Disposal during the year	(224.00)	–	(249.88)	(16005.39)	(725.39)	(17204.66)
Exchange Differences	–	0.98	–	–	–	0.98
Gains/(losses) recognised in Statement of Profit and Loss	45.68	(16.43)	144.06	1784.32	(1331.49)	626.14
Balance as at 31-3-2024	114.16	165.24	205.59	4861.56	6796.88	12143.43

(h) Sensitivity disclosure for level 3 fair value measurements:

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	31-3-2024	31-3-2023		
₹ crore				
Equity shares	27.59	213.79	Book value	Increase/(decrease) of 5% in the book value would result in impact on profit or loss by ₹ 0.89 crore (previous year: ₹ 7.99 crore)
	86.57	78.69	31-3-2024 and 31-3-2023: 1. Net realisation per month ₹ 35 per sq/ft. 2. Capitalisation rate 11.50%	Increase/(decrease) of 1% in net realisation would result in impact on profit or loss by ₹ 0.31 crore (previous year: ₹ 0.28 crore) Increase/(decrease) of 0.25% in capitalisation rate would result in impact on profit or loss by ₹ 0.66 crore (previous year: ₹ 0.60 crore)
Preference shares	66.77	82.21	Book value	Increase/(decrease) of 5% in the book value would result in impact on profit or loss by ₹ 3.34 crore (previous year: ₹ 4.11 crore)
	98.47	98.48	Expected yield	Increase/(decrease) in the fair value by 5% would result in impact on profit or loss by ₹ 3.20 crore (previous year: ₹ 3.51 crore)
Debt instruments	205.59	197.57	Expected yield	Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 0.31 crore (previous year: ₹ 0.37 crore)
Loans	4861.56	17056.78	Expected yield	Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 7.91 crore (previous year: ₹ 24.06 crore)
Other Investments	6796.88	6349.66	Net Assets Value (NAV)	Increase/(decrease) in the NAV by 5% would result in impact on profit or loss by ₹ 221.09 crore (previous year: ₹ 237.59 crore)

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

**NOTE [59] (contd.)**

(i) Movement of financial liabilities measured using unobservable inputs (Level 3):

Particulars	Contingent consideration	₹ crore
Balance as at 1-4-2022		143.41
Charge recognised in Statement of Profit and Loss		(51.71)
Settled during the year		(56.93)
Foreign exchange difference		0.35
Balance as at 31-3-2023		35.12
Charge recognised in Statement of Profit and Loss		(12.05)
Settled during the year		(13.09)
Foreign exchange difference		0.24
Balance as at 31-3-2024		10.22

Note:

A 1% point change in the unobservable inputs used in fair valuation of Level 3 liabilities does not have a significant impact on the value.

(j) Maturity profile of financial liabilities based on undiscounted cash flows:

Particulars	Note	As at 31-3-2024			As at 31-3-2023			₹ crore
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total	
		A. Non-derivative liabilities:						
Borrowings	22, 26, 27	60775.18	66408.51	127183.69	60970.15	72218.41	133188.56	
Trade payables:								
Due to micro enterprises and small enterprises		995.75	22.96	1018.71	761.17	90.53	851.70	
Due to others	28	51532.67	741.50	52274.17	45918.99	3013.43	48932.42	
Other financial liabilities	23, 29	7151.78	134.67	7286.45	6988.43	88.77	7077.20	
Lease Liability		566.24	1839.90	2406.14	613.89	2077.52	2691.41	
Total		121021.62	69147.54	190169.16	115252.63	77488.66	192741.29	
B. Derivative liabilities:								
Forward contracts	23, 29	327.69	19.35	347.04	387.68	204.46	592.14	
Embedded derivatives	23, 29	41.64	–	41.64	43.81	5.42	49.23	
Total		369.33	19.35	388.68	431.49	209.88	641.37	

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

### NOTE [59] (contd.)

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

(i) Outstanding currency exchange rate hedge instruments:

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

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
(a) Receivable hedges:								
US Dollar	56596.51	86.59	29715.54	26880.97	52149.61	84.54	27679.70	24469.91
EURO	1554.78	93.16	1090.98	463.80	1115.30	91.19	892.35	222.95
Malaysian Ringgit	190.06	18.03	190.06	–	57.30	19.26	57.30	–
Omani Riyal	10.91	219.16	10.91	–	93.84	214.40	93.84	–
Arab Emirates Dirham	705.19	22.68	605.11	100.08	1018.03	22.66	1018.03	–
Japanese Yen	2674.33	0.56	1411.98	1262.35	1245.81	0.65	906.40	339.41
Kuwaiti Dinar	795.30	275.25	790.64	4.66	862.35	269.82	862.35	–
Qatari Riyal	1816.12	22.89	1777.62	38.50	1626.45	22.61	1496.29	130.16
Saudi Riyal	–	–	–	–	192.21	22.02	192.21	–
Thai Baht	22.93	2.43	22.93	–	2.97	2.41	2.97	–
(b) Payable hedges:								
US Dollar	16054.45	84.48	9582.47	6471.98	10956.64	81.25	9644.92	1311.72
EURO	19973.80	91.86	18515.09	1458.71	7288.29	89.53	6952.47	335.82
Qatari Riyal	120.39	22.87	120.39	–	183.24	22.54	183.24	–
Arab Emirates Dirham	562.70	22.85	562.70	–	219.97	22.43	219.97	–
British Pound	158.29	104.59	146.59	11.70	255.36	101.45	255.36	–
Japanese Yen	1152.07	0.56	1130.91	21.16	912.41	0.65	899.47	12.94
Kuwaiti Dinar	171.79	273.47	171.79	–	173.20	268.72	173.20	–
Swiss Franc	459.01	92.41	457.81	1.20	625.18	90.81	454.10	171.08
Chinese Yuan	17.86	11.75	17.86	–	78.95	12.09	78.95	–
Canadian Dollar	1.80	61.55	1.80	–	2.23	60.96	2.23	–

(B) Options taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
(a) Receivable hedges:								
US Dollar/Indian Rupees	848.63	<sup>(1)</sup>	402.56	446.07	1392.29	<sup>(1)</sup>	512.95	879.34
EURO/US Dollar	795.62	<sup>(1)</sup>	605.14	190.48	1244.45	<sup>(1)</sup>	666.05	578.40
US Dollar/EURO	169.08	<sup>(1)</sup>	169.08	–	623.02	<sup>(1)</sup>	449.33	173.69
US Dollar/British Pound	92.93	<sup>(1)</sup>	92.93	–	239.01	<sup>(1)</sup>	146.08	92.93
(b) Payable hedges:								
US Dollar/EURO	169.08	<sup>(1)</sup>	169.08	–	623.02	<sup>(1)</sup>	449.33	173.69
EURO/US Dollar	73.29	<sup>(1)</sup>	73.29	–	276.58	<sup>(1)</sup>	199.59	76.99
British Pound/US Dollar	39.91	<sup>(1)</sup>	39.91	–	109.60	<sup>(1)</sup>	69.69	39.91
US Dollar/British Pound	92.93	<sup>(1)</sup>	92.93	–	239.01	<sup>(1)</sup>	146.08	92.93

<sup>(1)</sup> The options contracts include a combination of calls and puts with different maturities and strike prices.



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

**NOTE [59] (contd.)**

(C) Forward covers taken to hedge exchange rate risk and accounted as fair value hedge:

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
(a) Receivable hedges:								
US Dollar	2347.53	83.39	2347.53	–	3637.97	82.57	3637.97	–
Canadian Dollar	–	–	–	–	6.63	60.26	6.63	–
British Pound	21.09	105.46	21.09	–	–	–	–	–
Australian Dollar	–	–	–	–	20.12	55.12	20.12	–
Norwegian Krone	–	–	–	–	3.15	7.86	3.15	–
EURO	285.74	90.71	285.74	–	104.79	89.19	104.79	–

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

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
(a) Receivable hedges:								
Arab Emirates Dirham	32.57	22.82	32.57	–	152.19	22.32	152.19	–
Saudi Riyal	194.58	22.28	194.58	–	–	–	–	–

(ii) Outstanding interest rate hedge instruments:

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

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (%)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (%)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Floating interest rate borrowings - INR	400.00	6.23	–	400.00	500.00	6.25	–	500.00

(B) Interest rate swaps taken to hedge interest rate risk and accounted as fair value hedge:

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (%)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (%)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Floating interest rate borrowings - INR	–	–	–	–	300.00	6.41	300.00	–

(iii) Outstanding commodity price hedge instruments:

(A) Commodity forward contract:

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Copper (Tn)	919.23	711972.13	919.23	–	538.65	713489.38	538.65	–
Aluminium (Tn) <sup>[1]</sup>	939.98	191859.90	930.05	9.93	790.08	281402.89	795.68	(5.60)
Iron Ore (Tn)	14.29	7309.80	6.95	7.34	22.84	7465.00	8.25	14.59
Coking Coal (Tn)	–	–	–	–	7.08	23586.00	7.08	–
Lead (Tn)	63.70	174699.52	63.70	–	7.55	171565.00	7.55	–
Nickel (Tn)	130.21	1778778.54	130.21	–	39.76	1893321.70	39.76	–

<sup>[1]</sup> Negative nominal amount represents sell position (net).

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

### NOTE [59] (contd.)

(B) Commodity option contract:

Particulars	As at 31-3-2024				As at 31-3-2023			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)
Aluminium (Tn)	112.48	<sup>(1)</sup>	112.48	–	283.04	<sup>(1)</sup>	283.04	–
Copper (Tn)	301.25	<sup>(1)</sup>	301.25	–	123.01	<sup>(1)</sup>	123.01	–

<sup>(1)</sup> The options contracts include a combination of calls and puts with different maturities and strike prices.

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

(A) Cash flow hedge:

Particulars	As at 31-3-2024			As at 31-3-2023		
	Currency exposure	Interest rate exposure	Commodity price exposure	Currency exposure	Interest rate exposure	Commodity price exposure
(i) Forward contracts						
(a) Current:						
Asset - Other financial assets	323.57	–	64.14	443.65	–	62.97
Liability - Other financial liabilities	278.93	–	36.86	333.49	–	15.40
(b) Non-current:						
Asset - Other financial assets	750.61	6.47	–	298.87	1.29	–
Liability - Other financial liabilities	13.90	–	–	201.61	–	–
(ii) Option contracts						
(a) Current:						
Asset - Other financial assets	40.10	–	13.60	42.53	–	25.05
Liability - Other financial liabilities	1.95	–	–	10.11	–	15.74
(b) Non-current:						
Asset - Other financial assets	2.67	–	–	27.67	–	–
Liability - Other financial liabilities	–	–	–	4.85	–	–

(B) Fair value hedge:

Particulars	As at 31-3-2024		As at 31-3-2023	
	Currency exposure	Interest rate exposure	Currency exposure	Interest rate exposure
Forward contracts				
(a) Current:				
Asset - Other financial assets	1.90	–	8.16	0.77
Liability - Other financial liabilities	4.28	–	1.67	–

(C) Net investment hedge:

Particulars	As at 31-3-2024	As at 31-3-2023
	Currency exposure	Currency exposure
Forward contracts		
(a) Current:		
Asset - Other financial assets	0.01	1.29
Liability - Other financial liabilities	0.38	1.87

(m) Breakup of cash flow hedging reserve and cost of hedging reserve:

Particulars	As at 31-3-2024		As at 31-3-2023	
	Cash flow hedging reserve	Cost of hedging reserve	Cash flow hedging reserve	Cost of hedging reserve
Balance towards continuing hedges	197.17	(4.67)	(0.73)	(4.77)
Balance for which hedge accounting discontinued	81.84	–	147.26	–
Total	279.01	(4.67)	146.53	(4.77)

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

**NOTE [59] (contd.)**

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

Particulars	₹ crore	
	2023-24	2022-23
(A) Future cash flows are no longer expected to occur:		
(i) Sales, administration and other expenses	0.64	3.89
(B) Hedged expected future cash flows affecting Profit or loss:		
(i) Progress billing	5.78	(207.79)
(ii) Revenue from operations	50.12	63.27
(iii) Manufacturing, construction and operating expenses	(60.09)	195.94
(iv) Finance costs	–	(185.03)
(v) Sales, administration and other expenses	118.16	146.72

(o) Movement of cash flow hedging reserve and cost of hedging reserve:

Cash flow hedging reserve	₹ crore	
	2023-24	2022-23
Opening balance	146.53	723.25
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedges	21.09	142.46
Changes in fair value of forward contracts designated as hedging instruments	344.80	(909.65)
Changes in intrinsic value of option contracts	13.51	(26.13)
Changes in fair value of swaps	(6.21)	82.94
Amount reclassified to Profit or Loss	(112.04)	(410.63)
Amount included in non-financial asset/liability	(1.58)	14.56
Amount included in progress billing in Balance Sheet	(5.78)	207.79
Translation adjustment	0.05	(0.01)
Taxes related to above	(121.36)	321.95
Closing balance	279.01	146.53

Cost of hedging reserve	₹ crore	
	2023-24	2022-23
Opening balance	(4.77)	(4.72)
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	(3.08)	(185.91)
Amount reclassified to Profit or Loss	3.21	185.84
Taxes related to above	(0.03)	0.02
Closing balance	(4.67)	(4.77)

**NOTE [60]**

Value of financial assets and inventories hypothecated as collateral for liabilities and/or commitments and/or contingent liabilities:

Particulars	₹ crore	
	As at 31-3-2024	As at 31-3-2023
Current:		
Investments	25.01	509.34
Inventories and trade receivables	9743.23	10467.21
Cash and cash equivalents	63.08	4423.91
Loans	30881.61	38288.80
Other assets	1510.36	680.45
Total inventories and current financial assets hypothecated as collateral	42223.29	54369.71
Non-current:		
Investments	1147.50	1008.17
Loans	42268.67	34390.91
Total non-current financial assets hypothecated as collateral	43416.17	35399.08

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

### NOTE [61]

Disclosure pursuant to Ind AS 116 "Leases":

(a) Where the Group is a lessor:

(i) Finance leases:

- A. Assets given under leases mainly include power plant where the Group has agreed to manufacture/construct an asset and convey, in substance, a right to the beneficiary to use the asset over a major part of its economic life, for a pre-determined consideration.
- B. Finance lease income recognised in the Statement of Profit and Loss: ₹ 966.49 crore (previous year: ₹ 1019.45 crore). Out of above, ₹ 895.71 crore (previous year: ₹ 945.83 crore) is on the net investment in finance lease and ₹ 70.78 crore (previous year: ₹ 73.62 crore) is income relating to variable lease payments not included in the measurement of the net investment in finance leases.
- C. Sub-lease income recognised on finance leases: ₹ Nil (previous year: ₹ 0.02 crore).
- D. The gross investment in these leases and the present value of minimum lease payments receivable are as under:

Sr. No.	Particulars	Minimum lease payments		Present value of minimum lease payments	
		As at	As at	As at	As at
		31-3-2024	31-3-2023	31-3-2024	31-3-2023
1	Receivable not later than 1 year	1291.51	1518.72	542.84	688.38
2	Receivable later than 1 year and not later than 2 years	1017.80	1291.51	244.98	477.36
3	Receivable later than 2 years and not later than 3 years	1008.68	1017.80	264.14	244.97
4	Receivable later than 3 years and not later than 4 years	1002.33	1008.68	288.43	264.14
5	Receivable later than 4 years and not later than 5 years	977.77	1002.33	296.39	288.43
6	Receivable later than 5 years	9470.75	10438.59	4973.20	5269.57
7	Unguaranteed residual value	990.36	990.36	990.36	990.36
8	Gross investment in leases (1+2+3+4+5+6+7)	15759.20	17267.99	7600.34	8223.21
9	Less: Unearned finance income	8158.86	9044.78		
10	Present value of minimum lease payments receivable (8-9)	7600.34	8223.21		
11	Less: Impairment [in Developmental Projects Segment]				
	Expected credit loss on lease receivables	1988.64	1988.64	1988.64	1988.64
	Net lease receivables (10-11)	5611.70	6234.57	5611.70	6234.57

E. Reconciliation of carrying amount of net investment in finance lease receivables:

Sr. No.	Particulars	₹ crore	
		2023-24	2022-23
1	Opening balance	6234.57	6558.43
2	Finance income/sub-lease income recognised during the year	895.71	945.85
3	Addition/(Deletion) to finance lease during the year	0.17	(28.40)
4	Lease rental received during the year	(1518.75)	(1241.73)
5	(Impairment)/(Expected credit loss)/reversal during the year	–	0.42
6	Closing balance (1+2+3+4+5)	5611.70	6234.57

(ii) Operating leases:

- A. The Group has given, on non-cancellable lease, certain assets such as buildings, plant & equipment, furniture & fixtures and vehicles. Leases are renewed only on mutual consent and at a prevalent market price and sub-lease is generally restricted.
- B. Operating lease income recognised in the Statement of Profit and Loss: ₹ 174.55 crore (previous year: ₹ 162.19 crore).
- C. Sub-lease income recognised on operating leases: ₹ 1.90 crore (previous year: ₹ 5.03 crore).

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

**NOTE [61] (contd.)**

D. Annual undiscounted lease payments receivable is as under:

		₹ crore	
Sr. No.	Particulars	As at 31-3-2024	As at 31-3-2023
1	Receivable not later than 1 year	95.13	94.31
2	Receivable later than 1 year and not later than 2 years	79.58	60.73
3	Receivable later than 2 years and not later than 3 years	71.07	44.01
4	Receivable later than 3 years and not later than 4 years	64.67	45.31
5	Receivable later than 4 years and not later than 5 years	58.12	45.00
6	Receivable later than 5 years	384.95	423.70
	Total (1+2+3+4+5+6)	753.52	713.06

(b) Where the Group is a lessee:

- (i) The Group has taken on lease various assets such as plant & equipment, buildings, furniture & fixtures, vehicles and computers. Generally, leases are renewed only on mutual consent and at a prevalent market price.
- (ii) The Group during the year has leased out surplus capacity in leased assets and has accounted an income of ₹ 1.90 crore (previous year: ₹ 5.05 crore) on such sub-leases.
- (iii) Details with respect to right-of-use assets:

Class of asset	Depreciation for the year		Additions during the year		Carrying amount	
	2023-24	2022-23	2023-24	2022-23	As at 31-3-2024	As at 31-3-2023
	Land	23.68	21.51	13.72	106.16	426.33
Buildings	464.36	420.65	776.29	529.52	1846.44	1671.96
Plant & equipment	18.73	27.03	1.06	22.13	10.71	28.37
Furniture & fixtures	0.83	1.67	-	-	-	1.81
Vehicles	0.14	0.07	6.08	-	5.93	-
Computers	0.34	0.59	-	-	-	0.34
Total	508.08	471.52	797.15	657.81	2289.41	2137.87

- (iv) Interest expense on lease liabilities amounts to ₹ 167.21 crore (previous year: ₹ 158.10 crore)
- (v) Amounts not included in the measurement of the lease liability and recognised as expense in the Statement of Profit and Loss during the year are as follows:
  - A. Short term leases - ₹ 5634.83 crore (previous year: ₹ 3858.54 crore);
  - B. Low value leases - ₹ 75.90 crore (previous year: ₹ 79.90 crore)
- (vi) Total cash outflow for leases amounts to ₹ 5496.32 crore (previous year: ₹ 4454.14 crore) during the year including cash outflow of short term and low value leases.
- (vii) The Group has entered into certain lease agreements, which had not commenced by the year end and as a result, a lease liability and right-of-use asset has not been recognised. The aggregate future cash flows to which the Group is exposed in respect of these contracts are:

Fixed payments of ₹ 16.20 crore (previous year: ₹ 8.85 crore) per year, for a lease term of 5 years (previous year: 5.25 years)



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

### NOTE [62]

Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31-3-2024:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
<b>Parent company</b>								
Larsen and Toubro Limited	74.59%	64416.04	71.25%	9304.33	(19.62%)	(46.25)	69.64%	9258.08
<b>Indian Subsidiaries</b>								
<b>Infrastructure:</b>								
Hi-Tech Rock Products and Aggregates Limited	0.03%	23.77	0.00%	0.34	—	—	0.00%	0.34
L&T Geostructure Private Limited	0.51%	443.61	0.54%	70.18	0.14%	0.34	0.53%	70.52
L&T Infrastructure Engineering Limited	—	—	(0.04%)	(5.16)	—	—	(0.04%)	(5.16)
<b>Energy:</b>								
L&T Energy Hydrocarbon Engineering Limited	0.12%	106.27	0.21%	27.00	(0.14%)	(0.33)	0.20%	26.67
L&T Offshore Private Limited <sup>[a]</sup>	0.00%	0.00	(0.00%)	(0.03)	—	—	(0.00%)	(0.03)
L&T Energy Green Tech Limited <sup>[b]</sup>	0.06%	52.44	0.00%	0.22	—	—	0.00%	0.22
<b>Hi-Tech Manufacturing:</b>								
L&T Electrolysers Limited	0.02%	21.14	(0.23%)	(29.92)	0.00%	0.01	(0.22%)	(29.91)
<b>IT &amp; Technology Services:</b>								
LTIMindtree Limited	22.35%	19298.47	34.35%	4485.86	205.75%	484.95	37.39%	4970.81
L&T Technology Services Limited	5.85%	5051.10	9.64%	1258.50	17.65%	41.60	9.78%	1300.10
L&T Thales Technology Services Private Limited	0.09%	78.10	0.08%	9.95	0.11%	0.27	0.08%	10.22
L&T Network Services Private Limited	0.01%	9.09	0.00%	0.23	—	—	0.00%	0.23
L&T Semiconductor Technologies Limited	(0.02%)	(13.77)	(0.18%)	(23.32)	—	—	(0.18%)	(23.32)
<b>Financial Services:</b>								
L&T Finance Limited <sup>[c]</sup>	26.86%	23194.96	17.51%	2286.23	2.64%	6.22	17.24%	2292.45
L&T Infra Investment Partners Advisory Private Limited	0.03%	28.82	0.03%	3.67	(0.00%)	(0.01)	0.03%	3.66
L&T Infra Investment Partners Trustee Private Limited	0.00%	0.10	0.00%	0.00	—	—	0.00%	0.00
L&T Financial Consultants Limited	0.44%	379.85	0.19%	25.28	0.01%	0.02	0.19%	25.30
Mudit Cement Private Limited	—	—	(0.00%)	(0.27)	—	—	(0.00%)	(0.27)
L&T Infra Investment Partners (The Fund)	0.23%	198.62	(0.06%)	(7.42)	—	—	(0.06%)	(7.42)
<b>Developmental Projects:</b>								
L&T Metro Rail (Hyderabad) Limited	1.66%	1433.64	(4.25%)	(555.04)	0.02%	0.05	(4.17%)	(554.99)
L&T Himachal Hydropower Limited	(0.00%)	(1.78)	(0.00%)	(0.24)	—	—	(0.00%)	(0.24)
L&T Power Development Limited	3.11%	2689.98	(0.02%)	(2.39)	—	—	(0.02%)	(2.39)
Nabha Power Limited	5.54%	4784.22	3.06%	399.53	0.25%	0.59	3.01%	400.12
<b>Realty:</b>								
Chennai Vision Developers Private Limited	(0.00%)	(0.04)	(0.00%)	(0.01)	—	—	(0.00%)	(0.01)
Elevated Avenue Realty LLP <sup>[d]</sup>	0.43%	372.94	(1.69%)	(220.05)	—	—	(1.66%)	(220.05)
L&T Parel Project Private Limited	0.34%	297.53	0.27%	34.64	—	—	0.26%	34.64
L&T Realty Developers Limited	1.26%	1090.49	1.83%	238.68	0.02%	0.05	1.80%	238.73

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

**NOTE [62] (contd.)**

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
L&T Seawoods Limited	3.01%	2600.19	2.53%	330.70	0.03%	0.07	2.49%	330.77
L&T Westend Project LLP	—	—	—	—	—	—	—	—
Prime Techpark (Chennai) Private Limited	0.00%	0.02	(0.00%)	(0.03)	—	—	(0.00%)	(0.03)
Avenue Techpark (Bangalore) Private Limited	0.00%	0.03	(0.00%)	(0.02)	—	—	(0.00%)	(0.02)
Bangalore Spectrum Techpark Private Limited	0.00%	0.05	(0.00%)	(0.00)	—	—	(0.00%)	(0.00)
Bangalore Galaxy Techpark Private Limited	0.00%	0.05	(0.00%)	(0.00)	—	—	(0.00%)	(0.00)
Chennai Nova Techpark Private Limited	0.00%	0.04	(0.00%)	(0.01)	—	—	(0.00%)	(0.01)
Business Park (Powai) Private Limited	0.00%	1.89	(0.00%)	(0.16)	—	—	(0.00%)	(0.16)
Millennium Techpark (Chennai) Private Limited	0.00%	0.04	(0.00%)	(0.01)	—	—	(0.00%)	(0.01)
Bangalore Fortune Techpark Private Limited	0.00%	0.03	(0.00%)	(0.02)	—	—	(0.00%)	(0.02)
Corporate Park (Powai) Private Limited	0.00%	2.04	(0.00%)	(0.01)	—	—	(0.00%)	(0.01)
LH Residential Housing Private Limited <sup>(e)</sup>	(0.01%)	(10.31)	(0.08%)	(10.41)	—	—	(0.08%)	(10.41)
LH Uttaraayan Premium Realty Private Limited	0.00%	0.05	(0.00%)	(0.00)	—	—	(0.00%)	(0.00)
<b>Valves, Construction Equipment and Others:</b>								
L&T Construction Equipment Limited	0.28%	244.09	0.27%	35.09	(0.85%)	(2.01)	0.25%	33.08
L&T Valves Limited	0.62%	534.67	0.40%	52.79	(0.07%)	(0.16)	0.40%	52.63
<b>Others:</b>								
Bhilai Power Supply Company Limited	0.00%	0.05	(0.00%)	(0.00)	—	—	(0.00%)	(0.00)
L&T Aviation Services Private Limited	0.04%	38.06	0.01%	1.64	—	—	0.01%	1.64
L&T Capital Company Limited	0.00%	4.22	0.01%	0.88	—	—	0.01%	0.88
<b>Foreign Subsidiaries</b>								
<b>Infrastructure:</b>								
Larsen & Toubro (Oman) LLC	0.48%	414.99	0.33%	43.49	6.80%	16.02	0.45%	59.51
Larsen & Toubro Qatar LLC	(0.00%)	(0.87)	(0.00%)	(0.05)	(0.00%)	(0.01)	(0.00%)	(0.06)
Larsen & Toubro Saudi Arabia LLC	0.84%	728.46	1.50%	195.97	(10.31%)	(24.31)	1.29%	171.66
Larsen & Toubro T&D SA (Proprietary) Limited	0.00%	3.50	0.00%	0.26	(0.08%)	(0.19)	0.00%	0.07
Larsen & Toubro (East Asia) Sdn. Bhd.	0.02%	15.84	0.08%	11.10	(0.18%)	(0.43)	0.08%	10.67
PT Larsen and Toubro	0.01%	11.38	(0.03%)	(4.52)	(0.24%)	(0.56)	(0.04%)	(5.08)
Larsen & Toubro International FZE	1.21%	1042.68	5.59%	729.78	2.33%	5.49	5.53%	735.27

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

### NOTE [62] (contd.)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
<b>Energy:</b>								
Larsen & Toubro Heavy Engineering LLC	(0.18%)	(159.18)	(0.13%)	(16.33)	(0.95%)	(2.24)	(0.14%)	(18.57)
L&T Modular Fabrication Yard LLC	0.32%	280.04	0.32%	42.02	1.40%	3.30	0.34%	45.32
Larsen Toubro Arabia LLC	(0.08%)	(69.36)	0.59%	76.59	(0.53%)	(1.24)	0.57%	75.35
L&T Hydrocarbon Saudi Company	(0.62%)	(534.94)	0.65%	84.80	(17.29%)	(40.74)	0.33%	44.06
Larsen & Toubro Kuwait Construction General Contracting Co. W.L.L.	0.01%	10.13	0.00%	0.05	0.05%	0.12	0.00%	0.17
Larsen & Toubro Electromech LLC	0.03%	23.99	0.80%	105.12	0.12%	0.29	0.79%	105.41
<b>IT &amp; Technology Services:</b>								
LTIMindtree Information Technology Services (Shanghai) Co., Ltd <sup>[i]</sup>	0.00%	3.42	0.02%	3.10	(0.01%)	(0.03)	0.02%	3.07
LTIMindtree Financial Services Technologies Inc.	0.64%	550.00	0.99%	129.77	1.63%	3.85	1.01%	133.62
LTIMindtree Canada Limited	0.11%	98.36	0.21%	27.16	0.27%	0.64	0.21%	27.80
LTIMindtree LLC	0.01%	6.45	(0.00%)	(0.33)	0.04%	0.10	(0.00%)	(0.23)
LTIMindtree South Africa (Pty) Limited	0.03%	29.31	0.06%	8.39	(0.55%)	(1.29)	0.05%	7.10
LTIMindtree GmbH	0.47%	403.79	0.00%	0.44	(0.04%)	(0.09)	0.00%	0.35
LTIMindtree Spain S.L. <sup>[g]</sup>	0.00%	2.12	0.01%	0.86	0.00%	0.01	0.01%	0.87
LTIMindtree Norge AS	0.02%	14.17	0.02%	2.45	(0.14%)	(0.33)	0.02%	2.12
LTIMindtree S.De.RL.De.C.V.	0.02%	13.59	0.03%	3.94	0.40%	0.94	0.04%	4.88
LTIMindtree S.A. <sup>[h]</sup>	0.03%	29.43	0.08%	10.26	0.03%	0.08	0.08%	10.34
Syncordis France SARL	(0.01%)	(8.01)	(0.03%)	(4.11)	(0.01%)	(0.03)	(0.03%)	(4.14)
Syncordis Limited	(0.08%)	(70.13)	(0.15%)	(19.76)	(0.76%)	(1.80)	(0.16%)	(21.56)
LTIMindtree PSF S.A. <sup>[i]</sup>	0.04%	35.57	(0.05%)	(6.80)	0.08%	0.20	(0.05%)	(6.60)
Nielsen+Partner Unternehmensberater GmbH	0.01%	5.25	(0.02%)	(2.25)	(0.05%)	(0.11)	(0.02%)	(2.36)
LTIMindtree Swizerland AG <sup>[i]</sup>	(0.05%)	(44.38)	(0.35%)	(45.58)	0.31%	0.72	(0.34%)	(44.86)
Nielsen+Partner Pte Ltd	(0.05%)	(40.27)	(0.18%)	(23.76)	(0.02%)	(0.05)	(0.18%)	(23.81)
LTIMindtree (Thailand) Limited <sup>[k]</sup>	(0.00%)	(3.64)	(0.01%)	(1.19)	0.10%	0.24	(0.01%)	(0.95)
Nielsen&Partner Pty Ltd	(0.01%)	(10.94)	(0.02%)	(3.14)	0.06%	0.15	(0.02%)	(2.99)
LTIMindtree USA Inc <sup>[l]</sup>	(0.00%)	(0.52)	(0.00%)	(0.01)	(0.02%)	(0.04)	(0.00%)	(0.05)
L&T Technology Services LLC	0.46%	397.64	0.26%	33.66	0.53%	1.26	0.26%	34.92
L&T Technology Services Pte. Ltd.	0.00%	0.33	(0.00%)	(0.11)	–	–	(0.00%)	(0.11)
Graphene Solutions SDN. BHD.	0.00%	0.07	(0.00%)	(0.04)	(0.00%)	(0.01)	(0.00%)	(0.05)
Graphene Solutions Taiwan Limited	0.00%	0.05	(0.00%)	(0.11)	–	–	(0.00%)	(0.11)
L&T Technology Services (Shanghai) Co. Ltd.	0.01%	4.49	0.00%	0.42	(0.06%)	(0.13)	0.00%	0.29
LTIMindtree UK Limited	0.06%	52.03	0.15%	19.98	0.52%	1.22	0.16%	21.20
LTIMindtree Middle East FZ-LLC	0.04%	33.60	0.00%	0.56	0.21%	0.50	0.01%	1.06
L&T Technology Services (Canada) Ltd	(0.00%)	(2.28)	(0.01%)	(1.42)	(0.00%)	(0.01)	(0.01%)	(1.43)
Cuelogic Technologies Inc.	–	–	(0.00%)	(0.04)	–	–	(0.00%)	(0.04)

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

**NOTE [62] (contd.)**

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
L&T Technology Services Poland spółka z ograniczoną odpowiedzialnością	—	—	—	—	—	—	—	—
<b>Valves, Construction Equipment and Others:</b>								
L&T Valves Arabia Manufacturing LLC	0.00%	2.80	(0.05%)	(6.29)	0.04%	0.09	(0.05%)	(6.20)
L&T Valves USA LLC	0.01%	7.98	0.00%	0.29	0.05%	0.12	0.00%	0.41
<b>Others:</b>								
L&T Global Holdings Limited	0.77%	662.12	1.40%	182.22	4.16%	9.80	1.44%	192.02
<b>Total Subsidiaries</b>		<b>66893.82</b>		<b>9983.73</b>		<b>503.16</b>		<b>10486.89</b>
<b>Non-controlling Interest in all subsidiaries</b>	(18.75%)	(16190.42)	(19.05%)	(2487.99)	(72.85%)	(171.71)	(20.01%)	(2659.70)
<b>Indian Associates</b>								
Gujarat Leather Industries Limited	—	—	—	—	—	—	—	—
Magtorq Private Limited	0.01%	7.40	0.01%	1.01	—	—	0.01%	1.01
Magtorq Engineering Solutions Private Limited	0.00%	0.37	(0.00%)	(0.10)	—	—	(0.00%)	(0.10)
<b>Foreign Associates</b>								
Larsen & Toubro Qatar & HBK Contracting Co. WLL	(0.00%)	(4.30)	—	—	(0.09%)	(0.22)	(0.00%)	(0.22)
L&T Camp Facilities LLC	(0.00%)	(0.59)	(0.00%)	(0.01)	(0.00%)	(0.01)	(0.00%)	(0.02)
<b>Total Associates</b>		<b>2.88</b>		<b>0.90</b>		<b>(0.23)</b>		<b>0.67</b>
<b>Indian Joint Ventures</b>								
<b>Energy:</b>								
L&T - MHI Power Boilers Private Limited	0.90%	775.43	(0.12%)	(15.77)	0.99%	2.34	(0.10%)	(13.43)
L&T - MHI Power Turbine Generators Private Limited	0.19%	163.19	(0.08%)	(10.86)	0.25%	0.60	(0.08%)	(10.26)
L&T Howden Private Limited	0.10%	82.35	0.10%	13.66	(0.00%)	(0.00)	0.10%	13.66
L&T-Sargent & Lundy Limited	0.04%	37.25	0.07%	9.11	0.03%	0.07	0.07%	9.18
L&T Offshore Private Limited <sup>(a)</sup>	—	—	(0.00%)	(0.27)	—	—	(0.00%)	(0.27)
L&T Sapura Shipping Private Limited	0.12%	103.13	(0.19%)	(24.43)	0.72%	1.70	(0.17%)	(22.73)
<b>Hi-Tech Manufacturing:</b>								
L&T Special Steels and Heavy Forgings Private Limited [The Group's funded exposure (net of impairment) is nil, and hence no further losses recognised]	(2.26%)	(1954.73)	—	—	—	—	—	—
L&T MBDA Missile Systems Limited	0.11%	93.94	0.02%	3.02	—	—	0.02%	3.02
<b>Developmental Projects:</b>								
L&T Infrastructure Development Projects Limited (Consolidated) [Equity accounting discontinued post classification as Held for Sale, Note 45(a)]	0.81%	701.67	—	—	—	—	—	—
GH4India Private Limited	(0.00%)	(0.37)	(0.01%)	(1.37)	—	—	(0.01%)	(1.37)

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

### NOTE [62] (contd.)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
<b>Others:</b>								
Raykal Aluminium Company Private Limited	(0.00%)	(0.65)	(0.00%)	(0.01)	–	–	(0.00%)	(0.01)
<b>Foreign Joint Ventures</b>								
<b>Energy:</b>								
Indiran Engineering Projects & Systems Kish PJSC	0.00%	0.05	0.00%	0.12	0.01%	0.02	0.00%	0.14
Hydrocarbon Arabia Limited Company	(0.00%)	(0.04)	(0.01%)	(0.70)	–	–	(0.01%)	(0.70)
<b>Infrastructure:</b>								
L&T Infrastructure Engineering Limited and LEA Associates South Asia Private Limited JV LLP	–	–	0.03%	3.98	–	–	0.03%	3.98
<b>Total Joint Ventures</b>		1.22		(23.52)		4.73		(18.79)
CFS adjustment and elimination	(33.29%)	(28764.30)	(28.46%)	(3718.34)	(22.89%)	(54.00)	(28.37%)	(3772.34)
<b>Total</b>		86359.24		13059.11		235.70		13294.81

<sup>[a]</sup> formerly known as L&T Sapura Offshore Private Limited

<sup>[b]</sup> formerly known as L&T Power Limited

<sup>[c]</sup> formerly known as L&T Finance Holdings Limited

<sup>[d]</sup> formerly known as L&T Avenue Realty LLP

<sup>[e]</sup> formerly known as LH Residential Housing Limited

<sup>[f]</sup> formerly known as L&T Information Technology Services (Shanghai) Co., Ltd

<sup>[g]</sup> formerly known as L&T Information Technology Spain SL

<sup>[h]</sup> formerly known as Syncordis S.A.

<sup>[i]</sup> formerly known as Syncordis PSF S.A.

<sup>[j]</sup> formerly known as Nielsen+Partner Unternehmensberater AG

<sup>[k]</sup> formerly known as Nielsen & Partner Company Limited

<sup>[l]</sup> formerly known as Lymbyc Solutions Inc.

### NOTE [63]

a) Notes with respect to remarks in CARO Report:

- (i) During the year, the Parent Company renewed both shareholder and bridge loans of ₹ 303.50 crore to L&T Sapura Shipping Private Limited (LTSSPL), a subsidiary<sup>[1]</sup>, 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) In respect of L&T Seawoods Limited:
  - a) The payment of interest of ₹ 1.53 crore on the loan given by L&T Seawoods Limited, a subsidiary, to Elevated Avenue Realty LLP, a subsidiary, has been paid with a delay. There was no overdue as at March 31, 2024.
  - b) Erstwhile L&T Innovation Campus (Chennai) Limited (merged with L&T Seawoods Limited), a subsidiary, has not repaid the loan given by L&T Realty Developers Limited (LTRDL), a subsidiary, of ₹ 55.11 crore and interest thereon of ₹ 1.53 crore on its due date due to delay in generation of internal accruals and it remained unpaid as on March 31, 2024. Further, during the year, interest of ₹ 4.84 crore has been paid with a delay.
- (iii) During the year, the LTRDL renewed the loans aggregating to ₹ 73.51 crore given to erstwhile L&T Innovation Campus (Chennai) Limited (merged with L&T Seawoods Limited) of ₹ 55.11 crore and LH Residential Housing Limited, a subsidiary of ₹ 18.40 crore due to insufficient funds.
- (iv) L&T Special Steels and Heavy Forgings Private Limited (LTSSHF), a subsidiary<sup>[1]</sup>, has not repaid the loan and net interest thereon aggregating to ₹ 2210.03 crore to its promoters, viz Larsen & Toubro Limited of ₹ 2071.53 crore and Nuclear Power Corporation of India Limited of ₹ 138.50 due to insufficient funds. LTSSHF is in discussion with its promoters for exploring options to restructure its balance sheet.

<sup>[1]</sup> Subsidiary classification is in accordance with the Companies Act, 2013

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

**NOTE [63] (contd.)**

- b) Miscellaneous expenses under the heading Sales, administration and other expenses [Note 38] during the year include contribution paid to a Trust: ₹ 200.00 crore (previous year: Nil).
- c) Balance outstanding with struck off companies:

						₹ crore
Sr. No.	Name of 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	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
8	Acrp Infracon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
9	Active Brain Infra Engg Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
10	Adm Infracon India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
11	Advance Mep Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
18	Alert Infraprojects Private Limited	Accounts Payables	NA	–	0.01	
19	Alias Management Marketing Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
20	Alpana Buildtech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
21	Alufascia Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
25	Antilia Facility Management Private Limited	Accounts Payables	NA	0.15	0.15	
26	Arj Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
27	Artisans Design & Build Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
28	Ashok Balyan Infra Project Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
29	AT & LS Private Limited.	Accounts Payables	NA	0.02	0.02	
30	Atlantic Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
31	Aura Metlab Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
32	Auskini Infraqp Private Limited	Accounts Payables	NA	0.12	0.12	
33	Avn Green Technologies Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
34	Ayurda Millennium Ventures Private Limited	Accounts Payables	NA	0.04	0.04	



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

### NOTE [63]

c) Balance outstanding with struck off companies: (contd.)

						₹ crore
Sr. No.	Name of 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	
35	B K Equipments Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
36	Baba Balaknathji Entertainment Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	
37	Bennett Coleman And Company Limited	Accounts Payables	NA	0.02	–	
38	Bindra Evolutiion Enterprises Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
39	Blueman Construction Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
46	Care Infra Engineers Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
47	Chandrawati Power Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
48	Cheyuta Infrasturcture Private Limited	Accounts Payables	NA	0.03	0.03	
49	Cmi Limited	Accounts Payables	NA	– <sup>(1)</sup>	0.12	
50	Creo Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
51	Csk Engineering And Construction Private Limited	Accounts Payables	NA	0.02	0.02	
52	Csp Constructions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
53	D.B.Constructions Private Limited	Accounts Payables	NA	0.28	0.28	
54	Ddsabi Global Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
55	Deepak Singh Chouhan Construction Private Limited	Accounts Payables	NA	0.01	0.01	
56	Devine Devbuild Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
57	Dhanamjay Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
58	Dhiren Construction India Private Limited	Accounts Payables	NA	0.02	0.02	
59	Dimensions India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
60	Dipl Construction Private Limited	Accounts Payables	NA	0.10	0.10	
61	Divaaah Adya Facility Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
62	Dne Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
63	Dv Procon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
64	Dwarkesh Buildcom Private Limited	Accounts Payables	NA	0.06	0.06	
65	Dynastyraj Infrastructure Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
66	Edgecon Engineering Projects Private Limited	Accounts Payables	NA	0.13	0.13	

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

**NOTE [63]**

c) Balance outstanding with struck off companies: (contd.)

						₹ crore
Sr. No.	Name of 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	
67	Elena Management & Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
68	Energie Shine Engineering Solution Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	– <sup>(1)</sup>	– <sup>(1)</sup>	
72	Expeditive Infotech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
73	Fairmans Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
74	Faithful Creator Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
75	Farhad Interior And Exterior Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
76	Filtm Online Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
77	Friends Civil Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
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	Global Engineering & Marketing Services Private Limited	Accounts Payables	NA	0.05	0.05	
82	Gnxt Energy Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
83	Gogreen Facility Management Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
84	Goldentree Facility Management Private Limited	Accounts Payables	NA	–	–	
85	Gulba Topographical Surveyors Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
86	H M Brothers Limited	Accounts Payables	NA	0.03	0.03	
87	Ham Constructions & Engineering Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
88	Harhar Mahadev Infra Developer Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
89	Honeyed Engineering Private Limited OPC	Accounts Payables	NA	0.04	0.04	
90	Hsb Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
91	Hudor Projects India Private Limited	Accounts Payables	NA	0.03	0.03	
92	Ifensys Software Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
93	Imperium Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
94	Indco Engineers & Contractors Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
95	Infisoft India Technology Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
96	Infra American India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
97	Inl-Intech India Automation Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
98	Innovations Events And Entertainment Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	

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

### NOTE [63]

c) Balance outstanding with struck off companies: (contd.)

₹ crore					
Sr. No.	Name of 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
99	Inox India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
100	Isha Heights And Silos Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
101	Janatha Readymix Concrete India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
102	Jatra Services India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
103	Jbs Estcon Private Limited	Accounts Payables	NA	0.13	0.13
104	Jodhpur Infra-Con Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
105	Jps Engineering Private Limited	Accounts Payables	NA	0.06	0.06
106	Jrc Biuildcon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
107	Kazmi And Sons Builders Private Limited	Accounts Payables	NA	0.07	0.07
108	Kegan Constructions Private Limited	Accounts Payables	NA	0.03	0.03
109	Kishley Constructions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
110	Kissan Land Promoters Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
111	Kiwi Projects Private Limited	Accounts Payables	NA	0.03	0.03
112	Knight Engineers Contractors & Consultants Private Limited	Accounts Payables	NA	0.02	0.02
113	Kolkata Industrial Security Service Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
114	Ktek Level Engg Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
115	Lakshman Singh Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
116	Lanster Developer Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
117	Laxmi Infra Eng Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
118	L-Upd-Saubha-Auraiya Dehat And Kanpurnagar DvvnI	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
119	Ganga Mechanical Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
120	Mangalam Consultancy Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
121	Manha Earthcon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
122	Manish Duggal Telecom Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	–
123	Mars Dsp Waves Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
124	Marvel Technicals Sales And Service Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
125	Mass Ventures Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
126	Maurya Devbuild Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
127	Maxtel Constructions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
128	Maxx Ultra Conchem Opc Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
129	Mecavo (R&D) Private Limited	Accounts Payables	NA	–	-0.04
130	Mecvil Infracon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
131	Mei Engineers Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
132	MSP Develco Private Limited	Accounts Payables	NA	0.01	0.01
133	Muskan Techno Engineering Construction Private Limited	Accounts Payables	NA	0.07	0.07
134	Nap Energy And Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	–

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

**NOTE [63]**

c) Balance outstanding with struck off companies: (contd.)

Sr. No.	Name of struck off company	Nature of transaction	Relationship with the struck off company	₹ crore	
				Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
135	Narshimha Buildtech Private Limited	Accounts Payables	NA	0.03	0.03
136	Nevil Consultancy Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
137	New Proponent Security Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
138	Nexgen Transcom Private Limited	Accounts Payables	NA	0.04	0.04
139	Nirmal Aircon Private Limited	Accounts Payables	NA	0.03	0.04
140	Nirmal Sai Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
141	Normet India Private Limited	Accounts Payables	NA	7.02	7.47
142	Nstech International Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>
143	Om Pranav Infrastructure Engineering Private Limited	Accounts Payables	NA	0.02	0.01
144	Om Sai Project Developers And Engineers Private Limited	Accounts Payables	NA	0.05	0.05
145	Onella Visions Private Limited	Accounts Payables	NA	0.01	0.01
146	Opti Tech Infra Projects India Opc Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
147	Orsang Infotech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
148	PAF Infrastructure Private Limited	Accounts Payables	NA	0.03	0.03
149	Paradisegarden Infraproject Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
150	Paramshiv Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
151	Parim Infocomm Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
152	Peass Infra Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	0.01
153	Perfect Office Systems Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	–
154	Petrichor Emerging Technologies India Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>
155	Pinak Security & Management Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
156	Pioneer Tech Engineering Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
157	Posorbis Infrastructure Private Limited	Accounts Payables	NA	0.02	0.03
158	Priyanka Managment Solution (India) Private Limited	Accounts Payables	NA	0.50	0.50
159	Probus Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
160	Purma Plast Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
161	R B C Bearings Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
162	R Square E Service Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
163	Raas Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
164	Ramakrishna Power Tech Private Limited	Accounts Payables	NA	0.33	0.33
165	Rani Aishwarya Infracon Private Limited	Accounts Payables	NA	0.01	0.01
166	Rattiputra Construction Private Limited	Accounts Payables	NA	0.01	0.01
167	Real Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
168	Real Tech Engineering And Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>

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

### NOTE [63]

c) Balance outstanding with struck off companies: (contd.)

Sr. No.	Name of struck off company	Nature of transaction	Relationship with the struck off company	₹ crore	
				Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
169	Realsharp Infraatech Services Private Limited	Accounts Payables	NA	0.01	0.01
170	RGK Infracon Private Limited	Accounts Payables	NA	0.18	0.18
171	Riccardo Readymix And Infra Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
172	Rk Build Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
173	RK Gautam Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
174	Rockhard Infrastructure Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
175	Roshan Tradevision Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
176	Roy Management And Information Technology Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
177	Rpnr Concrete Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
178	S K Modern Construction & Engineering Private Limited	Accounts Payables	NA	0.10	0.10
179	S S D N Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
180	S V Infraproperties Private Limited	Accounts Payables	NA	0.04	0.04
181	Safety And Environment Education For Development Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
182	Sahu Infrastructure Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
183	Sai Ashray Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
184	Sampada Infratech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
185	Samrat Fabrication And Construction Private Limited.	Accounts Payables	NA	– <sup>(1)</sup>	0.02
186	Savitri Infrastrcuture Private Limited	Accounts Payables	NA	0.02	0.02
187	Sbh Shoring Systems Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
188	Sce Global Steel And Facade Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
189	Scotnix Solution Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
190	Set Sanayi Elektrik-Tesisat Taahhut Ve Ticaret India Private Limited	Accounts Payables	NA	0.02	0.02
191	Shahid Engineers & Contractors Private Limited	Accounts Payables	NA	0.02	0.02
192	Sharma Infrabuild Private Limited	Accounts Payables	NA	0.05	0.05
193	Sheoveena Construction Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
194	Shravani Environment Technology Private Limited	Accounts Payables	NA	0.03	0.03
195	Shree Kranti Infracon Private Limited	Accounts Payables	NA	0.23	0.26
196	Shreeji Home Infra Private Limited	Accounts Payables	NA	0.03	0.03
197	Shreya Infra Venture Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
198	Shri Vedika Engineering Private Limited	Accounts Payables	NA	0.09	0.02
199	Sieat Consultancy Private Limited	Accounts Payables	NA	0.04	0.04
200	Sikar Trading And Contracting Private Limited	Accounts Payables	NA	0.04	0.04
201	Silk Route Infrastructure Private Limited	Accounts Payables	NA	0.05	0.05

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

**NOTE [63]**

c) Balance outstanding with struck off companies: (contd.)

						₹ crore
Sr. No.	Name of 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	
202	Soul And Mind Concrete System Private Limited	Accounts Payables	NA	0.07	0.07	
203	Sri Abs Lakshn Projects Private Limited	Accounts Payables	NA	0.03	0.10	
204	Star Wire (India) Limited	Accounts Payables	NA	0.02	0.03	
205	Stellent Engineering Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
206	Sublime Contractors Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
207	Sudha Rehabs And Hospitality Private Limited	Accounts Payables	NA	0.01	0.01	
208	Suhashini Infra Engineering Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
209	Sukita Security And Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
210	Sumera Builders & Developers Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
211	Supreme Housekeeping Services Private Limited	Accounts Payables	NA	0.06	0.06	
212	Sv Engineering And Contracting Services Private Limited	Accounts Payables	NA	0.03	0.03	
213	Swadesh Energy Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
214	Swadeshi Buildtrade Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
215	Swift Equipments Private Limited	Accounts Payables	NA	0.01	0.01	
216	Techcon Chemicals Private Limited	Accounts Payables	NA	0.08	–	
217	Techno Power Constructions Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	
218	Tej Infrapromoters Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	
219	Telmax Construction Private Limited	Accounts Payables	NA	0.02	0.02	
220	Terra Firma Promoters & Developers Private Limited	Accounts Payables	NA	0.07	0.07	
221	Texsa India Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
222	Thakurai Engineering Private Limited	Accounts Payables	NA	0.15	0.15	
223	Thought Zone Consulting Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
224	Threess Innovative Tech India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
225	Timely Developers Consultants Private Limited	Accounts Payables	NA	0.02	0.02	
226	TMM Industries Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
227	Torobuild Constructions Opc Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	–	
228	Triplex Builders Private Limited	Accounts Payables	NA	0.04	0.04	
229	Trunk Facility Management Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
230	Tumbi Office Systems Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
231	Ukr Infra Private Limited	Accounts Payables	NA	0.02	0.02	
232	Ultra-Tech Concretes Works Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
233	Umansh Infracon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	



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

### NOTE [63]

c) Balance outstanding with struck off companies: (contd.)

						₹ crore
Sr. No.	Name of 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	
234	Unique Fabricators & Erectors Private Limited	Accounts Payables	NA	0.03	0.03	
235	Utech Infracon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
236	Vaigunthaa Infra Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	
237	Vams Construction Private Limited	Accounts Payables	NA	0.13	0.13	
238	Vansh Infracolution Private Limited	Accounts Payables	NA	0.10	0.10	
239	Varad Infra Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
240	Vardhman Trading Co. Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
241	Vee Gee Yem Engineers India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
242	Veekay Engineering India Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
243	Vertex Realtech Infra Private Limited	Accounts Payables	NA	0.50	0.50	
244	Victory Engineering India Private Limited	Accounts Payables	NA	0.10	0.10	
245	Victra Constructions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
246	Vishnuvedanga Infra-Tech Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
247	Vishwa Infracore & Projects Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
248	Vissa Engineering Private Limited	Accounts Payables	NA	0.02	0.02	
249	Vk Management Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	0.17	
250	Walls Infra Solution Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
251	White Vibes Private Limited	Accounts Payables	NA	0.19	0.19	
252	Wipo Teleservices Private Limited	Accounts Payables	NA	0.03	0.03	
253	Yashas Frp Manufacturing Private Limited	Accounts Payables	NA	0.05	0.05	
254	Ye Power Transmission Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
255	Z Rose Constructions & Interiors Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
256	Zaaharveer Projects Private Limited	Accounts Payables	NA	0.02	0.02	
257	Zafcon Engineering Private Limited	Accounts Payables	NA	0.03	0.03	
258	Zain Thermal Solutions Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
259	Zippy Facility Management & Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
260	Genius Security Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
261	I S Earth Movers Private Limited	Accounts Payables	NA	0.10	0.05	
262	Shukla Devcon Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
263	Sendur Industrial Services Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
264	Santosh Infrastructure Private Limited	Accounts Payables	NA	0.01	–	
265	Shiv Gauri Developers Private Limited	Accounts Payables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>	
266	Transferet Relocation Services (India) Private Limited	Accounts Payables	NA	–	– <sup>(1)</sup>	
Total payables (A)				14.62	15.27	

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

**NOTE [63]**

c) Balance outstanding with struck off companies: (contd.)

₹ crore					
Sr. No.	Name of 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	Kothari Intergroup Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
2	Alike Trading Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
3	Alley Fisheries Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
4	Aloke Speciality Machines and Components Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
5	Amersey Brothers Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
6	Avni Financial Advisors Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
7	Demuric Holdings Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
8	Fairtrade Securities Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
9	Jabac Consultancies Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
10	Omni Market Research Services Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
11	Safna Consultancy Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
12	Satvik Financial Services Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
13	Siddha Papers Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
14	Upgrade Management Services Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
15	VMS Consultants Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
16	Yogesh Investment Private Limited	Holding Parent Company's equity shares	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
Total equity shares held (B)				– <sup>(1)</sup>	– <sup>(1)</sup>

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

### NOTE [63]

c) Balance outstanding with struck off companies: (contd.)

₹ crore					
Sr. No.	Name of 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	– <sup>(1)</sup>	– <sup>(1)</sup>
2	Amersey Brothers Private Limited	Dividend payable	NA	– <sup>(1)</sup>	–
3	Omni Market Research Services Private Limited	Dividend payable	NA	– <sup>(1)</sup>	–
4	Safna Consultancy Private Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
5	Fairtrade Securities Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
6	Kothari Intergroup Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
7	Jabac Consultancies Private Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
8	Alike Trading Private Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
9	Satvik Financial Services Limited	Dividend payable	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
Total dividend payable (C)				– <sup>(1)</sup>	– <sup>(1)</sup>
1	NCR Aggregate Solutions Private Limited	Advance given to	NA	1.79	1.79
Total advance given to (D)				1.79	1.79
1	Pranavam Constructions Private Limited	Accounts Receivables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
2	The Rubber Products Limited	Accounts Receivables	NA	– <sup>(1)</sup>	– <sup>(1)</sup>
3	Profusion Engineering Private Limited	Accounts Receivables	NA	– <sup>(1)</sup>	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 (E)				0.02	0.06
1	Inmech Engineering Private Limited	Loan given by subsidiary	NA	–	– <sup>(1)</sup>
2	Shopforprop Realty Private Limited	Loan given by subsidiary	NA	2.52	–
3	Virtuoso Offshore IT And Management Services Private Limited	Loan given by subsidiary	NA	0.64	–
Total loan given by subsidiary (F)				3.16	– <sup>(1)</sup>
Grand total (A+B+C+D+E+F)				19.61	17.15

<sup>(1)</sup> Less than ₹ 1 Lakh

- d) a. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) (other than subsidiaries) with the understanding (whether recorded in writing or otherwise) that the Group 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.
- b. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) (other than subsidiaries) 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 Group (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

### NOTE [64]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2024.

### NOTE [65]

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

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013]

₹ crore

Sr. No.	1	2	3	4	5	6	
<b>Sr. No.</b>	<b>Hi-Tech Rock Products and Aggregates Limited</b>	<b>L&amp;T Geostructure Private Limited</b>	<b>L&amp;T Energy Hydrocarbon Engineering Limited</b>	<b>LTIMindtree Limited</b>	<b>L&amp;T Technology Services Limited</b>	<b>L&amp;T Thales Technology Services Private Limited</b>	
<b>Financial year ending on</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	
<b>Currency</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	
<b>Exchange rate on the last day of financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Date of incorporation</b>	<b>01-Jan-08</b>	<b>25-Nov-20</b>	<b>26-Oct-94</b>	<b>23-Dec-96</b>	<b>14-Jun-12</b>	<b>-</b>	
<b>Date of Acquisition</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15-Feb-14</b>	
1	Share capital (including share application money pending allotment)	26.55	25.00	9.00	29.60	21.15	2.05
2	Other equity/Reserves and surplus (as applicable)	(2.78)	418.61	97.27	19268.87	5029.95	76.05
3	Liabilities	63.91	953.60	116.57	7159.19	2953.50	10.47
4	<b>Total equity and liabilities</b>	<b>87.68</b>	<b>1397.21</b>	<b>222.84</b>	<b>26457.66</b>	<b>8004.60</b>	<b>88.57</b>
5	<b>Total assets</b>	<b>87.68</b>	<b>1397.21</b>	<b>222.84</b>	<b>26457.66</b>	<b>8004.60</b>	<b>88.57</b>
6	Investments	11.53	-	-	9203.26	1645.56	36.40
7	Turnover	17.92	970.38	281.14	34253.44	8678.87	68.46
8	Profit before taxation	0.34	94.45	31.55	5879.44	1739.14	13.39
9	Provision for taxation	-	24.27	4.55	1393.58	480.64	3.44
10	Profit after taxation	0.34	70.18	27.00	4485.86	1258.50	9.95
11	Interim dividend - equity	-	-	-	(1219.02)	(179.73)	-
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	(1332.74)	(348.99)	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	100.00	100.00	100.00	68.64	73.74	54.57
<b>Sr. No.</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	
<b>Sr. No.</b>	<b>L&amp;T Network Services Private Limited</b>	<b>L&amp;T Finance Limited <sup>[a]</sup></b>	<b>L&amp;T Infra Investment Partners Advisory Private Limited</b>	<b>L&amp;T Infra Investment Partners Trustee Private Limited</b>	<b>L&amp;T Financial Consultants Limited</b>	<b>L&amp;T Metro Rail (Hyderabad) Limited</b>	
<b>Financial year ending on</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	
<b>Currency</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	
<b>Exchange rate on the last day of financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Date of incorporation</b>	<b>07-Dec-22</b>	<b>01-May-08</b>	<b>30-May-11</b>	<b>12-Aug-11</b>	<b>16-Jun-11</b>	<b>24-Aug-10</b>	
<b>Date of Acquisition</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
1	Share capital (including share application money pending allotment)	9.00	2488.94	5.00	0.10	27.75	7413.00
2	Other equity/Reserves and surplus (as applicable)	0.09	20706.02	23.82	-	352.10	(5979.36)
3	Liabilities	0.35	79155.87	2.41	0.10	53.04	15088.51
4	<b>Total equity and liabilities</b>	<b>9.44</b>	<b>102350.83</b>	<b>31.23</b>	<b>0.20</b>	<b>432.89</b>	<b>16522.15</b>
5	<b>Total assets</b>	<b>9.44</b>	<b>102350.83</b>	<b>31.23</b>	<b>0.20</b>	<b>432.89</b>	<b>16522.15</b>
6	Investments	-	12374.78	25.80	-	59.96	-
7	Turnover	-	13574.43	5.67	0.03	53.56	1397.64
8	Profit before taxation	0.32	2986.64	4.90	0.01	35.54	(555.04)
9	Provision for taxation	0.08	700.41	1.23	-	10.26	-
10	Profit after taxation	0.23	2286.23	3.67	-	25.28	(555.04)
11	Interim dividend - equity	-	(496.61)	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	(622.24)	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	100.00	65.86	65.86	65.86	65.86	99.99

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	13	14	15	16	17	18
Sr. No. Particulars	L&T Himachal Hydropower Limited	L&T Power Development Limited	Nabha Power Limited	Chennai Vision Developers Private Limited	L&T Parel Project Private Limited	L&T Realty Developers Limited
Financial year ending on	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
Currency	INR	INR	INR	INR	INR	INR
Exchange rate on the last day of financial year	-	-	-	-	-	-
Date of incorporation	22-Jun-10	12-Sep-07	09-Apr-07	14-Aug-08	25-Jan-22	29-Jul-97
Date of Acquisition						
1	Share capital (including share application money pending allotment)	200.55	2289.66	2325.00	0.01	167.16
2	Other equity/Reserves and surplus (as applicable)	(202.33)	400.32	2459.22	(0.05)	923.33
3	Liabilities	1.83	3.78	4986.79	0.05	1026.62
4	Total equity and liabilities	0.05	2693.76	9771.01	-	2117.11
5	Total assets	0.05	2693.76	9771.01	-	2117.11
6	Investments	-	2688.00	539.16	-	87.75
7	Turnover	-	-	4313.17	-	839.41
8	Profit before taxation	(0.24)	(2.39)	399.53	(0.01)	287.71
9	Provision for taxation	0.00	-	-	-	49.03
10	Profit after taxation	(0.24)	(2.39)	399.53	(0.01)	238.68
11	Interim dividend - equity	-	(5.00)	-	-	(62.24)
12	Interim dividend - preference	-	-	-	-	(33.43)
13	Proposed dividend - equity	-	-	-	-	(66.86)
14	Proposed dividend - preference	-	-	-	-	(15.56)
15	% of share holding	100.00	100.00	100.00	100.00	100.00

Sr. No.	19	20	21	22	23	24
Sr. No. Particulars	L&T Seawoods Limited	Prime Techpark (Chennai) Private Limited	L&T Construction Equipment Limited	L&T Valves Limited	Bhilai Power Supply Company Limited	L&T Energy Green tech Limited
Financial year ending on	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
Currency	INR	INR	INR	INR	INR	INR
Exchange rate on the last day of financial year	-	-	-	-	-	-
Date of incorporation	13-Mar-08	24-Mar-23	18-Dec-18	23-Nov-61	11-Jul-95	09-Mar-06
Date of Acquisition						
1	Share capital (including share application money pending allotment)	1403.98	0.05	199.14	18.00	51.05
2	Other equity/Reserves and surplus (as applicable)	1196.21	(0.03)	44.95	516.67	1.39
3	Liabilities	954.27	0.01	122.74	629.08	25.08
4	Total equity and liabilities	3554.45	0.03	366.83	1163.75	77.52
5	Total assets	3554.45	0.03	366.83	1163.75	77.52
6	Investments	1108.28	-	-	24.75	51.05
7	Turnover	1639.43	-	489.61	1064.00	0.77
8	Profit before taxation	379.45	(0.03)	46.59	70.82	0.29
9	Provision for taxation	48.75	-	11.50	18.03	0.07
10	Profit after taxation	330.70	(0.03)	35.09	52.79	0.22
11	Interim dividend - equity	(168.98)	-	-	(6.00)	-
12	Interim dividend - preference	(10.38)	-	-	-	-
13	Proposed dividend - equity	(112.32)	-	-	(18.00)	-
14	Proposed dividend - preference	(8.78)	-	-	-	-
15	% of share holding	100.00	100.00	100.00	100.00	99.90

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	25	26	27	28	29	30
Sr. No.	L&T Aviation Services Private Limited	L&T Capital Company Limited	Millennium Techpark (Chennai) Private Limited	Chennai Nova Techpark Private Limited	Bangalore Galaxy Techpark Private Limited	Bangalore Spectrum Techpark Private Limited
<b>Financial year ending on</b>	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
<b>Currency</b>	INR	INR	INR	INR	INR	INR
<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-
<b>Date of incorporation</b>	06-Nov-09	06-Apr-00	30-Apr-23	17-Apr-23	13-Apr-23	12-Apr-23
<b>Date of Acquisition</b>						
1	Share capital (including share application money pending allotment)	45.60	0.05	0.05	0.05	0.05
2	Other equity/Reserves and surplus (as applicable)	(7.54)	4.17	(0.01)	(0.01)	-
3	Liabilities	2.40	0.01	0.01	0.01	-
4	Total equity and liabilities	40.46	4.23	0.05	0.05	0.05
5	Total assets	40.46	4.23	0.05	0.05	0.05
6	Investments	-	0.00	-	-	-
7	Turnover	27.57	1.10	-	-	-
8	Profit before taxation	2.20	1.22	(0.01)	(0.01)	-
9	Provision for taxation	0.55	0.34	-	-	-
10	Profit after taxation	1.65	0.88	(0.01)	(0.01)	-
11	Interim dividend - equity	-	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-
15	% of share holding	100.00	100.00	100.00	100.00	100.00
<b>Sr. No.</b>	<b>31</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>36</b>
Sr. No.	Avenue Techpark (Bangalore) Private Limited	Bangalore Fortune Techpark Private Limited	Business Park (Powai) Private Limited	Corporate Park (Powai) Private Limited	L&T Electrolysers Limited	LH Residential Housing Private Limited <sup>(b)</sup>
<b>Financial year ending on</b>	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
<b>Currency</b>	INR	INR	INR	INR	INR	INR
<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-
<b>Date of incorporation</b>	10-Apr-23	01-May-23	20-Apr-23	01-May-23	27-Jun-23	31-Jul-23
<b>Date of Acquisition</b>						
1	Share capital (including share application money pending allotment)	0.05	0.05	2.05	2.05	51.05
2	Other equity/Reserves and surplus (as applicable)	(0.02)	(0.02)	(0.16)	-	(29.91)
3	Liabilities	-	-	21.08	-	28.40
4	Total equity and liabilities	0.03	0.03	22.97	2.05	49.54
5	Total assets	0.03	0.03	22.97	2.05	49.54
6	Investments	-	-	-	-	-
7	Turnover	-	-	-	-	-
8	Profit before taxation	(0.02)	(0.02)	(0.16)	(0.01)	(29.92)
9	Provision for taxation	-	-	-	-	-
10	Profit after taxation	(0.02)	(0.02)	(0.16)	(0.01)	(29.92)
11	Interim dividend - equity	-	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-
15	% of share holding	100.00	100.00	100.00	100.00	100.00



## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	37	38	39	40	41	42	
Sr. No.	L&T Semiconductor Technologies Limited	LH Uttarakhand Premium Realty Private Limited	L&T - MHI Power Boilers Private Limited	L&T - MHI Power Turbine Generators Private Limited	L&T Howden Private Limited	L&T-Sargent & Lundy Limited	
<b>Financial year ending on</b>	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	
<b>Currency</b>	INR	INR	INR	INR	INR	INR	
<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-	
<b>Date of incorporation</b>	29-Nov-23	17-Feb-24	09-Oct-06	27-Dec-06	17-Jun-10	05-May-95	
<b>Date of Acquisition</b>							
1	Share capital (including share application money pending allotment)	9.55	0.05	234.10	710.60	30.00	5.57
2	Other equity/Reserves and surplus (as applicable)	(23.32)	-	1286.35	(390.63)	134.36	68.94
3	Liabilities	27.69	-	961.68	683.25	152.88	33.60
4	Total equity and liabilities	13.92	0.05	2482.13	1003.22	317.24	108.11
5	Total assets	13.92	0.05	2482.13	1003.22	317.24	108.11
6	Investments	-	-	80.87	128.39	-	58.59
7	Turnover	-	-	1182.72	275.78	272.30	104.60
8	Profit before taxation	(23.32)	-	(39.25)	(21.30)	37.60	21.06
9	Provision for taxation	-	-	(8.34)	-	10.34	2.83
10	Profit after taxation	(23.32)	-	(30.91)	(21.30)	27.26	18.23
11	Interim dividend - equity	-	-	-	-	(24.00)	(5.01)
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	(8.90)
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	100.00	100.00	51.00	51.00	50.10	50.00
<b>Sr. No.</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>46</b>	<b>47</b>	<b>48</b>	
Sr. No.	L&T Special Steels and Heavy Forgings Private Limited	L&T MBDA Missile Systems Limited	L&T Offshore Private Limited <sup>(D)</sup>	L&T Sapura Shipping Private Limited	Raykal Aluminium Company Private Limited	L&T Infrastructure Development Projects Limited	
<b>Financial year ending on</b>	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	
<b>Currency</b>	INR	INR	INR	INR	INR	INR	
<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-	
<b>Date of incorporation</b>	01-Jul-09	05-Apr-17	02-Sep-10	02-Sep-10	23-Feb-99	26-Feb-01	
<b>Date of Acquisition</b>							
1	Share capital (including share application money pending allotment)	566.60	1.00	0.01	158.85	0.05	629.52
2	Other equity/Reserves and surplus (as applicable)	(3208.13)	183.20	(0.01)	13.03	(0.92)	2531.01
3	Liabilities	3289.87	3.14	5.91	384.90	0.88	48.23
4	Total equity and liabilities	648.34	187.34	5.91	556.78	0.01	3208.76
5	Total assets	648.34	187.34	5.91	556.78	0.01	3208.76
6	Investments	-	-	-	-	-	2166.72
7	Turnover	503.99	5.37	-	162.50	-	119.25
8	Profit before taxation	(69.09)	7.08	(0.48)	(40.68)	(0.01)	37.49
9	Provision for taxation	0.02	1.15	-	0.05	-	11.60
10	Profit after taxation	(69.11)	5.93	(0.48)	(40.73)	(0.01)	25.89
11	Interim dividend - equity	-	-	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	74.00	51.00	100.00	60.00	75.50	51.00

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

**Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)**

₹ crore

Sr. No.	49	50	51	52	53
<b>Sr. No. Particulars</b>	<b>Panipat Elevated Corridor Limited</b>	<b>Vadodara Bharuch Tollway Limited</b>	<b>L&amp;T Interstate Road Corridor Limited</b>	<b>L&amp;T Transportation Infrastructure Limited</b>	<b>Ahmedabad-Maliya Tollway Limited</b>
<b>Financial year ending on</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>
<b>Currency</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>
<b>Exchange rate on the last day of financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Date of incorporation</b>	<b>21-Jul-05</b>	<b>23-Dec-05</b>	<b>02-Feb-06</b>	<b>24-Sep-97</b>	<b>09-Sep-08</b>
<b>Date of Acquisition</b>					
1 Share capital (including share application money pending allotment)	30.05	43.50	57.16	41.40	149.00
2 Other equity/Reserves and surplus (as applicable)	(280.89)	4.30	(9.92)	48.29	(124.73)
3 Liabilities	321.34	127.08	18.31	485.57	1802.34
4 Total equity and liabilities	70.50	174.88	65.55	575.26	1826.61
5 Total assets	70.50	174.88	65.55	575.26	1826.61
6 Investments	1.91	-	51.71	-	-
7 Turnover	108.27	-	15.70	63.55	280.91
8 Profit before taxation	52.28	4.07	(3.50)	62.18	(87.10)
9 Provision for taxation	-	0.68	-	16.22	-
10 Profit after taxation	52.28	3.39	(3.50)	45.96	(87.10)
11 Interim dividend - equity	-	-	-	-	-
12 Interim dividend - preference	-	-	-	-	-
13 Proposed dividend - equity	-	-	-	-	-
14 Proposed dividend - preference	-	-	-	-	-
15 % of share holding	51.00	51.00	51.00	51.00	51.00
<b>Sr. No. Particulars</b>	<b>L&amp;T Samakhiali Gandhidham Tollway Limited</b>	<b>L&amp;T Deccan Tollways Limited</b>	<b>Kudgi Transmission Limited</b>	<b>L&amp;T Sambalpur-Rourkela Tollway Limited</b>	<b>PNG Tollway Limited</b>
<b>Financial year ending on</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>
<b>Currency</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>
<b>Exchange rate on the last day of financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Date of incorporation</b>	<b>05-Feb-10</b>	<b>20-Dec-11</b>		<b>18-Oct-13</b>	<b>16-Feb-09</b>
<b>Date of Acquisition</b>			<b>30-Aug-13</b>		
1 Share capital (including share application money pending allotment)	80.54	285.34	192.60	290.03	169.10
2 Other equity/Reserves and surplus (as applicable)	(850.06)	(1191.76)	217.17	(70.77)	(170.24)
3 Liabilities	2099.86	2526.85	1730.53	796.16	1.83
4 Total equity and liabilities	1330.34	1620.43	2140.30	1015.42	0.69
5 Total assets	1330.34	1620.43	2140.30	1015.42	0.69
6 Investments	-	-	161.20	-	0.36
7 Turnover	261.47	242.26	188.58	283.03	0.01
8 Profit before taxation	(116.05)	(297.69)	82.86	105.99	(1.91)
9 Provision for taxation	-	-	-	18.49	-
10 Profit after taxation	(116.05)	(297.69)	82.86	87.50	(1.91)
11 Interim dividend - equity	-	-	-	-	-
12 Interim dividend - preference	-	-	-	-	-
13 Proposed dividend - equity	-	-	-	-	-
14 Proposed dividend - preference	-	-	-	-	-
15 % of share holding	51.00	51.00	51.00	51.00	37.74

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	59	60	61	62	63		
Sr. No.	L&T Rajkot-Vadinar Tollway Limited	L&T Chennai-Tada Tollway Limited	Watrak Infrastructure Private Limited	Rewin Infrastructure Limited	LTH Milcom Private Limited		
<b>Financial year ending on</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>		
<b>Currency</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>	<b>INR</b>		
<b>Exchange rate on the last day of financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Date of incorporation</b>	<b>20-May-99</b>	<b>24-Mar-08</b>	<b>18-Nov-21</b>	<b>21-Mar-23</b>	<b>17-Aug-15</b>		
<b>Date of Acquisition</b>							
1	Share capital (including share application money pending allotment)	110.00	42.00	22.39	100.00	0.20	
2	Other equity/Reserves and surplus (as applicable)	(231.81)	(40.72)	74.32	3.92	(0.20)	
3	Liabilities	707.84	2.59	5.59	1.56	0.01	
4	Total equity and liabilities	586.03	3.87	102.30	105.48	0.01	
5	Total assets	586.03	3.87	102.30	105.48	0.01	
6	Investments	24.01	-	70.00	-	-	
7	Turnover	156.85	-	-	-	-	
8	Profit before taxation	(43.55)	(0.18)	0.62	5.44	-	
9	Provision for taxation	-	-	0.33	1.52	-	
10	Profit after taxation	(43.55)	(0.18)	0.29	3.92	-	
11	Interim dividend - equity	-	-	-	-	-	
12	Interim dividend - preference	-	-	-	-	-	
13	Proposed dividend - equity	-	-	-	-	-	
14	Proposed dividend - preference	-	-	-	-	-	
15	% of share holding	51.00	51.00	51.00	51.00	56.67	
<b>Sr. No.</b>	<b>64</b>	<b>65</b>	<b>66</b>	<b>67</b>	<b>68</b>	<b>69</b>	
Sr. No.	Larsen & Toubro (Oman) LLC	Larsen & Toubro Qatar LLC	Larsen & Toubro Saudi Arabia LLC	Larsen & Toubro T&D SA (Proprietary) Limited	Larsen & Toubro (East Asia) Sdn. Bhd.	PT Larsen and Toubro	
<b>Financial year ending on</b>	<b>31-Dec-23</b>	<b>31-Dec-23</b>	<b>31-Dec-23</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	
<b>Currency</b>	<b>OMR</b>	<b>QAR</b>	<b>SAR</b>	<b>ZAR</b>	<b>MYR</b>	<b>IDR</b>	
<b>Exchange rate on the last day of financial year</b>	<b>216.14</b>	<b>22.83</b>	<b>22.19</b>	<b>4.37</b>	<b>17.62</b>	<b>0.01</b>	
<b>Date of incorporation</b>	<b>21-Jan-94</b>	<b>31-Mar-04</b>	<b>22-Jun-99</b>	<b>06-Sep-10</b>	<b>13-Jun-96</b>	<b>17-Dec-21</b>	
<b>Date of Acquisition</b>							
1	Share capital (including share application money pending allotment)	31.49	0.46	22.23	3.28	1.32	15.78
2	Other equity/Reserves and surplus (as applicable)	426.72	(2.19)	706.24	0.23	14.52	(4.40)
3	Liabilities	1170.32	1.88	6244.45	3.52	82.89	0.38
4	Total equity and liabilities	1628.53	0.15	6972.92	7.03	98.73	11.76
5	Total assets	1628.53	0.15	6972.92	7.03	98.73	11.76
6	Investments	-	0.23	486.88	-	-	-
7	Turnover	1160.32	-	10011.99	0.40	297.91	0.33
8	Profit before taxation	(84.59)	(0.05)	246.24	0.35	10.95	(4.40)
9	Provision for taxation	8.57	-	50.27	0.09	-	-
10	Profit after taxation	(93.16)	(0.05)	195.97	0.26	10.95	(4.40)
11	Interim dividend - equity	-	-	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	65.00	49.00	100.00	72.50	30.00	100.00

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

**Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)**

₹ crore

Sr. No.	70	71	72	73	74	75	
Sr. No.	Larsen & Toubro Heavy Engineering LLC	L&T Modular Fabrication Yard LLC	Larsen Toubro Arabia LLC	L&T Hydrocarbon Saudi Company	Larsen & Toubro Kuwait Construction General Contracting Company WLL	Larsen & Toubro Electromech LLC	
<b>Financial year ending on</b>	<b>31-Dec-23</b>	<b>31-Dec-23</b>	<b>31-Dec-23</b>	<b>31-Dec-23</b>	<b>31-Dec-23</b>	<b>31-Dec-23</b>	
<b>Currency</b>	<b>OMR</b>	<b>OMR</b>	<b>SAR</b>	<b>SAR</b>	<b>KWD</b>	<b>OMR</b>	
<b>Exchange rate on the last day of financial year</b>	<b>216.14</b>	<b>216.14</b>	<b>22.19</b>	<b>22.19</b>	<b>270.71</b>	<b>216.14</b>	
<b>Date of incorporation</b>	<b>07-Apr-08</b>	<b>05-Jul-06</b>	<b>01-Jul-12</b>	<b>08-Jul-07</b>	<b>29-Nov-06</b>		
<b>Date of Acquisition</b>						<b>01-Jan-05</b>	
1	Share capital (including share application money pending allotment)	122.44	0.06	22.19	2.22	54.14	6.48
2	Other equity/Reserves and surplus (as applicable)	(277.17)	182.95	(92.49)	(442.20)	(44.73)	(9.23)
3	Liabilities	205.49	(182.88)	2809.73	3340.23	1.15	41.15
4	Total equity and liabilities	50.76	0.13	2739.43	2900.25	10.56	38.40
5	Total assets	50.76	0.13	2739.43	2900.25	10.56	38.40
6	Investments	-	-	1112.68	523.73	-	-
7	Turnover	-	1385.52	2750.39	6357.17	-	60.77
8	Profit before taxation	(17.22)	36.85	127.95	159.74	(0.29)	71.15
9	Provision for taxation	-	8.91	24.29	29.21	-	-
10	Profit after taxation	(17.22)	27.94	103.66	130.53	(0.29)	71.15
11	Interim dividend - equity	-	-	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	70.00	70.00	75.00	100.00	49.00	70.00
Sr. No.	76	77	78	79	80	81	
Sr. No.	LTIMindtree Information Technology Services (Shanghai) Co., Ltd <sup>(d)</sup>	LTIMindtree Financial Services Technologies Inc.	LTIMindtree Canada Limited	LTIMindtree LLC	LTIMindtree South Africa (PTY) Limited	LTIMindtree GmbH	
<b>Financial year ending on</b>	<b>31-Dec-23</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	
<b>Currency</b>	<b>CNY</b>	<b>CAD</b>	<b>CAD</b>	<b>USD</b>	<b>ZAR</b>	<b>EURO</b>	
<b>Exchange rate on the last day of financial year</b>	<b>11.71</b>	<b>61.27</b>	<b>61.27</b>	<b>83.41</b>	<b>4.37</b>	<b>89.88</b>	
<b>Date of incorporation</b>	<b>28-Jun-13</b>			<b>21-Jul-09</b>		<b>14-Jun-99</b>	
<b>Date of Acquisition</b>		<b>01-Jan-11</b>	<b>25-Apr-00</b>		<b>25-Jul-12</b>		
1	Share capital (including share application money pending allotment)	1.26	153.17	-	-	0.16	0.90
2	Other equity/Reserves and surplus (as applicable)	1.06	399.09	98.40	6.45	29.11	402.90
3	Liabilities	15.44	61.88	50.30	2.82	10.14	100.90
4	Total equity and liabilities	17.76	614.14	148.70	9.27	39.40	504.70
5	Total assets	17.76	614.14	148.70	9.27	39.40	504.70
6	Investments	-	-	-	-	-	422.60
7	Turnover	45.95	442.90	735.00	6.38	58.92	196.77
8	Profit before taxation	2.12	172.97	36.81	(0.33)	11.31	4.80
9	Provision for taxation	(0.60)	46.16	9.96	-	3.04	4.35
10	Profit after taxation	2.72	126.81	26.85	(0.33)	8.27	0.45
11	Interim dividend - equity	-	-	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	68.64	68.64	68.64	68.64	47.77	68.64

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	Sr. No.	82	83	84	85	86	87
Particulars	LTIMindtree Spain S.L. <sup>[d]</sup>	LTIMindtree Norge AS	LTIMindtree S. DE R.L. DE C.V.	LTIMindtree S.A. <sup>[e]</sup>	Syncordis France SARL	Syncordis Limited	
Financial year ending on	31-Mar-24	31-Mar-24	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	
Currency	EURO	NOK	MXN	EURO	EURO	GBP	
Exchange rate on the last day of financial year	89.88	7.69	4.90	91.95	91.95	105.72	
Date of incorporation	01-Feb-16	20-Nov-18	01-Mar-17				
Date of Acquisition				15-Dec-17	15-Dec-17	15-Dec-17	
1	Share capital (including share application money pending allotment)	0.45	0.02	0.00	0.51	0.14	0.01
2	Other equity/Reserves and surplus (as applicable)	1.67	14.14	13.41	4.01	(8.75)	(62.86)
3	Liabilities	6.61	32.03	10.87	318.21	31.03	–
4	Total equity and liabilities	8.73	46.19	24.28	322.73	22.42	(62.85)
5	Total assets	8.73	46.19	24.28	322.73	22.42	(62.85)
6	Investments	–	–	–	–	–	–
7	Turnover	18.18	77.06	91.81	276.84	32.70	41.30
8	Profit before taxation	0.48	3.74	5.53	4.42	(4.17)	(33.16)
9	Provision for taxation	(0.38)	1.33	1.49	1.30	–	(9.64)
10	Profit after taxation	0.86	2.41	4.04	3.12	(4.17)	(23.52)
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	68.64	68.64	68.64	68.64	68.64	68.64

Sr. No.	Sr. No.	88	89	90	91	92	93
Particulars	LTIMindtree PSF S.A. <sup>[f]</sup>	Nielsen+Partner Unternehmensberater GmbH	LTIMindtree Switzerland AG <sup>[g]</sup>	Nielsen+Partner Pte Ltd	LTIMindtree (Thailand) Limited <sup>[h]</sup>	Nielsen&Partner Pty Ltd	
Financial year ending on	31-Dec-23	31-Jan-24	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	
Currency	EURO	EURO	CHF	SGD	THB	AUD	
Exchange rate on the last day of financial year	91.95	90.00	99.02	63.00	2.42	56.62	
Date of incorporation							
Date of Acquisition	15-Dec-17	01-Mar-19	01-Mar-19	01-Mar-19	01-Mar-19	01-Mar-19	
1	Share capital (including share application money pending allotment)	3.68	1.85	0.99	0.63	0.24	0.00
2	Other equity/Reserves and surplus (as applicable)	1.21	5.84	(20.02)	(38.84)	(2.56)	(12.38)
3	Liabilities	161.00	10.53	80.07	70.90	9.60	13.97
4	Total equity and liabilities	165.89	18.22	61.04	32.69	7.28	1.59
5	Total assets	165.89	18.22	61.04	32.69	7.28	1.59
6	Investments	–	–	–	–	–	–
7	Turnover	176.75	8.65	44.82	25.33	11.48	2.14
8	Profit before taxation	2.60	(1.62)	(25.39)	(38.17)	0.54	(3.76)
9	Provision for taxation	0.17	0.00	0.01	–	0.04	–
10	Profit after taxation	2.43	(1.62)	(25.40)	(38.17)	0.50	(3.76)
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	68.64	68.64	68.64	68.64	68.64	68.64

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

**Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)**

₹ crore

Sr. No.	94	95	96	97	98	
Sr. No.	LTIMindtree USA Inc	L&T Technology Services LLC. <sup>(i)</sup>	L&T Technology Services Pte. Ltd.	Graphene Solutions SDN. BHD.	Graphene Solutions Taiwan Limited	
<b>Financial year ending on</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Dec-23</b>	
<b>Currency</b>	<b>USD</b>	<b>USD</b>	<b>SGD</b>	<b>MYR</b>	<b>TWD</b>	
<b>Exchange rate on the last day of financial year</b>	<b>83.41</b>	<b>83.41</b>	<b>61.74</b>	<b>17.62</b>	<b>2.72</b>	
<b>Date of incorporation</b>	<b>26-Jun-14</b>					
<b>Date of Acquisition</b>	<b>29-Aug-19</b>		<b>15-Oct-18</b>	<b>15-Oct-18</b>	<b>15-Oct-18</b>	
1	Share capital (including share application money pending allotment)	0.77	216.94	0.37	0.18	1.36
2	Other equity/Reserves and surplus (as applicable)	(1.26)	183.13	(0.04)	(0.10)	(1.20)
3	Liabilities	3.36	223.17	0.08	0.02	0.55
4	Total equity and liabilities	2.87	623.24	0.41	0.10	0.71
5	Total assets	2.87	623.24	0.41	0.10	0.71
6	Investments	-	0.04	-	-	-
7	Turnover	2.82	1197.27	-	-	0.01
8	Profit before taxation	0.05	46.70	(0.11)	(0.04)	(0.05)
9	Provision for taxation	0.03	11.90	-	-	(0.02)
10	Profit after taxation	0.02	34.80	(0.11)	(0.04)	(0.03)
11	Interim dividend - equity	-	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-
15	% of share holding	68.64	73.74	73.74	73.74	73.74
Sr. No.	99	100	101	102	103	
Sr. No.	L&T Technology Services (Shanghai) Co. Ltd.	LTIMindtree UK Limited	LTIMindtree Middle East FZ-LLC	L&T Technology Services (Canada) Ltd	L&T Valves Arabia Manufacturing LLC	
<b>Financial year ending on</b>	<b>31-Dec-23</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	
<b>Currency</b>	<b>CNY</b>	<b>GBP</b>	<b>AED</b>	<b>CAD</b>	<b>SAR</b>	
<b>Exchange rate on the last day of financial year</b>	<b>11.71</b>	<b>105.03</b>	<b>22.71</b>	<b>61.27</b>	<b>22.24</b>	
<b>Date of incorporation</b>	<b>06-Aug-19</b>	<b>17-Aug-20</b>	<b>25-Nov-20</b>	<b>20-Aug-19</b>	<b>25-Sep-01</b>	
<b>Date of Acquisition</b>						
1	Share capital (including share application money pending allotment)	3.85	0.01	4.22	0.04	21.18
2	Other equity/Reserves and surplus (as applicable)	2.84	52.33	39.40	(2.32)	(18.37)
3	Liabilities	0.18	200.59	255.48	7.86	16.72
4	Total equity and liabilities	6.87	252.93	299.10	5.58	19.53
5	Total assets	6.87	252.93	299.10	5.58	19.53
6	Investments	-	-	-	-	-
7	Turnover	2.84	596.22	246.10	1.66	7.17
8	Profit before taxation	1.12	25.61	7.39	(1.42)	(7.51)
9	Provision for taxation	0.06	5.07	-	-	(1.22)
10	Profit after taxation	1.06	20.54	7.39	(1.42)	(6.29)
11	Interim dividend - equity	-	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-
15	% of share holding	73.74	68.64	68.64	73.74	100.00



## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	104	105	106	107
Sr. No. Particulars	L&T Valves USA LLC	Larsen & Toubro International FZE	L&T Global Holdings Limited	Hydrocarbon Arabia Limited Company
<b>Financial year ending on</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Mar-24</b>	<b>31-Dec-23</b>
<b>Currency</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>SAR</b>
<b>Exchange rate on the last day of financial year</b>	<b>83.41</b>	<b>83.41</b>	<b>83.41</b>	<b>22.19</b>
<b>Date of incorporation</b>	<b>28-May-19</b>	<b>25-Sep-01</b>	<b>24-Feb-16</b>	<b>19-Jun-23</b>
<b>Date of Acquisition</b>				
1 Share capital (including share application money pending allotment)	4.17	142.62	66.72	1.11
2 Other equity/Reserves and surplus (as applicable)	3.81	900.06	595.39	(0.43)
3 Liabilities	22.01	4003.04	0.04	3.08
4 Total equity and liabilities	29.99	5045.72	662.15	3.76
5 Total assets	29.99	5045.72	662.15	3.76
6 Investments	–	1707.38	661.17	–
7 Turnover	53.75	6942.58	–	–
8 Profit before taxation	0.38	737.35	183.61	(1.61)
9 Provision for taxation	0.08	1.99	–	–
10 Profit after taxation	0.30	735.36	183.61	(1.61)
11 Interim dividend - equity	–	–	–	–
12 Interim dividend - preference	–	–	–	–
13 Proposed dividend - equity	–	–	–	–
14 Proposed dividend - preference	–	–	–	–
15 % of share holding	100.00	100.00	100.00	60.00

#### Notes:

**A) For entities having functional currency other than INR, all parameters have been converted using exchange rate on the last day of financial year.**

**B) Name changed:**

- <sup>(a)</sup> formerly known as L&T Finance Holdings Limited
- <sup>(b)</sup> formerly known as LH Residential Housing Limited
- <sup>(c)</sup> formerly known as L&T Information Technology Services (Shanghai) Co., Ltd.
- <sup>(d)</sup> formerly known as L&T Information Technology Spain SL.
- <sup>(e)</sup> formerly known as Syncordis S.A.
- <sup>(f)</sup> formerly known as Syncordis PSF S.A.
- <sup>(g)</sup> formerly known as Nielsen+Partner Unternehmensberater AG
- <sup>(h)</sup> formerly known as Nielsen&Partner Company Limited
- <sup>(i)</sup> formerly known as Lymbyc Solutions Inc.

**C) Names of subsidiaries which have been merged/sold/dissolved/struck-off:**

**(i) Merged:**

- a) L&T Innovation Campus (Chennai) Limited -Merged with L&T Seawoods Limited on April 1, 2023.
- b) Following entities merged with L&T Finance Limited (formerly known as L&T Finance Holdings Limited) w.e.f. April 1, 2023-
  - (i) L&T Finance Limited
  - (ii) L&T Mutual Fund Trustee Limited
  - (iii) L&T Infra Credit Limited
- c) Following entities merged with LTIMindtree Limited w.e.f. April 1, 2023-
  - (i) Lymbyc Solutions Private Limited
  - (ii) Powerup Cloud Technologies Private Limited
  - (iii) Cuelogic Technologies Private Limited

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

- d) Following entities merged with L&T Technology Services Limited w.e.f. April 1, 2022-
  - (i) Graphene Semiconductor Services Private Limited
  - (ii) Seastar Labs Private Limited
  - (iii) Esencia Technologies India Private Limited
- e) Orchestra Technology, Inc. - Merged with L&T Technology Services LLC w.e.f February 1, 2024

#### (ii) Sold:

- a) L&T Infrastructure Engineering Limited
- b) Mudit Cement Private Limited
- c) Think Tower Developers Private Limited
- d) Interise Investment Managers Limited (formerly known as LT IDPL INDVIT Services Limited)

#### (iii) Liquidated/Dissolved/struck-off/ceased:

- a) Kesun Iron and Steel Company Private Limited
- b) Arunachal Hydropower Limited
- c) PT Larsen & Toubro Hydrocarbon Engineering Indonesia
- d) Mindtree Software (Shanghai) Co.Limited
- e) Cuelogic Technologies Inc.
- f) L&T Hydrocarbon Caspian LLC

#### D) Name of the Joint Venture which has been converted to subsidiary during the year:

- a) L&T Sapura Offshore Private Limited - Reclassified as subsidiary w.e.f December 27, 2023 and post-reclassification the company is renamed as L&T Offshore Private Limited

#### E) Names of subsidiaries which are yet to commence operations:

- a) L&T Technology Services Poland spółka z ograniczoną odpowiedzialnością

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part B: "Associates/Joint ventures"

Sr. No.	1	2	3	4	5	6	7	8	9	
<b>Sr. No.</b>	<b>International Seaports (Haldia) Private Limited <sup>(1)</sup></b>	<b>L&amp;T Camp Facilities LLC</b>	<b>Larsen &amp; Toubro Qatar &amp; HBK Contracting Co. WLL</b>	<b>Magtorq Private Limited</b>	<b>Magtorq Engineering Solutions Private Limited</b>	<b>Indiran Engineering Projects and Systems Kish PJSC</b>	<b>Grameen Capital India Private Limited</b>	<b>GH4India Private Limited</b>	<b>Gujarat Leather Industries Limited</b>	
1	Latest audited balance sheet date	31-Mar-23	31-Dec-21	31-Dec-23	31-Mar-24	31-Mar-24	Refer Note 2	31-Mar-23	31-Mar-24	
2	Date on which the associate or joint venture was associated or acquired	11-Feb-05	13-Sep-07	28-Jul-04	02-Aug-10	02-Aug-10	31-Oct-09	05-Jun-15	25-Aug-23	27-Jun-91
3	Shares of associate/joint ventures held by the company at the year end									
	Number	98,30,000	2,450	100	9,000	22,000	875	21,26,000	10,00,000	7,35,000
	Amount of investment in associates/ joint venture (₹ Crore)	9.83	4.96	0.18	4.42	0.22	0.39	6.00	1.00	–
	Total share capital (₹ Crore)	44.06	10.12	0.46	0.21	0.24	0.78	12.05	3.00	–
	Reserves closing	30.76	(3.75)	(9.05)	17.06	0.70	(0.67)	(5.72)	(4.10)	–
	Total No of shares	4,40,58,020	5,000	200	21,003	24,000	1,750	81,77,887	30,00,000	Refer Note 3
	Extent of holding % (Effective)	14.25%	49.00%	50.00%	42.85%	39.28%	50.00%	17.12%	33.33%	50.00%
4	Description of how there is significant influence					Refer Note 1				
5	Reason why the associate/joint venture is not consolidated						Refer Note 4		Refer Note 3	
6	Net worth attributable to shareholding as per latest audited balance sheet (₹ Crore)	10.66	3.12	(4.29)	7.40	0.37	0.05	–	(0.37)	–
7	Profit/(Loss) for the year (₹ Crore)									
	Considered in consolidation	24.19	(3.34)	–	2.34	(0.24)	0.23	–	(4.10)	–
	Not considered in consolidation	–	–	–	–	–	–	–	–	–

<sup>(1)</sup> The company is associate of a subsidiary company under Companies Act, 2013.

#### Notes:

1. Significant influence is demonstrated by holding 20% or more of the total voting power, or control of or participation in business decisions under an agreement of the investee.
2. The Incorporated joint venture is not required to be audited as per regulatory laws in Iran. Hence the management certified accounts have been considered for consolidation.
3. The associate company is under liquidation process and investment is fully provided in the accounts.
4. No Significant influence as per Ind AS 28.

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

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## LARSEN & TOUBRO LIMITED

CIN : L99999MH1946PLC004768

Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.

Tel. No.: (022) 6752 5656, Fax No.: (022) 6752 5858

Email: IGRC@Larsentoubro.com, Website: www.larsentoubro.com

Dear Shareholder,

Date: June 11, 2024

We are privileged to have you as our shareholder. It has been our constant endeavour to improve the services to our Investors and in this pursuit, we are once again sending you this Feedback Form, which is a self addressed prepaid Inland letter. We request you to kindly spare some time and return the same to us duly completed. We look forward to your feedback/valuable suggestions.

Thanking you,

Yours faithfully,

For **LARSEN & TOUBRO LIMITED**

**Sivaram Nair A**

Company Secretary & Compliance Officer

M. No. F3939

### SHAREHOLDER'S FEEDBACK FORM

Name and address of the shareholder	Phone No: (with STD code)
	E-mail ID:
	Folio No./DP ID & Client ID

### Shareholders Satisfaction Survey Questionnaire (please ✓ the appropriate box)

- A. Do you perceive the Company as creating shareholder value in the:
- (i) Short Term Yes  No
- (ii) Long Term or Yes  No
- (iii) Both Yes  No
- B. Are you satisfied with the growth strategy of the Company?
- Yes  No  Not aware

	Excellent	Good	Poor*	Not experienced
C. Please rate the contents and quality of Integrated Annual Report				
D. Please rate the contents and quality of the website of the Company				
E. Arrangements related to last year AGM				
F. Quality and accuracy of response to your queries and complaints:				
- by Company				
- by Registrar				
G. Timeliness of response form				
- the Company				
- the Registrar				
H. Please rate the hospitality and efficiency of the persons attending to you when you interact with				
- Investors Relation Cell				
- Office of Registrars				
I. Overall quality of service provided by				
- the Company				
- the Registrar				

\* Kindly let us know your experience in space provided overleaf

- J. Do you have any grievance which has not been redressed Yes  No

Signature

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## BUSINESS REPLY LETTER

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will be  
paid by  
addressee



**B. R. PERMIT No.: MBI GPO - 0049**  
**Mumbai G.P.O.**  
**Mumbai - 400 001.**

**Larsen & Toubro Limited**  
Secretarial Department  
L&T House, Ballard Estate,  
Mumbai - 400 001.

Second Fold

First Fold

\* In case your response to any question overleaf is "Poor", kindly share your experience and let us know the reason/ instances to enable us to investigate the matter.

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In case of any queries, kindly contact our Registrar:  
KFin Technologies Limited  
**Unit: Larsen & Toubro Limited**  
Selenium Tower B, Plot number 31 & 32, Financial District Gachibowli, Nanakramguda, Serilingampally, Hyderabad, Telangana - 500 032  
Tel : (040) 6716 2222 • Toll free number: 1-800-3094-001 • Email: einward.ris@kfintech.com





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## AWARDS & RECOGNITION

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Every year, L&T and its people receive a number of national and international awards that acknowledge its varied accomplishments. Presented by the media, industry associations, independent bodies and academia, they honour the Company's contribution in various spheres of business, technology, financial performance, growth and environmental protection.

For details of recent awards, please visit [www.Larsentoubro.com](http://www.Larsentoubro.com)

