

SEC/PAM/AR/ 2022

July 12, 2022

BSE Limited Phiroze Jeejeebhoy 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 Annual Report for Financial Year 2021-22
including Notice of 77th Annual General Meeting**

In accordance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report for the Financial Year 2021-22 including the Notice convening the 77th Annual General Meeting, being sent to the members through electronic mode.

The Annual Report including Notice is also uploaded on the Company's Website www.larsentoubro.com.

This is for your information and records.

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



SIVARAM NAIR A.
COMPANY SECRETARY
(FCS 3939)

Encl.: as above.



**SUSTAINABILITY
IS PROGRESS**



VISION

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

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

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



LARSEN & TOUBRO

CHAIRMAN'S STATEMENT



A. M. Naik
Group Chairman

Robust self-belief and resilience – the key to success in times of challenge.

Dear Shareholders

Robust self-belief and resilience are the key to success in times of uncertainty and challenge. This spirit has helped India contend with an unprecedented pandemic and, in rapid succession, a war in Europe with its attendant disruptions. It is indeed creditable that amidst these

macroeconomic and geopolitical upheavals, India has managed to stay the course in its quest for growth. Your Company has also performed well while operating within the given constraints. At this juncture, we wish to reiterate our commitment to advance the interests of our country and express our solidarity with the nation and its leadership.

Business Scenario

FY 2021-22 was an economic roller coaster with the impact of recurring bouts of COVID-19 and global disquiet counter-balanced to some extent by Country's economic resilience. Regular government spending throughout the year complemented by liquidity easing measures by the Reserve Bank of India prevented the risk of an economic meltdown and helped bolster the confidence of households and private companies.

An improved borrowing programme for the Centre and State Governments also meant that the spending proposals envisaged in the Budget continued unhindered. Most of the high frequency, mobility and service indicators gained momentum as the easing of pandemic curbs saw demand regaining lost ground before geopolitical tensions erupted to set the clock back once again.

After years of stagnation, India witnessed a pick-up in exports in FY 2021-22. Consequently, the economy expanded at 8.7% in real GDP terms vis-à-vis a contraction in the previous financial year.

India is expected to post top quartile growth among emerging nations in the medium term. Challenges hovering on the horizon include runaway oil prices, supply chain disruptions and the US rate hikes affecting capital flows into India. Despite these roadblocks, however, our view is that the bold structural reforms carried out by the Government in the last couple of years will pave the way for improved quality of growth. A slew of incentive schemes launched by the Government should stimulate manufacturing and exports in our run up to becoming a USD 5 trillion economy. Leveraging its expertise in high-tech manufacturing, your Company is well-positioned to take advantage of the opportunities as they unfold.

Driving Growth

India's FY 2022-23 Budget focusses on consolidation with a capex-driven infrastructure thrust where the Government will do the heavy lifting and the private sector steps in to play its part. Most of the initiatives undertaken, ranging from NIP to NMP, creation of DFI, the PLI scheme, the public procurement initiatives as well as the renewed PPP models, have an overarching infrastructure focus. Clearly, they are directed to coax capex back into play. We hope that a reasonably stable domestic macro environment and an equable socio-economic climate will enable the Government to realise the vision envisaged in the NIP blueprint. Public and private investments working in tandem should also resuscitate India's Investment / GDP ratio which has been stagnant.

Since infrastructure investments serve the dual purpose of driving productivity and generating employment, we believe the underlying macro drivers for growth remain intact. Your Company is poised to capitalise on these opportunities as they emerge.

Internationally, we expect the GCC economy to remain buoyant with a strong capex fuelled by prevailing oil prices. Infrastructure and hydrocarbon opportunities are likely to open up in the African sub-continent on the back of enhanced bi-lateral/multi-lateral funding support.

Group Performance Review

In a year marked by several disruptions, your Company turned in a creditable performance and registered appreciable recovery across key performance parameters. Our Order Inflow for the year at ₹192,997 crore was achieved on the back of major domestic and international order wins in Hydrocarbon and Infrastructure. Although the domestic ordering environment was a shade below expectations, the international environment, especially in the Middle East, is a cause for cheer.

The L&T Group recorded revenues of ₹156,521 crore during FY 2021-22, registering a growth of 15%. The growth was aided by improved project execution and manufacturing activity further complemented by a strong pick-up in the services businesses amidst a volatile macro backdrop.

As on March 31, 2022, the Order Book at ₹ 357,595 crore is large, growing and diversified. The Infrastructure segment has a 73% share of the consolidated Order Book. The Order Book registered a growth of 9%, on the back of orders secured in projects businesses.

A healthy Operational Profit After Tax at ₹ 8,572 crore, representing a growth of 23% over the previous year. Thanks to robust operational cash flows, our capital

employed metrics have reported progress, leading in turn to improved return ratios for the Group. The Group has repaid borrowings during the year resulting in improved Debt-to-Equity ratios.

Your Company continues to focus on shareholder value creation by divesting non-core assets, capturing cost efficiencies and leveraging technology for productivity gains. Our strategically diversified business portfolio, geographical dispersion, robust balance sheet and strong Order Book are reliable signposts pointing to a brighter future. Further, the Company's proven execution strengths and committed workforce are helping it to seamlessly transition to a more digitally evolved work environment. This should enable the business to thrive once the immediate challenges posed by pandemic and the geopolitical uncertainties are behind us.

It gives me great pleasure to inform you that the Board of Directors has recommended a final dividend of ₹ 22 per share for FY 2021-22.

International Business

The Company's policy of aiming for wider geographic dispersal continues to yield positive results while de-risking exposure. While the Middle East region remains an area of focus, your Company has expanded its outreach to several countries in Africa as well as South East Asia. Currently, the Middle East region constitutes 76% of the international Order Book of ₹ 95,227 crore.

Strategic Plan

Our Strategic Five-year Plan christened 'Lakshya 2026', continues to steer your Company's growth. Simultaneously, it also responds with agility to flux in the business environment. This year we launched Lakshya 2026, built around the following themes:

- Value accretive growth in our current business portfolio
- Exit from non-core businesses
- Developing innovative business offerings to ride the energy transition wave
- Scaling up Digital and e-commerce businesses
- Business sustainability through sharper focus on ESG and shareholder value creation

We are targeting Group Revenues of ₹ 2.7 lakh crore and ROE of 18%+ by FY 2025-26

Training and Talent Management

People are at the heart of our successes and our continuing endeavours to do better. Our HR policies are crafted to ensure professional growth while contributing to the employee's sense of pride and well-being. We also leverage technologies as we anticipate and adapt to changing requirements. For instance, our digitalisation initiatives enabled us to provide learning experience to our employees, even as they worked remotely during multiple lockdowns.

Sustainable Development

I am very happy to inform you that this is the maiden issue of our Integrated Annual Report, bringing together our financial and sustainability performance across multiple parameters. While the world seems to have suddenly woken up to the perils of climate change, for your Company sustainability is nothing new. We have been at the forefront of many sustainability initiatives long before they were mandated by law. Since 2008, we have maintained an annual reporting cycle for our sustainability performance. These reports are accessible on the Company's website.

Your Company has set for itself a Water Neutrality and Carbon Net Zero target of 2035 and 2040 respectively. We are already present in EPC Solar and Water space and are now actively looking at expanding our footprint in Green Hydrogen and Energy Storage. With more and more countries signing up for time-bound zero emission targets, lucrative business opportunities should emerge for your company in green hydrogen, storage solutions, renewables and the world of data infrastructure.

With regard to governance, the Company's core values pivot around the principles of independence, transparency, accountability, responsibility, compliance, ethics and trust. We will continue to uphold the value systems which have been the traditional hallmark of Larsen & Toubro for over eight decades.

As stated in the past, I wish to reiterate that our defence business does not manufacture explosives or ammunition of any kind, including cluster munitions or anti-personnel landmines or nuclear weapons or components for such munitions. The business also does not customise any delivery systems for such munitions.

Outlook

We live in an age of unpredictability. Just when it appeared that the world had come to terms with the pandemic and that the worst was behind us, war broke out in Europe, dashing hopes of achieving the stability essential for growth. In the interdependent world we live in, conflagrations are no longer confined to the boundaries of the combatant countries. This has disrupted the global supply chains and triggered an alarming spike in prices. The consensus view is that prices of various commodities would remain elevated in the near term.

Amid all this, there is good news on the technology front. Paradoxically, it took a pandemic to open our eyes to the latent benefits of digital technologies. These technologies are irrevocably changing the way we work and interact with each other. Also, the IT spends are possibly the only deflationary force in today's inflationary world. Another positive result has been a heightened awareness of sustainability and a more rigorous emphasis on Environment Protection, Social Responsibility and Governance frameworks.

Conclusion

I would like to thank our employees, our customers, supply chain partners and the Government for their contribution, directly and indirectly, to our growth. I also thank my fellow Board Members for their invaluable support in guiding the Company through turbulent times.

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 setting higher levels of excellence.

My heartfelt greetings to you all as India celebrates '*Azadi ka Amrit Mahotsav*'.

Jai Hind!

MESSAGE FROM THE CEO & MD



S. N. Subrahmanyan
CEO & MD

Renewing Focus, Revitalising Portfolio, Reaffirming Values

The best time to change is now

Forward looking organisations constantly evaluate how the world is transforming and course-correct to stay ahead of the curve. At L&T, our relentless endeavour has been to pivot the organisation on its core strength of engineering and technology to enhance shareholder value.

Resilience and Value Creation

FY 2021-22 saw L&T-ites yet again demonstrate their resilience and spirit to first overcome the challenges posed by the pandemic and thereafter reorganise themselves to push forward. During the pandemic, the prime focus was to stand by our employees, workmen, vendors, and the community at large. Driving the need to stay safe, we ensured that most of our employees were vaccinated through regular vaccination drives. I sincerely thank all our employees, workmen, and other stakeholders for standing by the organisation during those tough times.

Despite severe headwinds, we ended FY 2021-22 on a strong note on the back of several prestigious order wins. The Order Book at around ₹3.6 lakh crore is not only the highest in the history of the Company but is also diversified and growing.

Lakshya 2026

During the year, we formulated our Lakshya 2026 strategy plan to sustain the present momentum and create value over the Plan period up to FY 2025-26. In this exercise, the Company seriously introspected and rededicated itself to its core focus areas of EPC Projects, Hi-Tech Manufacturing and Services.

The EPC Projects portfolio will focus on the Infrastructure and Energy sectors, with the 'Infrastructure' segment continuing to include all our construction businesses, targeting Order Inflow and Revenue growth between 11 and 13%. The 'Energy' segment will comprise the Hydrocarbon, Power, and Green Hydrogen EPC businesses. We will strive for timely delivery and, wherever possible, early completion in all the projects that we execute. Profitability will be driven by a combination of productivity of resources, operational excellence, as well as our on-going digitalisation drive.

Hi-Tech Manufacturing includes the Heavy Engineering & Defence Engineering businesses. Additionally, the manufacture of Electrolyzers and Battery Energy Storage Systems will form part of this portfolio. We will target Order Inflows and Revenue growth of 18%+ and improve and sustain profitability thanks to our several initiatives revolving around Design Excellence, Automation, Value Engineering, Factory 4.0, and On-time Delivery.

Value creation in the EPC Projects and Hi-Tech Manufacturing businesses will be a combination of margin improvement and lower deployment of capital.

The Services portfolio is in a sweet spot with the potential for accelerated growth. I am also happy to inform you that our teams are performing creditably in an intensely competitive scenario. Going forward, the Services portfolio will comprise two segments: IT&TS Businesses and Financial Services.

IT&TS Business Portfolio

This portfolio includes LTI-Mindtree and LTTs. The IT&TS businesses will continue to balance the risk and cyclicity associated with the traditional projects and manufacturing segment. The momentum from existing and emerging tech trends such as Cloud, Digital, AI, Industry 4.0 is expected to propel growth in the near term. This portfolio will aim at Revenue growth in the high teens during the Plan period and be vigilant to tap opportunities for inorganic growth as they emerge. Making all these plans work will undoubtedly need high calibre digital talent, and we intend to on-board the finest minds in the industry.

The IT&TS portfolio will also have the in-house incubated e-commerce and digital platforms that were launched in FY 2021-22, SuFin and Edutech as well as the Data Center Business.

Financial Services

This business, following the philosophy of 'Shrink to Grow', will reorganise its existing lending portfolio and migrate towards retail lending over time. We believe a growing digitalised retail portfolio, with a focus on upselling and cross-selling, will yield higher returns and lead to significant improvement in valuation.

The **Realty, Smart World & Communication and Industrial Machinery & Products** businesses will comprise the '**Others**' segment.

In the **Realty** business, we are looking for growth in the residential and commercial spaces through multiple formats under the larger objective of developing captive landbanks to leverage existing investments. **Smart World & Communication** will mature from the current EPC / O&M format to that of a total Smart Solutions Provider model that will enable us to provide complete end-to-end technology solutions. We will also grow our **Industrial Machinery & Products** portfolio, primarily comprising Construction Equipment and Valves, as demand picks up.

Developmental Projects or the concessions portfolio will now largely constitute the Hyderabad Metro while emerging

opportunities in the Green Hydrogen BOO projects space will be housed in this portfolio too. We would like to complete the divestment of L&T IDPL and Nabha Power during the current Plan period and unlock their value. In Hyderabad Metro, a combination of capital restructuring, improved operations, and monetisation through Transit Oriented Development should generate value over time.

Company-wide Perspective

Our thrust areas in the Plan period are clear: Ensure sustainable growth in the current business portfolio through profitable expansion and execution, scale up through business model innovation and meet customer demands in an agile manner in the newer businesses. This should help us clock Group Revenues of ₹2.7 lakh crore and an ROE of 18%+ by FY 2025-26.

Cash flow is the lifeline of any business and we have paid close attention to the cash flow profile at the Group level. As we see it, cash generation during the Plan period will be the outcome of improved profitability and lower employment of capital. Further, as I mentioned earlier, we are looking at unlocking capital through the sale of some of our non-core assets to boost cash balances. The Company will explore option to step up pay-out ratios over time in addition to returning cash to shareholders which will accelerate ROE improvement.

Future Ready Initiatives

We, at L&T, are committed to face the global climate change crisis and shape the future around frontier technologies to mitigate the ill effects of climate change. We do believe that alternative fuels such as Green Hydrogen will go a long way to create a cleaner environment and contribute towards the nation's energy security. We have a unique opportunity to play a significant role to accelerate the ecosystem around Green Hydrogen, with our thrust in both the EPC and BOO spaces, coupled with the backward integration of manufacturing electrolysers and grid battery energy storage systems.

On the digital front, there is maturity in understanding data security, data ownership and the Government is also continuing its thrust for data localisation. Thus, the new Data Center and Cloud Services businesses are distinctly positioned to achieve scale in the future. Another dimension to the digital world is e-commerce and the boom of services being delivered through the internet. In these spaces, we intend to capitalise on our engineering DNA to design superior services. We have made moves in the e-commerce space through

SuFin, our B2B platform for the trade of industrial products and services, where we put power in the hands of SMEs and MSMEs and our EduTech platform, through which we empower students seeking practical and application-oriented engineering courses.

Greener and Brighter Tomorrow

With a vision of *'Technology for Sustainable Growth'*, the Strategy Plan factors in Climate Change and what we must do to push the agenda for a greener and sustainable tomorrow within the organisation as well. While the set specific targets may be new, proactive environment conservation is not new to L&T. We have committed to Water and Carbon Neutrality by 2035 and 2040 respectively. We have also set for ourselves interim targets on various parameters of ESG up to FY 2025-26.

We are taking steps to reduce waste production through improved recycling initiatives that encourage our people to develop and sustain environment friendly habits. Apart from our operations and services, we are also working with our partners, to reduce emissions and create a significant impact. Some note-worthy achievements related to our environmental performance include avoiding emission of around 40,000 tonnes of CO₂ during the year, which is equivalent to planting 500,000 trees. Our cumulative energy conservation is around 150 million units, which is equivalent to powering 70,000 homes for a year.

We are keenly focused on Circular Economy using the 6R (reduce, reuse, recycle, repair, refurbish and rethink) approach to manage waste and improve material recycling and reuse. Cumulatively, we have planted around 6 million multispecies trees, and our focus on biodiversity and protection of natural resources is sharper than ever. Our portfolio of green businesses, which includes solar, water, green hydrogen, and some others, is steadily growing and presently constitutes >30% of the total revenue.

Digital and Technology Adoption

We cannot emphasise enough the importance of digital technology adoption in both EPC Projects and Manufacturing operations. In Manufacturing today, most activities are automatically controlled. The amount of data that is generated and monitored gives us a differentiated advantage vis-à-vis competition in terms of visibility of operations and remote control over various processes.

In various projects today, more than 13,000 equipment are digitally connected providing real-time visibility into operations. We also have quality and safety checks on mobile apps, which also include a database with details of our workers, their skill sets, and their home addresses. The entire site topography is being mapped through drones and light detection and ranging (LiDAR) sensors. Safety measures for workers are being communicated through augmented and virtual reality. Such level of digital adoption substantially increases productivity, improves quality and safety. This is an on-going journey, and all possibilities will be explored and implemented in the future too.

Raising the Bar

Good governance has been integral to L&T's DNA for decades. We have always practised the highest level of governance and intend to keep raising the bar. We actively seek and adopt newer, better ways of doing things to keep setting new industry benchmarks.

People

People are intrinsic to any business both in terms of being one of the goals for which they are run as well as the means to achieve this goal. I have often mentioned that L&T is a great technology platform that nurtures and rewards hardworking, sincere, honest, and dedicated individuals. Every person we employ adds value to the organisation. The value that some individuals add is apparent while for some others it is embedded deep inside and takes the right atmosphere for it to manifest.

It is our endeavour, as an organisation, to provide the right atmosphere, an enabling environment, and the right incentives to realise one's potential and take the organisation to the next level. Through the projects that we undertake, which are some of the biggest, largest, tallest, and heaviest, we are committed to creating opportunities at all levels for people to give expression to their creative instincts and unleash their potential.

We are also taking serious steps to increase the percentage of women in the workforce to 10% from the current 6%. Creating the ecosystem required for not letting biases, stereotypes, and discrimination creep into decision making and letting objectivity define the best person for any job has been and will remain the endeavour for creating equal opportunity for all genders.

Giving Back to the Society

We have always believed in sharing value with our various stakeholders and our CSR initiatives, aligned with the global and national development objectives, primarily focus on healthcare and education & skilling to help more Indians become capable to earn themselves a living. In FY 2021-22, the Company spent ₹ 136 crore on CSR activities. Apart from spending on CSR-oriented projects covering water and sanitation, natural resource conservation, climate change mitigation and adoption of renewable forms of energy, L&T also responded to the pandemic by assembling 38 PSA oxygen generation units and transporting those across to different parts of the country which were worst affected. Cumulatively, 1.1 million benefitted from our CSR initiatives in FY 2021-22.

L&T – A Technology Company

L&T is fully-gearred for the next phase of growth to evolve, accept, and adopt newer ideas as we revamp our portfolio and equip our people with tomorrow's skillsets. Adapting and assimilating smart technology will play a significant role going forward.

Challenges are part and parcel of our journey, and we are ever prepared to face and overcome them through continuous learning, unlearning, and relearning.

Finally, we will always remember that we are in the business of nation building. For that, we must remain passionate, optimistic, calm, patient and stay united in our shared sense of purpose.

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COMPANY INFORMATION

BOARD OF DIRECTORS (as on 12th May 2022)

MR. A. M. NAIK

Group Chairman

MR. S. N. SUBRAHMANYAN

Chief Executive Officer & Managing Director

MR. R. SHANKAR RAMAN

Whole-time Director & Chief Financial Officer

MR. D. K. SEN

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

MR. M. V. SATISH

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

MR. JAYANT DAMODAR PATIL

Whole-time Director & Sr. Executive Vice President
(Defence & Smart Technologies)

MR. SUBRAMANIAN SARMA

Whole-time Director & Sr. Executive Vice 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. M. M. CHITALE

Independent Director

MR. M. DAMODARAN

Independent Director

MR. VIKRAM SINGH MEHTA

Independent Director

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

MRS. PREETHA REDDY

Independent Director

MR. PRAMIT JHAVERI

Independent Director

Company Secretary

Mr. Sivaram Nair A

Registered Office

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

Auditors

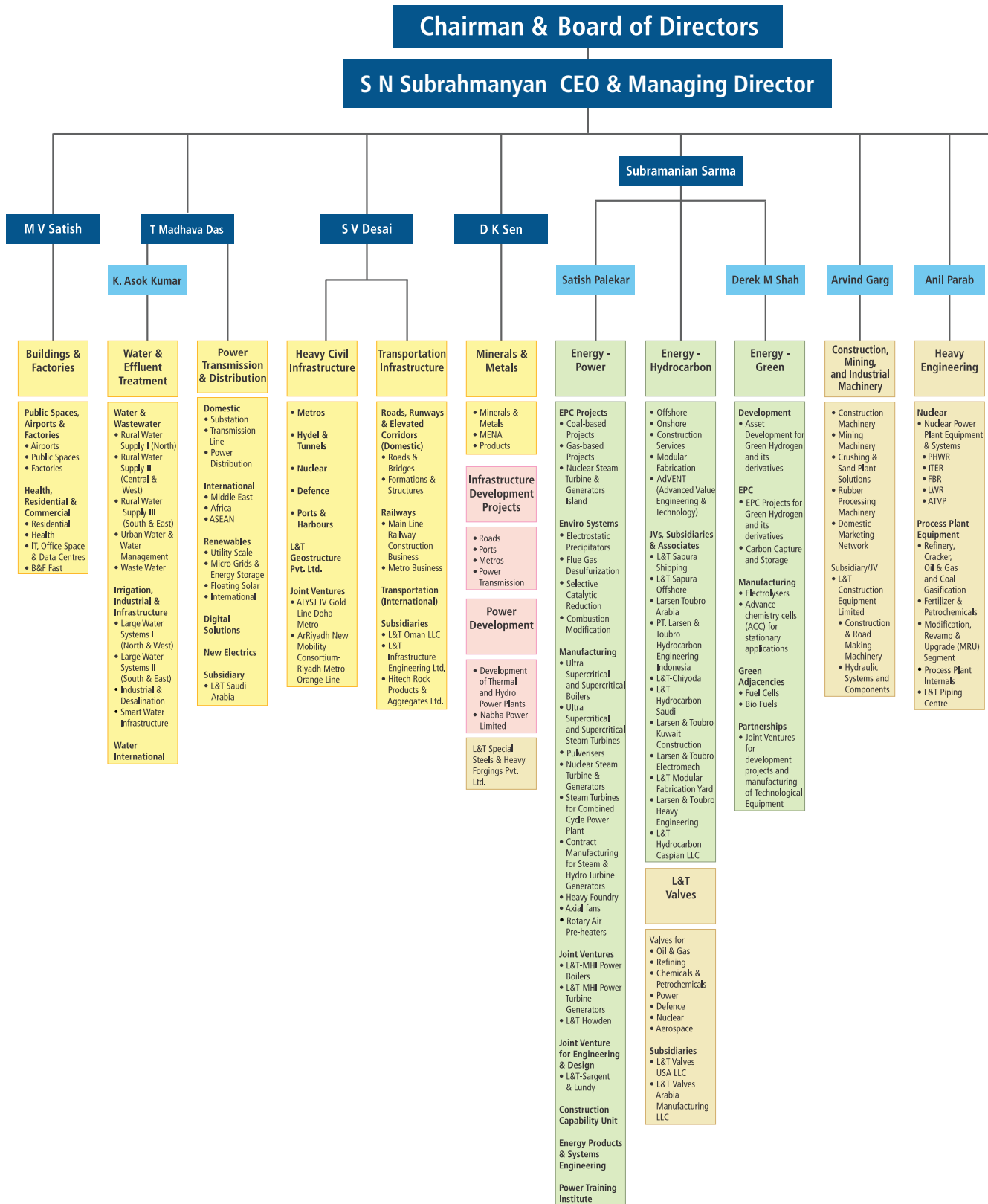
M/s. Deloitte Haskins & Sells LLP

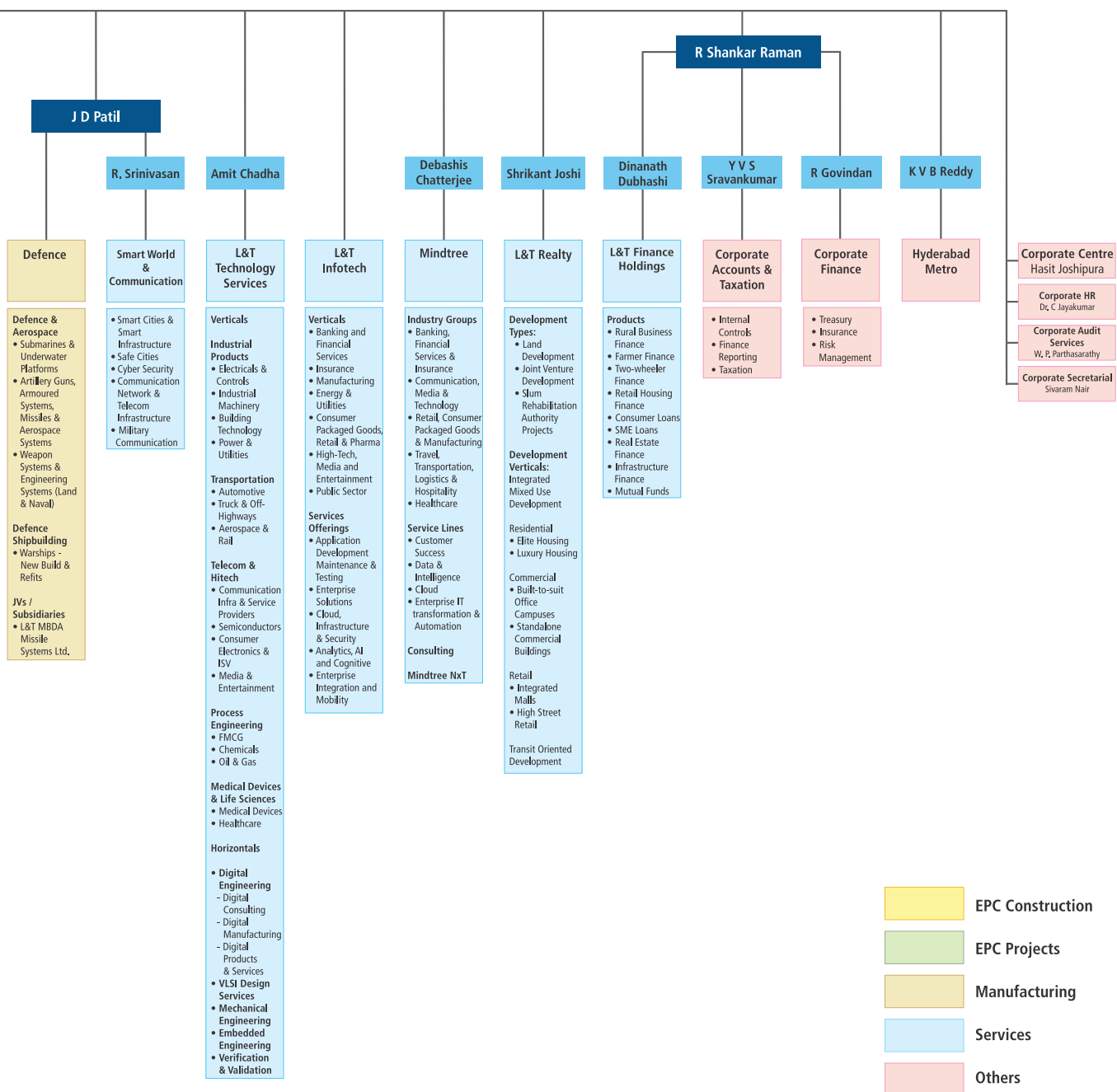
Registrar & Share Transfer Agents

Kfin Technologies Limited

77th Annual General Meeting through Video Conferencing or Other Audio Visual Means on Thursday, 4th August 2022 at 3.30 p.m. IST

ORGANISATION STRUCTURE





LEADERSHIP TEAM



A. M. Naik
Group Chairman



S. N. Subrahmanyam
CEO & Managing Director



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



Subramanian Sarma
Whole-time Director &
Sr. Executive Vice President
(Energy)



D. K. Sen
Whole-time Director &
Sr. Executive Vice President
(Development Projects)



M. V. Satish
Whole-time Director &
Sr. Executive Vice
President (Buildings)



J. D. Patil
Whole-time Director &
Sr. Executive Vice President
(Defence & Smart Technologies)



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



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

EXECUTIVE COMMITTEE (ECOM)



S. N. Subrahmanyam
CEO & Managing Director



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



Subramanian Sarma
Whole-time Director &
Sr. Executive Vice President
(Energy)



D. K. Sen
Whole-time Director &
Sr. Executive Vice President
(Development Projects)



M. V. Satish
Whole-time Director &
Sr. Executive Vice
President (Buildings)



J. D. Patil
Whole-time Director &
Sr. Executive Vice President
(Defence & Smart Technologies)



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



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



Hasit Joshipura
Sr. Vice President & Head
Corporate Centre

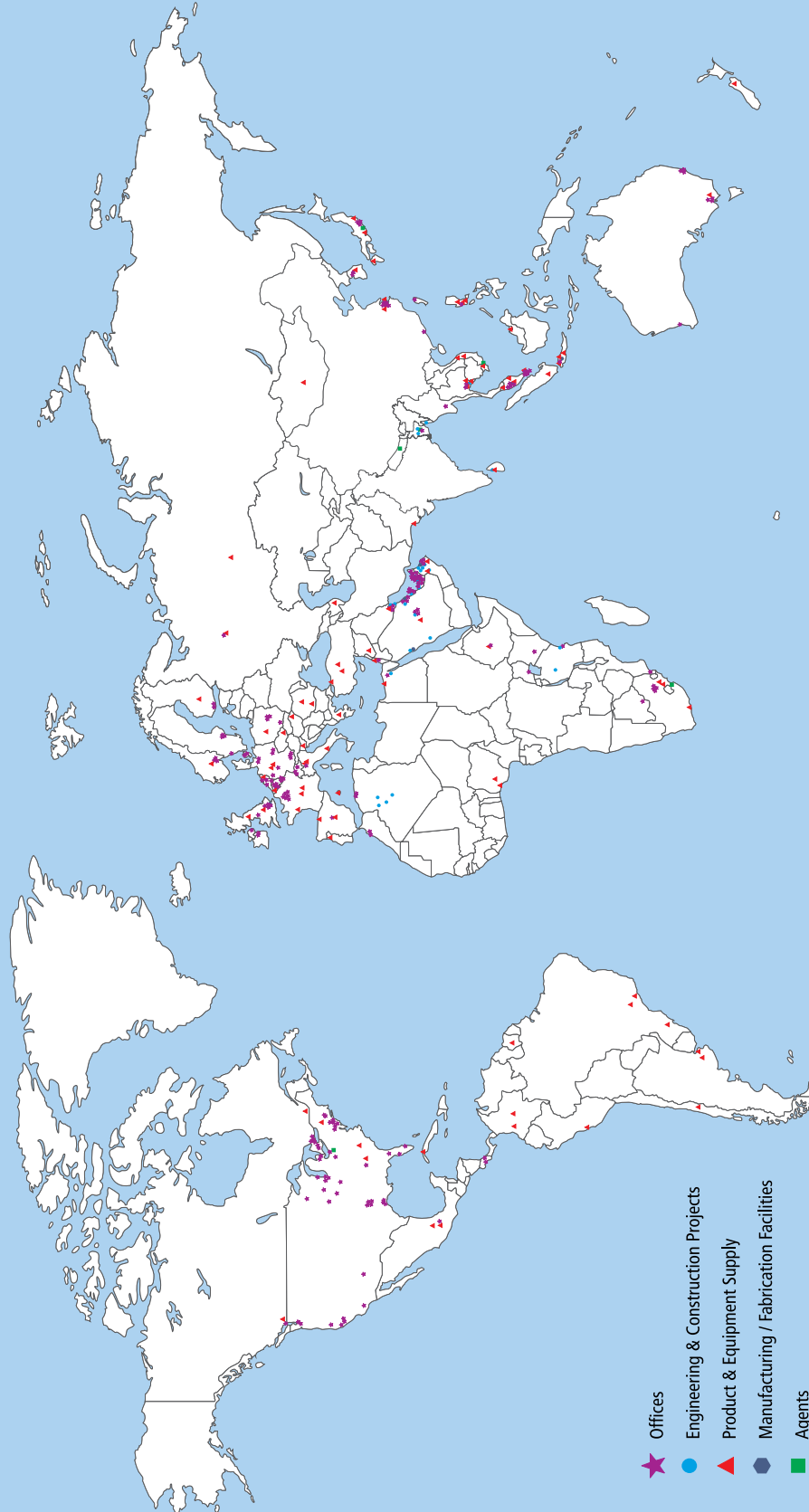


Shrikant Joshi
CEO & Managing Director
L&T Realty Limited



Anil V. Parab
Sr. Vice President & Head
Heavy Engineering

GLOBAL NETWORK



STANDALONE FINANCIALS - 10 YEAR HIGHLIGHTS

₹ crore

Description	Ind AS ^[11]						IGAAP ^[11]			
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
	← [8] →		← [9] →							
Statement of Profit and Loss										
Gross revenue from operations ^[1]	101000	87255	82384	82287	74612	66301	63813	57558	57164	52196
PBDIT ^{[1][2]}	9055	8309	6838	7653	7701	6481	5829	6488	6667	5473
Profit after tax (excluding extraordinary/ exceptional items) ^[12]	7612	5966	5414	5466	4861	4560	4454	4699	4905	4169
Profit after tax (including extraordinary/ exceptional items)	7879	11798	6679	7491	5387	5454	5000	5056	5493	4384
Balance Sheet										
Net worth	67114	61738	52175	50048	49174	46013	42135	37085	33662	29291
Loan funds	20298	24474	25785	11990	10561	10558	13924	12936	11459	8478
Capital employed	87412	86212	77960	62038	59735	56571	56059	50021	45121	37769
Ratios and statistics										
PBDIT as % of net revenue from operations ^{[1][3]}	8.97	9.52	8.30	9.30	10.34	9.86	9.23	11.38	11.78	10.60
PAT as % of net revenue from operations ^{[1][4]}	7.80	13.52	8.11	9.10	7.23	8.30	7.91	8.87	9.71	8.50
RONW % ^[5]	12.23	20.54	13.07	15.74	11.32	12.37	12.39	14.30	17.46	16.06
Gross Debt: Equity ratio	0.30:1	0.40:1	0.49:1	0.24:1	0.21:1	0.23:1	0.33:1	0.35:1	0.34:1	0.29:1
Basic earnings per equity share (₹) ^[6]	56.09	84.02	47.59	53.43	38.46	39.00	35.81	36.31	39.57	35.55
Book value per equity share (₹) ^[7]	477.67	439.55	371.65	356.79	350.90	328.79	301.57	265.85	241.97	211.39
Dividend per equity share (₹) ^{[7][10]}	22.00	36.00	18.00	18.00	16.00	14.00	12.17	10.83	9.50	8.22
No. of equity shareholders	14,92,124	13,71,535	12,51,569	10,21,275	8,99,902	9,23,628	10,28,541	8,53,824	832,831	854,151
No. of employees	50,267	49,107	45,467	45,205	42,924	41,466	43,354	44,081	54,579	50,592

^[1] For Continuing Operations from 2018-19.

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

^[3] PBDIT as % of net revenue from operations = [(PBDIT)/(gross revenue from operations less excise duty up to June 30, 2017)].

^[4] Profit After Tax (PAT) as % of net revenue from operations = [(PAT including extraordinary & exceptional items)/(gross revenue from operations less excise duty up to June 30, 2017)].

^[5] RONW [(PAT including extraordinary & exceptional items)/(average net worth excluding revaluation reserve)].

^[6] Basic earnings per equity share has been calculated including extraordinary & exceptional items and adjusted for all the years for issue of bonus shares.

^[7] After considering adjustments for issue of bonus shares during the respective years.

^[8] Figures for 2021-22 and 2020-21 include the impact of the merger of L&T Hydrocarbon with the Company.

^[9] Figures from 2018-19 include the impact of the merger of L&T Shipbuilding Limited with the Company.

^[10] Dividend for the year 2020-21 includes special dividend of ₹ 18.00 per share and final dividend of ₹ 18 per share.

^[11] Figures from 2015-16 are as per Ind AS and for earlier periods as per IGAAP and hence not directly comparable.

^[12] Profit from discontinued operations in the year 2020-21, 2019-20 and 2018-19 has been considered as exceptional item.

CONSOLIDATED FINANCIALS - 10 YEAR HIGHLIGHTS

₹ crore

Description	Ind AS						IGAAP			
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Statement of Profit and Loss										
Gross revenue from operations ^[1]	156521	135979	145452	135220	119862	110011	101975	92762	85889	75195
PBDIT ^{[1][2]}	18217	15624	16329	15330	13641	11130	10463	11258	10730	9929
Profit attributable to Group shareholders (excluding extraordinary/ exceptional items) ^[3]	8572	6965	8894	8144	7151	5920	4154	4470	4547	4911
Profit attributable to Group shareholders (including extraordinary/exceptional items)	8669	11583	9549	8905	7370	6041	4233	4765	4902	5206
Balance Sheet										
Net worth	82408	75869	66723	62375	54904	50217	44180	40909	37712	33860
Non-controlling interest	12966	12052	9521	6826	5201	3564	2893	4999	3179	2653
Loan funds	123468	132605	141007	125555	107524	93954	88135	90571	80330	62672
Capital employed	218842	220525	217251	194756	167629	147735	135208	136479	121221	99185
Ratios and statistics										
PBDIT as % of net revenue from operations ^{[4][1]}	11.64	11.49	11.23	11.34	11.40	10.18	10.35	12.24	12.60	13.33
PAT as % of net revenue from operations ^{[5][1]}	5.54	8.52	6.57	6.59	6.16	5.53	4.19	5.18	5.76	6.99
RONW % ^[6]	10.95	16.25	14.80	15.35	14.12	12.80	9.91	12.13	13.71	16.47
Gross Debt: Equity ratio	1.29:1	1.51:1	1.85:1	1.81:1	1.79:1	1.75:1	1.87:1	2.21:1	2.13:1	1.85:1
Basic earnings per equity share (₹) ^[7]	61.71	82.49	68.04	63.51	52.62	43.20	30.32	34.22	35.31	37.69
Book value per equity share (₹) ^[8]	586.52	540.16	475.27	444.67	391.78	358.83	316.20	293.29	271.10	244.40
Dividend per equity share (₹) ^{[8][9]}	22.00	36.00	18.00	18.00	16.00	14.00	12.17	10.83	9.50	8.22

Figures for 2015-16 to 2021-22 are as per Ind AS and for earlier periods as per IGAAP and hence not directly comparable.

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

^[2] Profit before depreciation, interest and tax [PBDIT] is excluding extraordinary/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] Profit after tax (PAT) as % of net revenue from operations = [PAT including extraordinary/exceptional items/gross revenue from operations less excise duty upto June 30, 2017].

^[6] RONW = [(PAT including extraordinary/exceptional items)/(average net worth excluding revaluation reserve)].

^[7] Basic earnings per equity share has been calculated including extraordinary/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.



MANAGEMENT DISCUSSION AND ANALYSIS

Economy

Indian Economy

The financial year 2021-22 was expected to be a year of recovery on the back of normalised resumption of economic activity and improved mobility, post the first COVID-19 wave.

On the contrary, the year commenced with the onset of a more virulent second wave, resulting in a record number of infections and high mortality rate. The country witnessed partial lockdowns across different states, as opposed to complete lockdowns during the first wave. With improved vaccination efforts, the economy bounced back faster than anticipated. However, the recovery momentum was once more disrupted due to the emergence of the Omicron variant towards the end of Q3, which fortunately, lasted only for a brief period. The emergence of geopolitical tensions towards the end of the year has however now created new challenges with a sharp rise in commodity prices, leading to a record high inflation and rising interest rates.

Despite these turbulences, India's GDP is expected to grow by 8.7% in FY 2021-22, compared to a 6.6% contraction registered in the previous year.

India's Union Budget 2022 emphasised on maintaining fiscal deficit near current levels along with a renewed capex thrust. Government capex serves the twin purpose of employment

generation and acts as a growth multiplier. Complementing the efforts of the Government, the RBI continues to pursue an accommodative but cautious monetary stance. The tax buoyancy due to improved economic activity could help India to stay adequately prepared to handle the worsening terms of trade arising out of high oil prices. The Government remaining committed to achieve its NIP target and private capex showing early signs of revival, augurs well for economic growth.

The surge in domestic demand, improvement in capacity utilization levels and much leaner corporate balance sheets are further indicating a sustained resurgence in the economic output. The IMD's prediction of yet another year of normal monsoon has added to the positive sentiments.

With the easing of COVID-19 protocols, consumer confidence and household optimism are also on an uptrend. A robust Rabi output should support recovery in rural demand and pick-up in contact-intensive services should help in further strengthening the urban demand.

It is expected that the ongoing geopolitical conflict could impact supply chain dynamics and keep commodity prices elevated for a longer period. Rising interest rates across the world could also impact capital flows into the country. However, India due to its structural reforms and thoughtful fiscal stimulus and monetary support from Government & RBI respectively, is in a better position to withstand the challenges, as in the past.



Global Economy

The global economy witnessed swift recovery amidst continued progress with vaccination efforts, supportive macroeconomic policies in the major economies and favourable financial conditions. However, the global environment significantly worsened in the latter half of the financial year with the unfavourable geopolitical situation, adversely impacting food and energy prices, and supply chain disruption.

There are no easy policy choices in current times. Governments and Central Banks across the world continue to grapple with the prospect of stagflation, as low economic output and supply-side led inflation continues to linger. This is getting further aggravated with the resurgence of COVID-19 infections in some major economies, leading to lockdowns and thereby delaying the resumption of normalcy.

In this scenario, the themes to watch out for in the medium term would be a possible rearrangement of the global supply chain, consequent shift in export hubs, establishment of a 'new world order' and the gradual shift from globalisation to localisation.

Business Model and Strategy

Strategy Formulation

Business strategy formulation seeks to set long-term goals and strategies that help the Company in exploiting its strengths, identifying and realising new opportunities, and building new capabilities. This is enabled through three plans with time horizons ranging from long-term Perspective (7-10 years) to medium-term Strategic (5 years) to the short-term (the Annual Budget). Each plan dovetails into the next.

The Company's 5-year Strategic Plan, 'Lakshya', is developed through a collaborative and consultative process across the organisation. The Lakshya 2026 plan formulation was initiated in March 2021. The exercise was to be undertaken in 2020 for the period FY 2021-22 to FY 2025-26 but was deferred by a year owing to the exigencies created by the COVID-19 pandemic and the heightened uncertainty across economy and various sectors. The first year, which is FY 2021-22, was covered through the annual budgeting exercise, and Lakshya 2026 plan has been now developed for the four-year period FY 2022-23 to FY 2025-26.

The Lakshya 2026 plan targets to achieve value accretive growth in the existing businesses through a multi-pronged approach like selective project bidding, targeting opportunities in line with global ESG trends, riding the momentum in existing and emerging technological trends for services, rejigging business offerings and driving profitability through operational excellence, value engineering and digitalisation initiatives.

The plan also envisages venturing into emerging businesses like Green Hydrogen development, Electrolyser & Battery manufacturing, Data Centers and also scale up new-age digital and e-commerce businesses over the plan period. The thrust on unlocking value by exiting non-core businesses continues.

Business Model

Value creation by the Group is enabled by leveraging its distinct business models across projects, manufacturing and service lines:



EPC Projects

The Group focuses on its proven core competencies of conceptualising, designing, engineering, executing, and commissioning large, complex projects in the areas of transportation infrastructure, power transmission and distribution, thermal / hydel / solar / nuclear power plants, green hydrogen, and derivatives, water and irrigation infrastructure, buildings and factories, oil and gas facilities, and metals and mining projects.

Hi-Tech Manufacturing

Hi-Tech Manufacturing focuses on custom-built products catering to process industries, material handling equipment, electrolysers and advanced cell chemistry batteries, construction machinery & mining equipment, industrial valves and defence engineering including shipbuilding.



Services

The Services businesses cater to sectors of IT (through LTI and Mindtree), Technology Services (through LTTS, Smart World & Communication), Real Estate (through L&T Realty) and Financial Services (through LTFHL), B2B E-commerce (through L&T SuFin), Skilling & Assessment (through L&T EduTech) and Cloud Services (through Data Centers).

While the Group has also undertaken major development projects such as the Hyderabad Metro, toll-road operations (through L&T Infrastructure Development Projects Limited) and Nabha Power in the past, the focus going forward would be to unlock the value embedded in these investments and stay asset-light.

Our businesses and offerings are closely linked to global megatrends

Urbanisation Boom



- High-rise buildings (B&F)
- Underground multi-level car parks (Geo)
- High-capacity utility networks (PT&D, WET)
- Safe and Smart cities (SWC)

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

Climate Change



- Renewables – Solar, Energy Storage (PT&D, HC)
- Green buildings (B&F)
- Water Recycling and Reuse solutions (WET)
- Green Hydrogen (GE)

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

Mobility Growth



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

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

Societal Challenges



- Water and Sewage Treatment systems (WET)
- Affordable & Mass Housing (B&F)
- Energy Efficient Power Systems and microgrids (PT&D)
- Financial services (LTFS)

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

Digital Transformation



- Big Data, AI/ML, AR / VR, 5G, Cloud, Cybersecurity (LTI, LTTS, MT)
- Automation, Industry 4.0, Digital Engineering (LTTS, MT)
- Data Storage and Computing (DC)
- Platforms (SuFin, EduTech)

Technology and services offerings to transform businesses across various domains

- B&F Building & Factories
- TI Transportation Infra
- HC Heavy Civil
- WET Water & Effluent Treatment
- PT&D Power Transmission & Distribution
- Geo L&T Geostructures

- LTI L&T Infotech
- LTTS L&T Technology Services
- MT Mindtree
- SWC Smart World & Communication
- DC Data Center & Cloud Services
- GE Green Energy

Portfolio Strategy

The portfolio strategy aims to de-risk the revenue while improving profitability in the pursuit of growth. This strategy focuses on:



Complementing the mature businesses with growth-stage businesses. While established businesses continue to drive the growth of the Group, the focus is also on seeding and scaling up new businesses which have high growth potential, are tech-oriented and have high value-addition.



Geographically diversified businesses. While India will continue to be the main market for EPC Projects over the next 5 years, select international markets i.e., Middle East, Africa and ASEAN would also be in focus. The Americas and Europe would continue to be the focus geographies for IT services businesses.



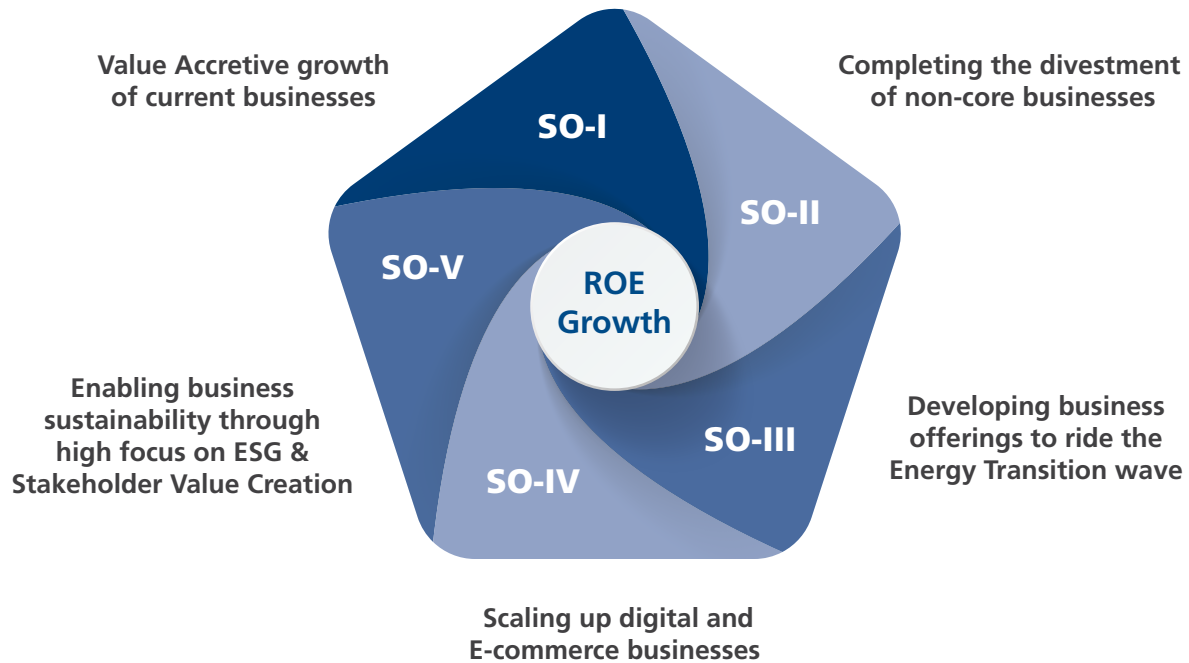
Balancing the cyclical nature of the EPC business through a portfolio of Services businesses. With the aim of better profitability and a stable revenue profile, the Group intends to increase the share of the Services businesses, while pursuing growth in the traditional EPC Contracts and Hi-Tech Manufacturing businesses.



Supplementing the standalone offerings with partnerships. For the traditional businesses, the Company has partnered with several large global process and technology licensors, and for the IT and Technology Services businesses, the Group has extensive partnerships with established global software product and technology companies.

Strategic Thrust & Direction

As part of the Lakshya 2026 plan, the Group has re-evaluated shareholder value creation, defined social obligations, and framed sustainability goals. The outcome of this assessment was the rearticulation of its Strategic Objectives (SOs), which would drive value creation over a long-term horizon. These are:



These Strategic Objectives are supported through **Strategic Enablers (SEs)**:



Performance in FY 2021-22 against objectives:

Objectives	KPIs	Performance
SO-I Value accretive growth of current businesses	<ul style="list-style-type: none"> Revenue Growth Composition of Services in Total Revenues 	In FY 2021-22, despite continued impact of COVID-19 led disruptions, the Company achieved revenues of ₹156,521 crore (+15% y-o-y). Services business continued to show strong growth of 12% with a stable percentage share in revenues at 30% in FY 2021-22.
SO-II Completing the divestment of non-core businesses	<ul style="list-style-type: none"> Businesses divested 	In FY 2021-22, the Company divested Singoli-Bhatwari Hydroelectric Project (99 MW) and is actively pursuing divestments in L&T IDPL and exploring various alternatives to cap our current exposure in Hyderabad Metro.
SO-III Developing business offerings to ride the Energy Transition wave	<ul style="list-style-type: none"> Size of Green Portfolio New Business or Business offerings developed 	The size of Green Portfolio of businesses is ₹ 38,843 crore which is 38.2% of standalone revenues in FY 2021-22 (compared to 33.2% in FY 2020-21). The Board has approved entry into the 'Green Energy' business through Green Hydrogen & derivatives and Advanced Chemistry Cells batteries. The business will be setup in FY 2022-23, including tie-ups for technology and business partnerships. These new businesses are proposed to be set up through joint ventures, with L&T having a dominant share.
SO-IV Scaling up digital and E-commerce businesses	<ul style="list-style-type: none"> Growth of Digital & E-commerce Businesses 	L&T SuFin and L&T EduTech have been formally launched in FY 2021-22 and currently in scale-up stage. A new business which has been evaluated and incubated in FY 2021-22 is Data Center & Cloud Services (Business offering linked to data centers and related services).
SO-V Enabling business sustainability through high focus on ESG & Stakeholder Value Creation	<ul style="list-style-type: none"> Metrics linked to ESG performance based on materiality e.g: <ul style="list-style-type: none"> - GHG Intensity - Water consumption - Lost Time Incident - Training hours 	For details refer to sections: Natural Capital (pg. no.136) Social & Relationship Capital (pg.no.178) Human Capital (pg.no.168)

Risk Management

L&T has a comprehensive Enterprise Risk Management (ERM) framework in place for identification, assessment, treatment and reporting of risks. The Risk Management Framework consists of four tiers:

- The operating businesses form the First Tier as risk owners and have primary responsibility for identifying and managing the risks.
- The Second Tier comprises corporate functions and dedicated Business Risk Management teams who are responsible for monitoring and reporting of risks and providing guidance to risk owners.
- The Apex Risk Management Committee is the Third Tier that monitors & provides strategic decisions on risks. This Committee periodically evaluates the robustness and defensibility of the systems in place and suggests mitigation plans accordingly.
- The Board Risk Management Committee (BRMC) & Audit Committee is the Fourth Tier that provides risk governance and oversight as a component of strategic leadership. The BRMC reviews the existing risk management policy,

framework, processes, structure, and the mitigation systems. It also on a periodic basis, evaluates and monitors the key risks at a Company level. The Audit Committee, in compliance with The Companies Act and SEBI LODR, oversees the financial risk framework of the Company.

The Company is predominantly into the Projects business and has a robust Project Risk Management process. The key processes of risk reviews include (a) country clearance process for the first-time geographies (b) pre-bid risk reviews based on authorisation level mapped to the range of bid values (c) execution risk reviews of the projects for tracking the movement of risks and course corrections and (d) close out reviews to capture key learnings from the projects completed and document the learnings for future bids. The Company's risk management processes ensure that the businesses accept risks as per the boundary conditions based on the risk appetite of the organisation. The entire risk management process is overseen by the office of the Chief Risk Officer of the Company.

The Company also has a Chief Information Security Officer (CISO) who is responsible for forming and assuring implementation of IT security policies, frameworks to manage cybersecurity risk, and controls across the organisation.

The top enterprise-wide risks for the Company and their mitigation measures are summarised below:

	Risk	Mitigation
Geopolitical Risk	<p>The Company operates in numerous geographies and is exposed to risks on account of protectionist policies, political dynamics, trade barriers, sanctions, and geopolitical conflicts.</p> <p>The recent geopolitical event – Russia-Ukraine – conflict has impacted the world directly or indirectly in terms of supply chain disruptions and inflation.</p>	<p>The Company has in place mitigation strategies like country-clearance approval procedure, monitoring of changes in sanction regimes, diversification of Order Book, etc. Further, entity level sanctions are also monitored for counter party risk assessment.</p> <p>The Company engages periodically with external experts and Government Authorities to assess potential impacts of geopolitical conflicts on new investments, supply chain, logistics, and commodity prices. The Company has put in place, alternate strategic sourcing options to minimise the impact.</p>
Competition	<p>It has been observed that competition from foreign and domestic players has considerably increased in the last few years.</p> <p>Removal of Bid Bond and relaxation of Performance Bank Guarantee in Government contracts has led to increased competition, especially in Road Projects.</p>	<p>The Projects Business derives its competitive strength from its excellence in execution, reputation for quality, technology, timely completion, cost-effectiveness, sourcing capability, project management expertise, strong safety record and lengthy experience with a wide range of services and technologies.</p> <p>Bids are priced accordingly considering the risk appetite and management strategy to deal with competition.</p>
Underperformance in key sectors	<p>Sectors such as Power, Nuclear, Defence - Shipbuilding, continued to show slow growth and underutilization of their capacities.</p>	<p>Being a diversified conglomerate, the Company portfolio itself offsets the slowdown in some sectors with growth in other sectors.</p> <p>New Government initiatives like Atmanirbhar Bharat (Make in India) and impetus to National Infrastructure Pipeline provides lot of growth opportunities in the near future.</p> <p>The Company is also foraying into new geographies and new businesses.</p>

Energy Transition	<p>There is a renewed focus on Energy Transition across the world, with most of the Governments supporting Climate Action Plan. This transition involves risks in the form of switching to a new business model.</p> <p>Stakeholder activism on ESG has increased over the years demanding that corporations pursue sustainable business models.</p>	<p>The Company is committed to Energy Transition & Sustainability goals by setting targets to become Water neutral by 2035 and Carbon neutral by 2040. Its ESG roadmap is aligned with the 5-year strategic plan - 'Lakshya 2026' with a commitment to climate leadership, water stewardship, circular economy, green supply chain, biodiversity, and green offerings.</p> <p>The Company views the transition to Green Energy as an opportunity.</p> <p>Opportunities like Green Hydrogen, Clean Energy Technology, and Offshore Wind have been identified as new growth avenues.</p>
Inequitable Terms of Trade	<p>The Company partners with multiple stakeholders in executing projects and the terms agreed upon with these parties have become more stringent over the years.</p> <p>Joint & several liabilities, long defects liability period, cost overruns, back-ended payment structure, working capital challenges, and claim management challenges will influence the performance and cash flows.</p>	<p>The Company relies on strong internal processes, back-to-back arrangements with vendors / subcontractors, project and business level working capital monitoring policies, and pre-bid reviews as a risk mitigation strategy.</p> <p>Legal, Taxation, Finance and Risk teams are involved in vetting the proposal at the bid stage. The Company maintains a strong documentation and follow up with clients / sub-contractors / vendors for any claim that is submitted.</p>
Execution Challenges	<p>The Company faces inherent risks throughout the execution phase of the project. Project challenges include employee / workmen mobilisation, adverse geological surprises, unavailability of work front, land acquisition and Right-of-Way (ROW), delay in approval and clearances, visa issues, etc.</p> <p>There have been additional challenges due to pandemic like supply chain disruptions, scarcity of raw materials, inflation, counter party risk, etc.</p> <p>Some of the businesses like Financial Services, Hyderabad Metro, Realty were affected in varying degrees due to the pandemic.</p>	<p>The majority of risks are identified during the Prebid stage and appropriate mitigation strategies are developed.</p> <p>These identified risks are monitored at regular intervals for resolution / mitigation.</p> <p>The Company implemented a number of safety measures like vaccination camps for staff and labour, enforcing safe distancing norms etc. to mitigate the effects of the COVID-19 pandemic.</p> <p>Credit worthiness of counterparties is being monitored regularly.</p>
Cyber Security	<p>The Company is undergoing a digital transformation, and cybersecurity has become a key concern for the continuity of business. Vulnerabilities like targeted attacks, ransomware threats, and phishing have enhanced the importance of protecting the information technology infrastructure and data of the Company.</p>	<p>The Chief Information Security Officer of the Company, under the guidance of the Risk Management Committee, oversees the implementation of strong enterprise-wide cybersecurity practices. These practices are grouped into people, processes and technology control areas under a company-wide Cyber Security Assurance Framework. The maturity of security controls is continually being measured to maintain them at desired benchmarks.</p>
Climate Risk	<p>The world has seen high amount of climate variability and extreme weather events over the years due to global warming. The Company's primary operations in the construction and engineering sector may be impacted by climate change. Some of the major concerns include:</p> <ul style="list-style-type: none"> (i) The weather of a location cannot be predicted accurately based on the meteorological data. (ii) Climate change is a risk multiplier and has also enhanced the instances of natural calamities, which cause problems in site operations, logistics of equipment/materials and safety of resources. (iii) Extremely high daytime temperatures have a negative impact on health and safety of construction workers and impact productivity. (iv) High precipitation or high flooding of rivers pose significant risk to operations and movement of plant and machinery. (v) Extreme weather events cause significant disruptions in operations and supply chain and thereby have a direct impact on the costs. 	<p>The Company adheres to all environmental and safety compliances including ISO 14001 and ISO 45001. Occupational hazards and adherence to environmental management plan are carefully monitored at all project sites and manufacturing locations. Assessment of high precipitation/flooding periods is done at bidding stage for construction projects and same is factored in project execution plan to avoid heavy or at-risk work during those periods. Monsoon preparedness plans are a standard requirement now for all projects and cover plans for 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. For dealing with periods of extreme temperature, operations are adjusted to start earlier in the day and restart after taking a mid-day break. To de-risk movement of equipment in difficult conditions, appropriate arrangements (route assessment, ground reinforcement, special support team etc.) are made in advance. Initial Risk assessment and regular risk reviews aim to anticipate impact of climate risks and devise solutions or build contingencies to handle them accordingly.</p>

The Risk Management processes are enabled through an ERM system that facilitates monitoring risks across projects in various geographies of operation, provides a risk-weighted portfolio view of businesses and shares learnings across the organisation. An integrated Knowledge Centre Portal is also available that provides a platform for assessment of financials of counterparty, geo-political and macro risks to support informed and fact-based decision-making.

The Company emphasises on continuous learning and has taken initiatives to strengthen its processes. An e-Learning module of ERM is in place for employees to get acquainted with Risk Management processes and manage risks effectively and responsibly. Periodic training workshops on Risk Management are organised across the Company to spread awareness.

The Enterprise Risk Management Framework is continuously reviewed and benchmarked with industry best practices.

FINANCIAL RISKS

Foreign Exchange and Commodity Price Risks

The businesses of the Company are exposed to fluctuations in foreign exchange rates and commodity prices. Additionally, it has exposures to foreign currency denominated financial assets and liabilities. With the increasing tendency to access sanctions to combat geo-political issues, there have been

reports of attempts to develop alternate payment systems to support trade and capital flows. The rise of cryptocurrency may pose additional challenges in this regard.

The Group has an evolved policy for foreign exchange risk management, with separate policies for project and manufacturing business and IT&TS business. With respect to project and manufacturing portfolio, the currency risks are evaluated from the tendering stage and are assessed for pass-through arrangements in contracts, coverage by way of natural hedge and the balance appropriately hedged. The Company also proactively monitors depeg risk in the GCC.

The financial risks involving commodity prices are managed through price variation clauses embedded in the contracts, hedges in financial markets and pass-through price arrangements. In the case of contracts with price variation clauses, the Company runs a basis risk in terms of reimbursement tied to various price indices versus actual commodity prices. During financial year 2021-22, commodity prices had remained elevated, which is expected to continue in the financial year 2022-23, driven by supply constraints which have been further accentuated by geopolitical events.

For disclosure of commodity exposures as required under clause 9(n) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the format specified vide SEBI Circular dated 15th November, 2018 is given below:

Sr No.	Commodity Name	Exposure towards the particular commodity (₹ crore)	Exposure in Quantity terms towards the particular commodity (Tn)	% of such exposure hedged through commodity derivative				Total
				Domestic market		International market		
				OTC	Exchange	OTC	Exchange	
1	Aluminium - Buy	1,191	55,723	-	-	50.11	-	50.11
2	Aluminium - Sell	372	14,496	-	-	52.81	-	52.81
3	Zinc - Buy	80	3,108	-	-	100.00	-	100.00
4	Copper - Buy	1,670	22,728	-	-	68.48	-	68.48
5	Copper - Sell	801	10,801	-	-	100.00	-	100.00
6	Lead - Buy	104	6,045	-	-	100.00	-	100.00
7	Coking coal - Buy	83	17,570	-	-	-	-	-
8	Iron ore - Buy	71	57,020	-	-	73.76	-	73.76
9	Steel - Buy	19,762	29,66,407	-	-	-	-	-
10	Cement - Buy	4,209	66,36,849	-	-	-	-	-
11	Nickel - Buy	177	1,099	-	-	80.07	-	80.07

Financial Risk Management is governed by the Risk Management framework and policy approved by the Audit Committee and authorised by the Board. Financial risks in each business portfolio are measured and managed by Corporate Treasury aided by the said framework.

Liquidity and Interest Rate Risks

The Company judiciously deploys its surplus funds in short-term investments in line with the Board approved policy. It constantly monitors the liquidity levels, economic and capital market conditions and maintains access to the lowest possible cost of sourcing liquidity through banking lines, trade finance and capital markets. The Company managed its higher than usual treasury investments to generate investment return to neutralise the higher interest cost due to borrowings raised in the previous financial year. The Company dynamically manages interest rate risks through a mix of fund-raising, investment products and derivatives across maturity profiles and currencies within a robust risk management framework.

With the post COVID-19 recovery, the attention is now focussed on the size of G4 central bank balance sheets and a rethink of the accommodative monetary policy. The Federal Reserve started hiking interest rates with a 25 bps increase in their March 2022 meeting. The RBI, also in order to combat the inflationary trends, has recently increased the repo rate leading to a hardening interest rate regime.

Financial Resources & Capital Allocation

The capital allocation philosophy of the Company is geared to support business initiatives for the medium to long term growth of the Company, while retaining enough liquidity to support any short-term exigencies faced by the Group.

FY 2021-22 started with another phase of uncertainty in terms of liquidity with renewed lockdowns and disruption of work at sites as well as in client offices. However, with the Company having raised significant amount of long-term liquidity in FY 2020-21, there was adequate liquidity reserve on the balance sheet.

The Company provided support to Group companies like L&T Metro Rail Hyderabad Ltd. while it was recovering from impact of COVID-19's second and third waves. The Company also supported the capital expenditure required to execute some of the large projects awarded in the previous financial year. Going forward, apart from regular capital expenditure, the Company plans to invest in new businesses of Green Energy & Data Centers and continue to focus on growing its IT&TS services business.

Since business conditions have improved post the initial disruption, the Company ended the year with a reduction in its debt levels at ₹ 20,298 crore vis-à-vis ₹ 24,474 crore in FY 2020-21. Low standalone gearing levels (Gross Debt to Equity ratio at 0.30) and an adequate cash balance of ~₹ 25,000 crore equip the Company to deal with normal business uncertainties.

The Company plans to maintain around the current level of liquidity reserve on the Balance Sheet to deal with continuing uncertainties in economic conditions.

While the Company has adequate banking facilities to cater to the business requirements, the Large Exposure Framework guidelines of RBI implemented from April 1, 2019, may constrain the availability of bank limits for the Group. At the same time, the Government's initiative to reduce the performance bank guarantee requirement in projects from 10% to 3% has positively impacted the resources availability for the businesses.

Internal Controls & Safeguards

One of the important pillars of corporate governance is a robust internal controls framework that assists the corporation to achieve predictable and desired outcomes. It helps in aligning controls with the dynamics of constant challenges and changes in risk profile, arising due to varying internal and external factors. The internal controls framework established by the Company is commensurate with the size of operations and complexity of its businesses. All internal controls are well aligned with the evolving business needs, objectives, and overall strategic direction. The Company ensures integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records, and prevention and detection of frauds and errors through a set of detailed policies and procedures.

The Board of Directors and Management at all levels exhibit the right tone at the top through their actions, behaviour, and directives. The 'Code of Conduct' emphasises the corporate culture and values of the Company which serves as a beacon for the employees and inculcates the importance of integrity and ethical values. Suppliers must conform to a separate 'Code of Conduct' as a part of the registration process to ensure that they align to the Company's commitment to seek sustainable growth by integrating Environment, Social and Governance (ESG) principles with its businesses. The 'Code of Conduct' and the '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 or misconduct or fraud, with adequate safeguards against victimisation, fear of punishment or unfair treatment.

The Company has adopted the globally accepted framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission for Internal Controls. The Internal Financial Controls are instituted at the entity and process levels and are aligned with the requirements of the Companies Act, 2013. The internal control teams at corporate and business levels serve as the second line of defence and assist the Management in setting up of sound internal controls and establishing, operating, and upgrading the internal controls system. The Corporate team shares best practices across the organisation, reviews and assesses the processes, formulates and updates the policies, guidance notes and advisories.

The Corporate Audit Services Department carries out independent internal audits covering core business operations, corporate departments, and support functions. The annual audit plan of Corporate Audit Services is reviewed by the Audit Committee of the Board to ensure the adequacy of the coverage. The significant audit observations are presented to the Audit Committee every quarter along with update on the implementation of the recommended remedial measures and the agreed actions by the Management.

The operating effectiveness of Internal Financial Controls are carried out by Corporate Audit Services team and Internal Controls for Financial Reporting by Statutory Auditors and no reportable material weaknesses either in their design or operations were observed. The evaluation included documentation review, enquiries, testing, and other procedures considered to be appropriate in the circumstances.

OVERALL FINANCIAL REVIEW FY 2021-22

I. L&T CONSOLIDATED

The Group while prioritising the health and safety of its manpower, registered a good performance in FY 2021-22 despite all the challenges. The Company continued to focus on its goal of maximising shareholder value by an efficient execution of its large Order Book, leveraging technology to improve cost competitiveness, achieving operational excellence through digital initiatives, and containing working capital along with better funds management and divesting non-core assets identified for sale. During the year, the Company concluded the divestment of its 99 MW Singoli-Bhatwari Hydel Power Plant in the state of Uttarakhand.

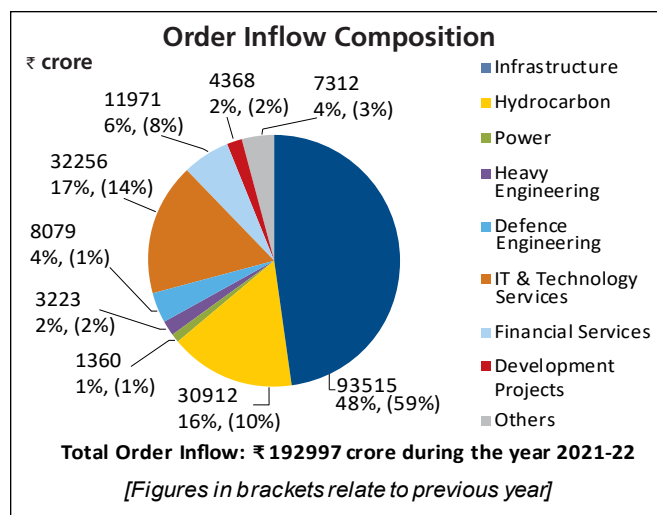
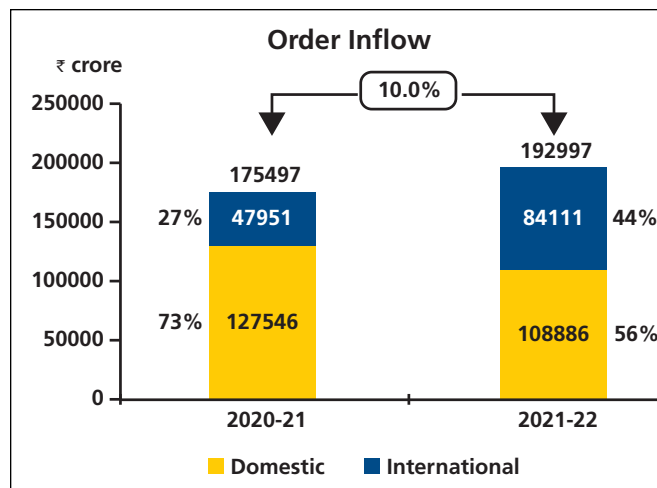
During the year, the Company launched new businesses:

- a) **L&T EduTech** – Which offers EdTech products and solutions to educational institutions, skilling bodies, working professionals, students, and learners across segments using a technology intensive user-friendly platform.
- b) **L&T SuFin** – A B2B E-Commerce online platform launched to provide SME/MSME buyers and sellers (mainly focused on construction and industrial products & services) to connect in an efficient manner, thereby enabling sellers to expand their sales reach, and for buyers to find their required products and services seamlessly. The platform also enables logistics services and credit facilities to support the e-commerce transactions.

Further, during FY 2021-22, the Company initiated feasibility studies and pilot investments into new businesses planned under Strategic Plan i.e. Data Center and Green Hydrogen.

As at March 31, 2022, the L&T Group comprises 93 subsidiaries, 5 associate companies, 27 joint ventures and 35 jointly held operations. Out of the total 160 entities, 54 companies belong to the 4 listed subsidiaries and 19 are related to 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, for enabling access to new geographies, technology, and nuanced business segments.

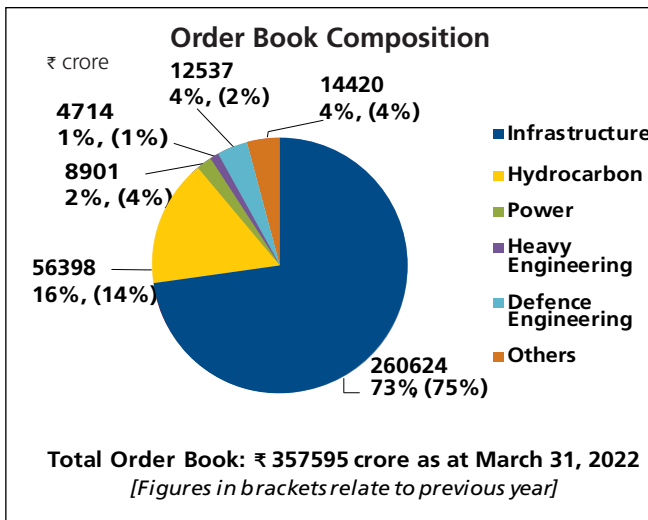
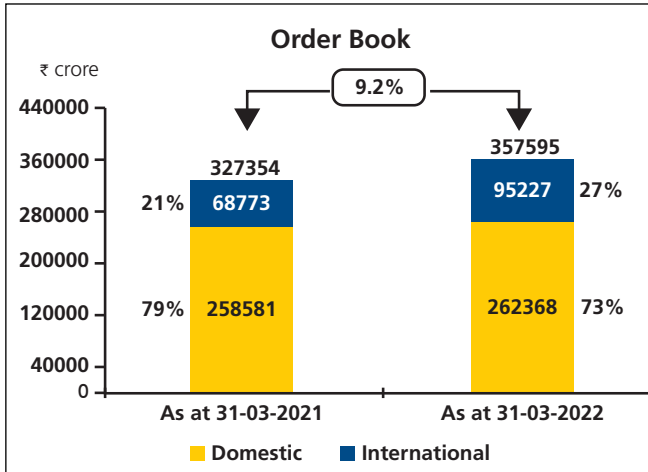
Order Inflow and Order Book



L&T Group achieved Order Inflows of ₹192,997 crore during FY 2021-22, registering growth of 10% over the previous year, with growth largely driven by receipt of mega international orders in the Power Transmission & Distribution and Hydrocarbon business. This led to an increase in share of international Order Inflow to 44% from 27% in previous year.

The year witnessed booking of some noteworthy orders in the rural water supply segment, few metro projects, a project in Health and Public space business, a large value order from Indian Navy in the Defence Engineering business, a mega order from the Middle East in Power Transmission & Distribution business and big-ticket orders in Offshore and Onshore verticals of Hydrocarbon.

With improved order traction in Hydrocarbon and Defence Engineering, the contribution of the Infrastructure segment in the overall Order Inflow decreased to 48% from 59% in previous year.

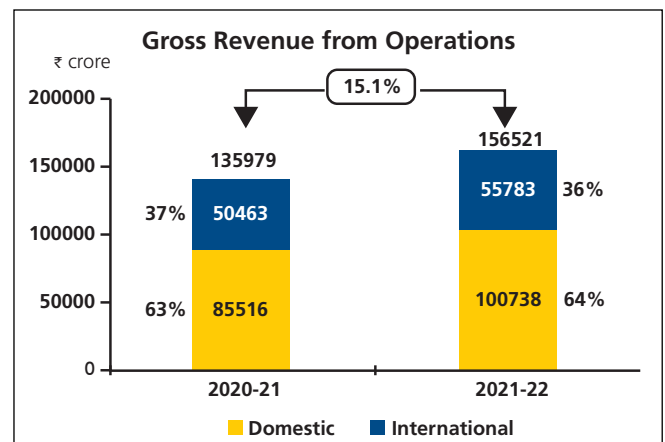


As at March 31, 2022, the Order Book is at ₹ 357,595 crore providing a multi-year revenue visibility to the Company. The infrastructure segment continues to dominate with a share of 73% of the consolidated Order Book, vis-à-vis 75% as of March 2021.

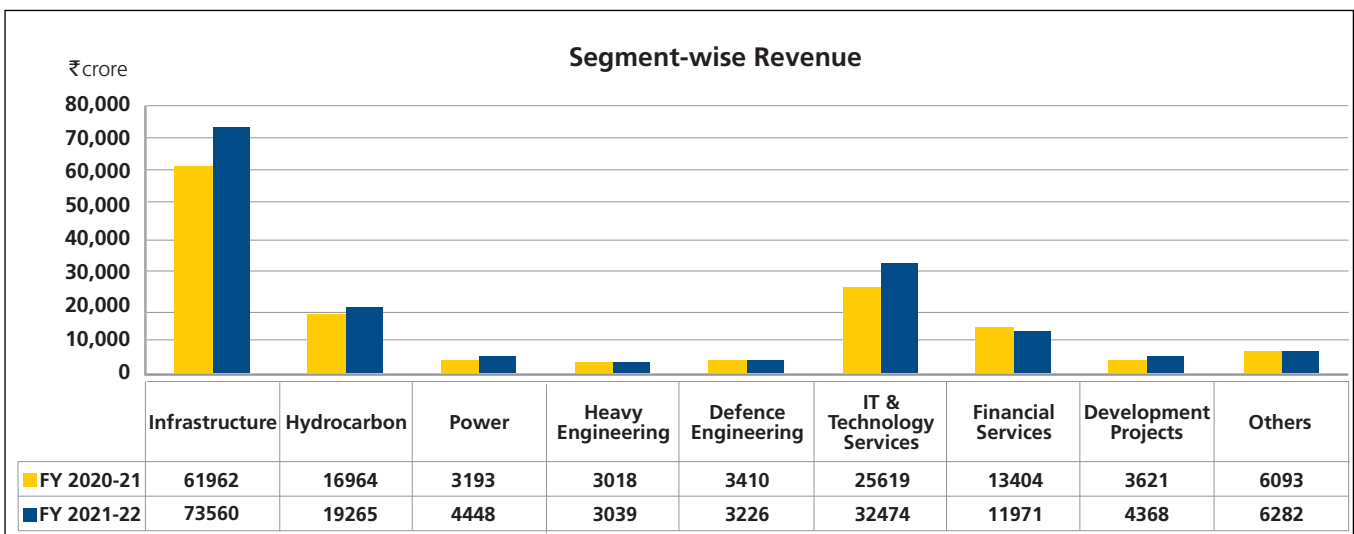
The Order Book registered a growth of 9.2%, mainly with receipt of some high value orders during the year. Around 21% of the Order Book comprises orders received from various State Governments, including local authorities. The Private sector is gathering momentum with its contribution increasing to 20% of the total Order Book as of March 2022 as against 17% as of March 2021. Of the domestic Order Book, 38% of the orders are funded by multi-lateral agencies.

The share of the international Order Book increased from 21% to 27% with the share of Saudi Arabia in the overall international Order Book increasing to 63% from 32%.

Consolidated Revenue from Operations

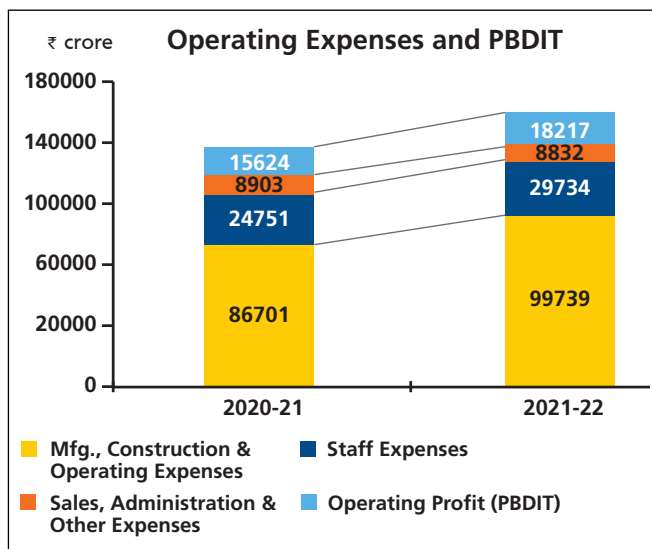


L&T Group recorded revenue of ₹ 156,521 crore during FY 2021-22, registering a growth of 15.1%. The growth was mainly achieved with the pickup of execution momentum in Project businesses and substantial growth in IT&TS business. The composition of international revenue at the Group level is at 36% in FY 2021-22 compared to 37% in the previous year.



During the year, most of the businesses registered a growth over the previous year. The revenues from the IT&T segment continue to register industry leading growth.

Operating Expenses and PBDIT



Manufacturing, Construction and Operating (MCO) expenses for FY 2021-22 at ₹ 99,739 crore increased by 15% over the previous year. These expenses mainly comprise cost of construction material, raw materials and components, subcontracting expenses and interest costs in the Financial Services business. This represents 63.7% of revenue in line with the previous year.

Staff expenses for FY 2021-22 at ₹ 29,734 crore increased by 20.1% over the previous year and as a percentage to revenue increased by 80 bps, reflecting manpower ramp-up in the IT&T segment and salary revision. The Group continues to focus on productivity improvements, digitalisation, and manpower optimisation across most of its businesses.

Sales and administration expenses at ₹ 8,832 crore is almost in line with the previous year at ₹ 8,903 crore.

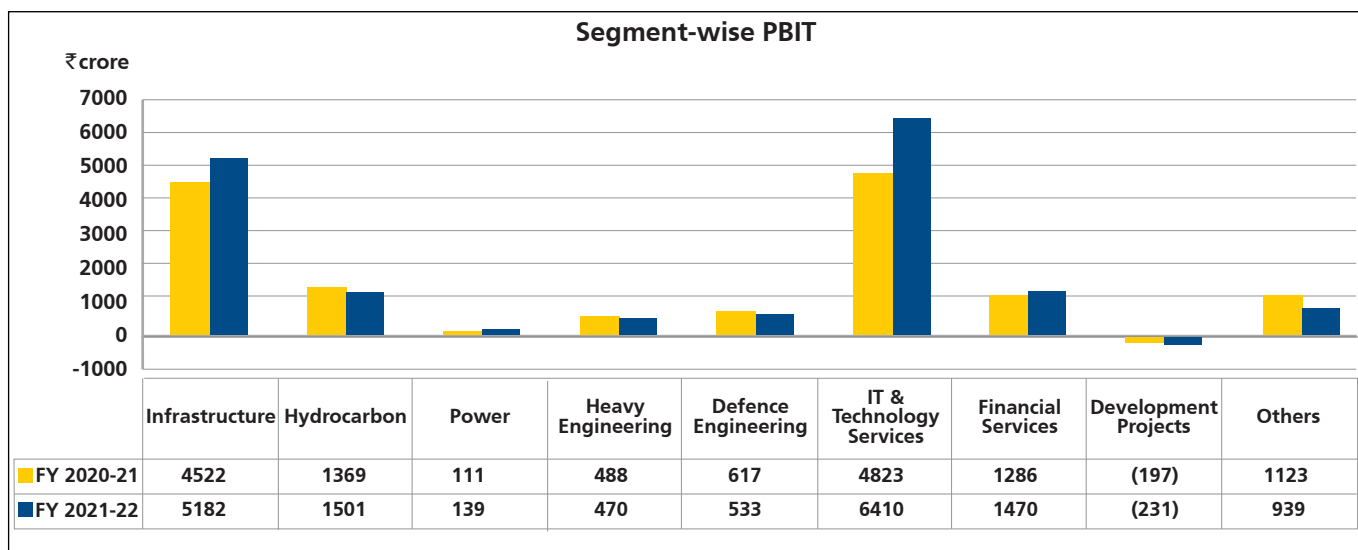
The Group's operating profit at ₹ 18,217 crore for the year 2021-22 registered a growth of 16.6% y-o-y, largely due to higher revenue volumes. The EBITDA margins for the year improved by 10 bps at 11.6%. Operational excellence measures in Mindtree and L&T Technology Services and lower credit cost in Financial Services aided the margin improvement. However, impact of high commodity prices and higher provisions on contract assets and customer receivables exerted some pressure on the margin.

Depreciation and Amortization charge

Depreciation and amortisation charge for the year 2021-22 marginally increased to ₹ 2,948 crore from ₹ 2,904 crore in previous year.

Profit Before Interest and Tax

Segment-wise composition of PBIT for FY 2021-22 is represented below:



The segment-wise PBIT registered improvement over previous year majorly in Infrastructure and IT&T businesses.

Other Income

It mainly consists of profit on sale of liquid / short term investments and interest income. Other income at ₹ 2,267 crore, declined by 33.9% over ₹ 3,429 crore, mainly due to lower investible surplus.

Finance cost

The interest expenses for the year 2021-22 at ₹ 3,126 crore was lower by 20.1% over ₹ 3,913 crore for the previous year. The decline was mainly attributable to reduction of borrowings in the Parent entity. Also, the average borrowing cost for FY 2021-22 decreased to 7.4% p.a. from 7.7% p.a. in the previous year due to refinancing of debt in Hyderabad Metro.

Tax Expense

Income Tax charge for FY 2021-22 (excluding tax charge on discontinued operations) increased to ₹ 4,217 crore compared to ₹ 4,011 crore in the previous year on increased profits.

Exceptional Items

Exceptional items during the year mainly comprises divestment gain on sale of Singoli – Bhatwari Hydro project partly offset by tax on transfer of L&T Nxt to Mindtree Limited. The previous year mainly included impairment of funded exposure in the Heavy Forgings Joint Venture, impairment of asset in the power development business, net of gain on divestment of wealth management business of L&T Finance Holdings Limited.

Profit from Discontinued Operations

The previous year's Profit from Discontinued Operations includes gain from divestment of the Electrical & Automation business and profit from operations of the same up to the date of transfer.

Consolidated Profit after Tax and EPS

Consolidated Profit after Tax (PAT) (excluding exceptional items and profit from discontinued operations) at ₹ 8,572 crore for the year 2021-22 increased by 23.1% over the previous year at ₹ 6,965 crore.

Consolidated Profit after Tax (PAT) (including exceptional items and profit from discontinued operations) at ₹ 8,669 crore for the year 2021-22 decreased by 25.2% over the previous year at ₹ 11,583 crore.

Consolidated Basic Earnings per Share (EPS) for the year 2021-22 at ₹ 61.71 declined over previous year at ₹ 82.49.

As highlighted above, the reduction in PAT and EPS over the previous year is primarily due to the gain on divestment of the Electrical & Automation business in FY 2020-21.

Return on Consolidated Net Worth

The Net Worth, as on March 31, 2022, at ₹ 82,408 crore, reflects a net increase of ₹ 6,539 crore, as compared to the

position as on March 31, 2021. The Return on Net Worth (RONW) for the year 2021-22 was lower at 11%, compared to 16.2% in the previous year since it included the one-time divestment gains of the Electrical & Automation business.

Liquidity & Gearing

Cash flow from Operations (including change in loans and advances towards financing activities) decreased to ₹ 19,163 crore as compared to ₹ 23,074 crore in the previous year due to the build-up of customer outstanding with increase in business volumes. During the year, additional funds were generated mainly from the divestment of Singoli-Bhatwari Hydel Power Plant, treasury and dividend income.

Funds were utilised mainly for repayment of borrowings ₹ 8,677 crore, capital expenditure of ₹ 3,040 crore and payment of dividend ₹ 2,528 crore. Further funds were applied for purchase of current investment of ₹ 2,422 crore and net interest payment of ₹ 2,968 crore during FY 2021-22.

Consequently, there was a net increase of ₹ 314 crore in the cash balances as at March 31, 2022 as compared to the beginning of the year.

Consolidated Fund Flow Statement		₹ crore	
Particulars	FY 20-21	FY 21-22	
Operating activities	23,074	19,163	
Net divestment/(investment)	11,574	665	
Treasury and dividend income	1,476	1,130	
ESOP Proceeds (net)	16	11	
Sources of Funds	36,140	20,969	
Capital expenditure (net)	922	3,040	
Repayment of Borrowings	9,047	8,677	
Purchase / (Sale) of investments	17,787	2,422	
Dividend paid	3,651	2,528	
Interest paid	3,388	2,968	
Payment to/(receipt from) minority interest (net)	(796)	1,020	
Increase/(Decrease) in cash balance	2,141	314	
Utilisation of Funds	36,140	20,969	

The total borrowings as at March 31, 2022 was lower at ₹ 123,468 crore as compared to ₹ 132,605 crore as at March 31, 2021. The major decrease is in borrowings of Parent entity, Financial Services, Nabha and Hyderabad Metro. The gross debt equity ratio decreased to 1.29:1 as at March 31, 2022 from 1.51:1 as at March 31, 2021. The net debt equity ratio improved to 0.81:1 as at March 31, 2022 from 1:1 as at March 31, 2021.

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

In compliance with the requirement of listing regulations, the key financial ratios of the Group have been provided

hereunder along with the explanation for the significant changes i.e. change of 25% or more as compared to the previous financial year:

Sr. No.	Particulars	2020-21	2021-22	%Change
(i)	Gross Debt Equity Ratio	1.51	1.29	14.2%
(ii)	PBDIT as % of net revenue	11.5%	11.6%	1.3%
(iii)	Net Working Capital % of Sales (Excluding Financial Services & Corporate)	22.3%	19.9%	10.7%
(iv)	Interest Coverage ratio* (excludes Financial Services and Finance Lease Activity)	3.76	5.14	36.8%

* The significant change in the Interest Coverage Ratio for FY 2021-22 has been due to improvement in profits and reduction in average borrowings, especially at L&T Standalone level.

II. L&T STANDALONE

L&T's standalone financials reflect the performance of Infrastructure, Hydrocarbon, Power, Heavy Engineering, Defence Engineering and Others. The Others segment comprises Realty, Construction & Mining Machinery, Rubber Processing Machinery, Smart World & Communication and Digital Businesses.

During the year, L&T Hydrocarbon Engineering Limited, a wholly-owned subsidiary company was merged with the Company pursuant to the approval of the Scheme of Arrangement from National Company Law Tribunal, Mumbai Bench (NCLT) with appointed date of April 1, 2021. Accordingly, previous year's figures have been restated for comparative purpose.

Brief Summary of Performance at Standalone level:

	₹ crore	
Parameters	FY 20-21	FY 21-22
Order Inflow	1,26,414	1,18,956
Share of International Order Inflow (%)	15%	26%
Revenue	87,255	1,01,000
Share of International Revenue (%)	26%	20%
Order Book	3,08,101	3,15,567
Share of International Order Book (%)	18%	19%
PBDIT	8,309	9,055
PAT	11,798	7,879
Net Worth	61,738	67,114
RONW (%)	20.5%	12.2%
EPS (in ₹)	84.02	56.09

Liquidity & Gearing

Business operations generated cash flows of ₹ 5,999 crore during the year as compared to ₹ 9,561 crore in the previous year. The drop is mainly due to higher deployment of funds to support growing business volumes. The cash generated through the sale of short term investment at ₹ 4,075 crore, treasury income of ₹ 852 crore and dividend income from S&A companies at ₹ 1,615 crore has been utilised towards repayment of borrowings (incl. repayment of lease liability) of ₹ 4,236 crore and net investment in S&A companies at ₹ 667 crore, in addition to capex payment of ₹ 1,350 crore, dividend payment of ₹ 2,528 crore and interest payment of ₹ 1,608 crore respectively.

There was a net increase of ₹ 2,164 crore in the cash balances as at March 31, 2022 as compared to the beginning of the year.

Fund Flow Statement	₹ crore	
Particulars	FY 20-21	FY 21-22
Operating activities	9,561	5,999
Sale / (Purchase) of Other investments	(13,115)	4,075
Treasury and dividend income	1,853	2,468
ESOP Proceeds (net of buyback expenses)	16	11
Sources of Funds	(1,685)	12,553
Capital expenditure (net)	149	1,350
Repayment of Borrowings (net of Additional Borrowings)	1,153	4,236
Net investment/(divestment)	(8,688)	667
Dividend paid	3,651	2,528
Interest paid	1,910	1,608
Increase/(Decrease) in cash balance	140	2,164
Utilisation of Funds	(1,685)	12,553

Total borrowings as at March 31, 2022 reduced to ₹20,298 crore as compared to ₹ 24,474 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-equity ratio reduced to 0.30:1 as at March 31, 2022 from 0.40:1 as at March 31, 2021. The Company has become debt free after considering cash and cash equivalent during the year.



Mauritius LRT Phase 1

INFRASTRUCTURE BUSINESS

Sector Performance in FY 2021-22

India continues to invest heavily in infrastructure development as the primary driver of growth. This is not only in terms of adopting a long-term integrated focus on large infrastructure projects but also facilitates quick implementation by providing the necessary regulatory and timely financial support. This has augured well for the country and as a multiplier effect, evidenced positive sentiment on private capex as well.

Over the years, the Union Government continues to provide policy support for Infrastructure development in India. In the Union Budget 2021, to support initiatives such as 'Housing for All' and 'Smart Cities Mission', the Government allocated ₹ 13,750 crore to AMRUT and Smart Cities Mission. In March 2021, the Parliament passed a bill to set up the National Bank for Financing Infrastructure and Development (NaBFID) to fund infrastructure projects in India.

Additionally, in the Union Budget 2021, the Government announced the Pradhan Mantri Atmanirbhar Swasth Bharat Yojana (PMANSY), which will entail an outlay of ₹ 64,180 crore over six years to strengthen the existing 'National Health Mission'. The Government also announced ₹ 18,998 crore for metro projects. The Government announced ₹ 305,984 crore over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.

As a follow up, the Union Budget 2022 has focused on high impact areas and accelerating the capital expenditure cycle by providing for a sharp increase in capex outlay by 35.4% (from ₹ 5.54 lakh crore in FY 2021-22 to ₹ 7.50 lakh crore in FY 2022-23), to propel economic growth.

The Prime Minister announced a national master plan for multi-modal connectivity in October 2021, with the goal of developing infrastructure, to lower logistic costs and improve efficiency. The Government's PM Gati Shakti initiative is expected to bring together 16 Ministries and is expected to help in taking care of long-standing issues, such as disjointed planning, lack of standardisation, problems with clearances, and timely creation and utilisation of infrastructure capacities. This announcement follows two major steps taken by the Government towards advancing Indian infrastructure, namely, the National Infrastructure Pipeline and National Monetisation Pipeline, helping generate funds to support the capex.

The Government's thrust for bi-lateral co-operation bodes well for the construction industry. In November 2021, India, US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region. To meet the objective of a USD 5 Trillion Economy by 2025, Infrastructure spend will be the key driver.

Post a six-year slowdown triggered by the crash in oil prices in 2014 and deepened by the impact of COVID-19, the Gulf Cooperation Council (GCC) construction industry is finally set for a strong recovery, as oil production and prices have risen and much of the non-oil sector rebounded from the impact of the pandemic. The Middle East is continuing to diversify into non-oil sectors and take advantage of its natural solar resources. The region also has robust plans around healthcare, transport, water and sewage, offering some prime opportunities to EPC players.

Saudi Arabia, the GCC region's largest economy in 2021, has begun to ramp up tendering on its Public Investment Fund (PIF)



Mumbai Trans Harbour Link Project

‘giga projects’ program, particularly on the Neom, Red Sea, Diriyah Gate and Qiddiya developments, as it seeks to turn its ambitious tourism and real estate plans into action on the ground.

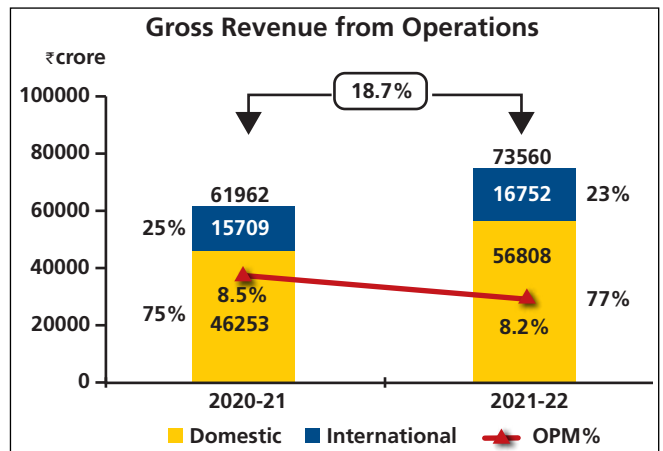
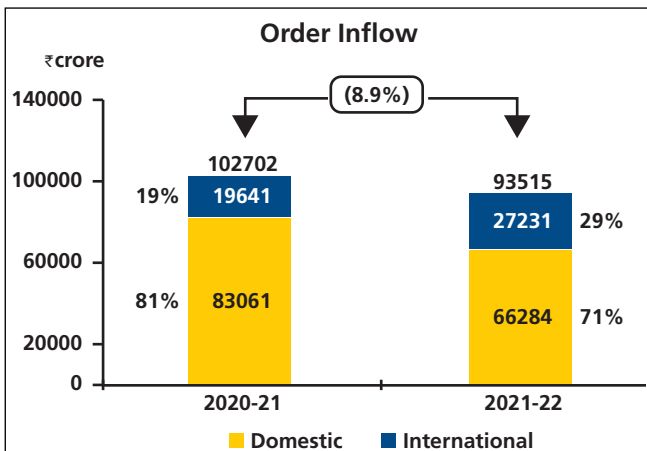
While the pandemic affected the African economies, the IMF is predicting a strong recovery that will catalyse an increase in project investment. However, Africa’s project plans are engulfed with challenges from political instability to poor infrastructure and lack of finance.

Increasing construction activity around the globe is expected with global growth gaining momentum. The sharp rise in crude prices will remain a double-edged sword, raising expectations for the oil and gas sector and infrastructure development in the Middle East, which would augur well for the construction sector but simultaneously create inflationary pressures.

The Infrastructure segment won orders worth ₹ 93,515 crore, lower by 8.9% over the previous year that had receipt of large-value, high-speed rail orders. During the current year, the Power Transmission & Distribution business registered significant growth with receipt of a mega order in the Middle East. The Buildings & Factories business registered growth with receipt of some prestigious orders in the Health and Public Space businesses. The Water & Effluent Treatment business also received numerous orders in the Rural Water Supply segment, majorly in Uttar Pradesh. De-growth was seen in the Heavy Civil Infrastructure, Transportation Infrastructure and Minerals & Metals businesses mainly due to deferral of targeted prospects.

The share of international Order Inflow for the Infrastructure segment increased to 29%, from 19% in the previous year.

Financial Performance of the Segment





Hyderabad International Airport

The Infrastructure segment clocked a gross revenue of ₹ 73,560 crore for FY 2021-22, registering growth of 18.7% over the previous year. Growth was mainly on account of pick up in execution momentum of a strong opening Order Book. Revenue from international operations constituted 23% of the total revenues, compared to 25% in the previous year, with some large value orders getting substantially completed.

The segment's operating margin reduced from 8.5% to 8.2% mainly due to the impact of high commodity prices and increased provisions on contract assets and customer receivables.

The funds employed by the segment at ₹ 24,234 crore as at March 31, 2022 registered a decline of 3.7% vis-à-vis March 31, 2021, with receipt of advances in large value projects and better vendor credit management. The increase in inventory levels to sustain the operations from headwinds in supply chain also impacted the funds employed to an extent.

BUILDINGS & FACTORIES

Overview

The Buildings & Factories (B&F) business is an industry leader in Design & Engineering, Procurement and Construction (EPC) of projects ranging from airports, hospitals, stadiums, retail spaces, educational institutions, IT parks, office buildings, data centers, high-rise structures to mass housing complexes, cement plants, industrial warehouses, test tracks and other light factory structures. The business has a track record of building the tallest, largest, and most complex structures across India and overseas.

The business is organised into following business units (BUs):

Public Spaces: Provides design and execution of special structures like tall statues, metro stations, convention centres, marquee buildings, hotels, malls, integrated development and educational institutions.

Airports: Offers design-and-build solutions for passenger & cargo buildings and allied service buildings, with integrated airport system solutions like baggage-handling systems, passenger-flow monitoring system, passenger boarding bridges, visual docking guidance systems and other facilities.

Factories: This business unit is a one-stop solution for the EPC requirements for cement plants, automobile plants, EV manufacturing, glass & paint manufacturing, warehouses, automobile test tracks and food processing plants.

Health: This BU handles the turnkey Design & Build solutions of hospitals, medical and nursing colleges. Healthcare infrastructure is delivered with end-to-end healthcare facilities, including medical equipment, right from concept to commissioning.

Residential Buildings: This unit is a prime EPC solutions provider of elite, affordable and mass housing projects.

ITOS & Datacentres: Focuses on providing concept-to-commissioning services for setting up Data Centers, leveraging its strong mechanical, electrical and plumbing (MEP) competencies. It also offers turnkey office space solutions for Information Technology and Office spaces.

B&F Fast: Responsible for exploring and creating value from advanced construction technologies such as prefabricated prefinished volumetric construction, modular construction, structural steel construction, and 3D printing that will fast track project delivery.



Patna Medical College and Hospital

The Buildings & Factories business offers total turnkey solutions with in-house structural & architectural design using advanced systems like BIM 4D, 5D and BIM 360 field. The Engineering Design and Research Centre (EDRC), supports various business units with efficient engineering solutions and has proven capabilities in the Data Centre segment as well.

Dedicated competency cells, advanced formwork systems, mechanised project execution, a wide network of consultants and vendors, digitised project control and a talented pool of employees help the business in sustaining its leadership position over the years.

Business Environment

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, which augurs well for the B&F business vertical that is dependent equally on the public and the private sector investments.

As COVID-19 restrictions were gradually lifted, many parts of the economy witnessed robust activity and private sector capex also showed signs of revival.

While the country requires enormous investments in the expansion and building of new airports to handle expanding traffic and boost regional connectivity, with the onset of the pandemic, the investment decisions got delayed.

A growing population and rising burden of new diseases boosts the demand for health care systems in the country. The Health BU saw prospects materializing for construction of hospitals.

The Central Vista Redevelopment Infrastructure Plan involving multiple projects added prospects for the Public Spaces BU.

The ITOS segment looked subdued in the initial quarters with very few large prospects and most of the large ITOS majors deferring new investments. The year ended with the receipt of an international order by the BU.

Indian real estate ended the fiscal on a very strong footing, registering one of the highest growth in recent times, positively impacting the business. However, Central & State Government prospects under 'Housing for All scheme' did not pick up as anticipated during the period.

The Factories BU saw traction with improved private capex in the green energy and related segments like electric scooter factory. Cement manufacturing and industrial chemicals like paints are also gaining traction.

The B&F Fast division has started expanding into the market with jobs from Central Government agencies and other structural steel buildings with some private players. The business is now exploring to exploit its expertise in technologies like 3D printing, PPVC, etc.

Investments in the GCC region remained muted during the financial year.

Major Achievements

Orders won:

- Common Central Secretariat project at New Delhi
- SCB Medical College and Hospital, Cuttack
- IT/Hi-Tech Park at Bangladesh
- Prestige City Project, Bengaluru
- Super Specialty Hospital at Warangal



LnT Innovation Campus - Chennai

Projects commissioned:

- AllMS Hospital at Gorakhpur
- Indira Gandhi Hospital at Dwarka
- AllMS Guntur, Mangalagiri
- NXTRA data center at Chennai
- Prestige Song of the South project in Bengaluru

Other key achievements:

The business also achieved important milestones in the execution of major landmark projects:

- Delhi International Airport – Ph 3A – T1, Arrival Part A opened for passenger movement in February 2022
- Chennai Airport- Commissioned the Arrival Lounge for public use
- 1,30,000 Cum Engineered Fill completed in record time of 5 months at Shri Ram Temple Project, Ayodhya
- Completion & handing over of FCS ADE Facility to DRDO in a record time of 45 days

To provide impetus for India's ambitious 'Housing for All' initiative, the business has been extensively exploring 3D Concrete printing, which is significantly new and radically different from conventional construction methodology. With extensive research and after obtaining design validation and structural stability certification from Indian Institute of Technology, Madras (IIT-M), the business printed a G+1 reinforced concrete building in the previous year. It has received Performance Appraisal Certification from Buildings Materials & Technology Promotion Council (BMTPC), Ministry

of Housing & Urban Affairs, Government of India towards Volumetric (3D) Concrete Printing Technology (VCPT). With the technology certification from the Government of India's Apex Body, L&T is planning to offer this innovative technology to all its prestigious customers and implement in its ongoing projects.

A structured Lean Practices Implementation drive is carried out across major projects in the business. Some of the Lean Initiatives being implemented are Planned Percentage Complete (PPC), Last Planner System (LPS®), Constraint Identification, Weekly Progress Tracking, Variance & Root Cause Analysis, Workmen Performance Measurement & Reward System, Work Sampling Technique and 5S system implementation to remove root cause of poor housekeeping. Extensive training programs are conducted for staff and workmen to adopt these practices.

In addition to the existing set of digital tools to monitor project progress, quality, safety and workmen mobilisation, some more applications like Procurement Tracker, Material Wastage Control Solution, Integrated Gate Entry System, and Workforce Management Solutions were developed and implemented to improve procurement turn-around time, reduce wastage, track material movement, and enhance workmen productivity. The business has inhouse developed and introduced 'Safety Screen System' in all new high-rise residential structures to significantly enhance the safety of workers while working at high altitude.

Various training programs, for staff and workmen, have been conducted throughout the year to inculcate a pro-safety culture in the organisation.



Dhaka Metro

Outlook

With 100% FDI allowance for green field airports, it is anticipated that India is set to become the 3rd largest aviation market by 2025. India's aviation industry is expected to witness ₹35,000 crore (USD 4.99 Bn) investment in the next four years. The Indian Government is planning to invest USD 1.83 bn for development of airport infrastructure along with aviation navigation services by 2026.

The health sector has garnered significant attention from the Government after the pandemic. The Government has allocated about ₹64,000 crore for healthcare infrastructure over the next 6 years. Government spending is the biggest growth driver for this segment and the business is expected to focus on major healthcare prospects coming up from the Central Government and the State Governments. The total Health Sector allocation for FY 2021-22 stood at ₹223,846 crore.

The State and the Central Governments and a few public sector units are coming up with buildings like the Central Vista, Museums, Statues and Educational Institutions. The awards under National High Speed Rail Corporation Ltd. (NHSRCL) projects are picking up pace and are likely to witness further tendering. The business is also expecting some traction in the development / redevelopment of railway stations across the country.

The Indian Data Centre Industry is witnessing meteoric growth. A large and growing internet user base coupled with the explosion of data and creation of a conducive atmosphere via the Government's Digital India Mission has transformed India into a fast-growing data centre hub.

FY 2022-23 is poised to be a very promising year for the Indian housing market, supported by investments either from Government or private players in the Affordable Housing Segment.

With manufacturing leaders trying to set their hubs in India, it is expected that the factories sector will get a significant boost. The Solar PV industry which is now under PLI is also expected to generate significant prospects in the future. Warehousing and Logistics are picking up pace. Industrial Chemicals like Paints are gaining significant investments. The Automobile and the Cement industries are also on an uptrend and will lead an increase in the setting up of new manufacturing facilities across the country.

With the economy poised to grow in the coming year the business is well placed to benefit from the expected large investments across many sectors.

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, Bridges, Railways, City Infra, Urban Transit and Airports. The business is broadly divided into two Strategic Business Groups (SBGs), namely, Railways Business Group (RBG) and Roads Runways & Elevated Corridors (RREC).



Dhaka Metro MRT Line 6

The Railways Business Group is recognised as a full range rail system integrator. The SBG has built capabilities in all 3 railway domains including track construction, overhead electrification and signalling & telecommunication. The SBG is further subdivided into Mainline Business Unit (MLBU) and Metro Business Unit (MTBU). MLBU addresses EPC construction works in the domains of civil and trackwork, electrification, system integration for all Mainline Railway Projects, Dedicated Freight Corridors, and Rail Links for Port, Mining & Power Plant facilities etc. MTBU addresses EPC construction works involving ballastless trackwork, electrification and system integration for all Mass Rapid Transit System Projects and Regional Rapid Transit System in India and abroad.

The Road, Runways & Elevated Corridor Business Group is divided into Roads & Bridges (R&B) Business Unit and Formations & Structure (Railways) Segment (F&S). R&B provides EPC design and build construction services for all types of roads, bridges and elevated corridors including all associated structures, cross-drainage, toll booths, wayside amenities, etc. In the airport sector, the R&B BU is involved in the construction of complete airside infrastructure viz. runways, taxiways, aprons, airfield ground lighting, fuel hydrant systems, etc. The F&S Segment provides design and build construction services of civil works (Earthwork, Earth-retaining structures, Cross drainage, etc.) for all types of Railway projects including Dedicated Freight Corridors, High Speed Rail and Urban Railway Network.

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

Business Environment

Railway Business Group

Increasing urbanisation, growing industrialisation, and the need to connect metros with growth centres has been driving the growth in the Railway sector in the past few years. The pace of infrastructure creation has been at an all-time high with new and innovative means of construction. Most of the projects during the year were awarded on a fragmented basis. As a part of Atmanirbhar Bharat, 2,000 km of network will be brought under Kavach, the indigenous technology for safety and capacity augmentation in FY 2022-23. A new Project Development Cell (PDC) has been created in the Railway Board to increase investments and encourage foreign direct investment.

Roads, Runways & Elevated Corridor SBG

The budgetary support for the Road and Bridges sector has seen a steady increase of more than 58% over the last 4 years. 18% of the National Infrastructure Pipeline announced by the Government is earmarked for roads & bridges.

Over the last 7 years, the length of National Highways has gone up by 50% - from 91,287 km (as of April 2014) to 1,46,440 km (as of March 2022). Construction of highways has increased to 39 km / day in 2021-22 from 27 km / day in 2019-20, with an increased focus on the timely delivery of projects.

Also, in view of the exponential increase in traffic over the years in urban areas, the Government has shifted its focus on developing many new Elevated Corridor / Flyover projects across major cities, with the primary aim of decongesting urban roads and highways.



Ghoshpukur Salsalabari Road Project

However, over the last couple of years, the number of projects awarded under the Hybrid Annuity Method is seeing an increase impacting the prospects for pure play EPC players.

The Airport sector did not see any major traction in the recent year.

Major Achievements

Orders won:

Major projects received during the year:

- Slab Track Package T3 Package (258 TKM) from National High Speed Rail Corporation Ltd.
- EPC Overhead Electrification Projects from IRCON
- Third Rail Traction Project: Agra Metro (64 TKM) from Uttar Pradesh Metro Rail Corporation Limited
- Ganga Expressway Group 1, Package A from IRB Infrastructure Developers Ltd.
- Chennai Peripheral Ring Road Project EPC 02 of section II from Tamil Nadu Road Infrastructure Development Corporation
- 4 Lane to 6 Lane Ghaziabad to Aligarh Road Project from CUBE Highways
- Bangalore Suburban Rail Project – Corridor 02 from Rail Infrastructure Development Company, Karnataka

Projects completed:

The business has completed the following projects:

- Electrical and Mechanical Works at Western Dedicated Freight Corridor involving 2x25 kV, high rise over head

equipment, the section corresponding to CTP 1 & 2 has been commissioned

- Odisha Power Generation Corporation - Fully commissioned 68 km rail connectivity and commercial operations started from Manoharpur Coal Mines to Thermal Power Plant for the OPGC project
- Phase 2A of Mauritius Metro Express has been commissioned (Rose Hill to Quatre Bornes) and is in commercial operation since June 2021
- 18 TKM of Kanpur Metro priority section commissioned in Dec 2021 from IIT to Motijheel
- Loco Trial for 133 TKM priority section of EDFC CP-204 Mughalsarai to New Bhaupur commenced in Feb 2022 from Kanpur to Sujatpur
- Loco Trial for 118 TKM priority section of EDFC MGS-SEBN commenced in Nov 2021 from New Ganjkhwaja to Chiralapathu Station
- 4 Lane 11 km Chandigarh-Khadar Elevated Corridor commissioned in June 2021
- 4 Lane 84 km Ghoshpukur-Salsalabari Road Project commissioned in Jul 2021
- 4 Lane 34 km Helwak-Patan-Karad Road Project commissioned in Jul 2021
- 4 Lane 111 km Baharagora-Singhara Road Project commissioned in Aug 2021
- 4 Lane 30 km Karodi-Aurangabad Road Project commissioned in Feb 2022
- Bidkin Industrial Area Development Project commissioned in Apr 2021



Mumbai-Nagpur Expressway

Outlook

Railway Business

As per the National Infrastructure Pipeline, investments worth ₹ 13.67 trillion are to be made in the railways sector during the period from 2019-20 to 2024-25 to enhance track capacity, improve freight efficiency, augment the speed of trains, enhancing safety and ensuring better connectivity. In FY 2022-23, the national transporter has received the highest ever total plan capex of ₹ 2.45 trillion vis-à-vis ₹ 2.15 trillion in FY 2021-22.

The Indian Railways (IR) has announced multiple projects aimed at capacity augmentation and traffic decongestion in its network. The prospects in next 3 years include New Line 6,000 km (₹ 60,000 crore), Doubling / 3rd Line 4,000 km (₹ 40,000 crore).

Also, through Mission Electrification, IR has completed the highest-ever Railway Electrification of 6,366 km in its history and further IR has commenced upgradation of the existing electrification system to 2x25 kV electrification to facilitate higher speeds (upto 160 km / h), haulage and improved system efficiency for High Density Network (HDN) and Highly Utilised Network (HUN) through Zonal Railways.

Civil Packages and System Tenders expected under the four RRTS corridors being implemented by the National Capital Region Transport Corporation (NCRTC).

Further Track and Systems packages are expected to be awarded for the Mumbai – Ahmedabad High Speed Corridor during FY 2022-23.

Rapid commissioning of Western & Eastern Freight Corridors will catalyse development of new freight corridors i.e., East Coast, North-South and East-West Corridors. Detailed project reports have been initiated for East Coast (1,114 km) and the East-West (2,328 km) Corridors. In total, Projects worth ₹ 58,500 crore are expected to be finalised in the next 5 years.

Systems orders are expected to be finalised across six Metros in FY 2022-23 viz. Chennai Metro Phase 2, Ahmedabad Metro Phase 2, Surat Metro, Indore and Bhopal Metro and Delhi Metro Phase 4. New Metros have been announced in several Tier 2 cities like Gorakhpur, Varanasi, Meerut, Vijayawada, Vizag, Dehradun, Bhubaneswar etc. Expansion of existing Metro Systems in major cities such as Mumbai, Delhi, Bangalore, Chennai, Kolkata is underway. The business outlook for the next 5 years includes 18 new projects (700 km) in the Track and Systems domain.

Road & Bridges

The Government has planned to expand the National Highway network by ~ 60,000 km by 2025 in major economic corridors, strategic areas, and Elevated Corridor & Flyovers network in major cities such as Delhi, Chennai, Kolkata, Mumbai and Bengaluru, with an investment outlay of ₹ 20.33 lakh crore under the National Infrastructure Plan (NIP). While a daily average of constructing 39 km of road per day has been achieved in March 2022, the Government has set up an ambitious target of construction of 25,000 km of national highways in the next fiscal year under the PM Gati Shakti National Master Plan.



The Mumbai Coastal Road Project. L&T is executing Packages 1 and 4.

International Front

On the international front, while the business continues to focus on neighbouring countries like Bangladesh, it is also strongly looking at entering ASEAN, North and East Africa – regions where the Company already has a presence in the other businesses.

HEAVY CIVIL INFRASTRUCTURE

Overview

The Heavy Civil Infrastructure business is a market leader in EPC projects in core civil infrastructure segments that are crucial to the Indian economy viz. Metro Rail System, High Speed Rail, Nuclear, Hydel & Tunnels, Marine Structures and Defence Infrastructure Facilities.

The business has a strong presence in India, Middle East, and Bhutan. With dedicated design and technical centres, competency cells, specialised training centres, digital project management, and a talented pool of employees, the business sustains its leading position.

The business is currently involved in the construction of the country's first High Speed Rail corridor connecting Mumbai to Ahmedabad. The latest construction technologies including in-house fabricated Full Span Launching Equipment, Straddle Carrier and Girder Transporter are being used in the marquee project as a part of the Make in India initiative.

With an industry leading position in enhancing urban mass rail transit capabilities, the Company is involved in building metro rail systems in nearly all major Indian cities.

The nuclear business segment offers turnkey services including seismic qualification, civil, mechanical, electrical, instrumentation and modular construction technology. Its expertise extends to both Pressurised Heavy Water Reactor (PHWR) and Light Water Reactor (LWR) technologies.

The Company's Hydel & Tunnels segment is involved in road and railway tunnelling projects, which enhances nation building and offers EPC solutions for complete hydroelectric power projects, large-diameter transport / water tunnels and complex irrigation projects.

The Marine Structures Vertical has extensive experience in greenfield ports, shipyard structures and seawater intake systems along the coastlines of India. It specialises in providing state-of-the-art ship lift structures and turnkey EPC solutions.

L&T Geostructure, a wholly-owned subsidiary engages in foundation and ground improvement projects. With its expertise in building deep piling and diaphragm walls, multicellular intake wells for river-linking, and marinas with berths and jetties. It has a strong and professional foundation specialised team with knowledge of design, equipment, and methods to execute and supervise sophisticated foundation works.

Business Environment

The Government is keen to expand metro services to 50 Indian cities to accommodate the growing commuting requirements and for better mobility.

With hydel power evolving as an alternate source for grid stability, the Government has taken various steps for the development of hydropower projects in J&K and the North-Eastern states. 21 Hydropower projects with an aggregate



Bangalore Metro – an underground section

Rishikesh-Karnaprayag Rail Link Package 2

capacity of 5,186 MW are under discussion at various levels for development in the next five years in Jammu & Kashmir.

India's installed nuclear capacity is 6,780 MW which is expected to reach to 22,480 MW by 2031 on completion of projects under construction. At present there are 11 reactors at various stages of construction totaling to 8,700 MW.

In the Maritime India Summit – 2021, the Government came up with the Maritime Vision 2030, which envisages the development of three mega ports of greater than 300 MTPA cargo handling capacity. Debottlenecking of existing port facilities is required to accommodate the increased cargo handling and trading sector. Also, the Government is keen on strengthening and modernising naval bases across the country.

The Government is focusing on building new capacities and upgrading existing defence infrastructure. This will lead to creation of opportunities in various defence infrastructure projects including naval infrastructure facilities.

Major Achievements

Orders won:

- Chennai Metro Rail Ltd. Phase 2 Packages –
 - » UG TU – 02 for construction of approx. 12 km underground twin tunnel between Kellys and Taramani Road
 - » C5 ECV – 02 for construction of approx. 12.4 km of elevated viaduct and 12 elevated stations between CMBT metro station and Puzhuthivakkam metro station
 - » CP10 ECV – 03 for construction of approx. 10.2 km of elevated viaduct and 11 elevated stations from Assissi Nagar to CMBT Metro station

- Patna Metro PC03 for construction of underground twin tunnel of 6.3 km length each and 6 stations between Rajendranagar and Akashvani
- Delhi Metro Rail Corporation Package DC 09 for construction of twin TBM tunnel of 5 km length each and 4 underground stations between Chattarpur and Neb Sarai
- High Speed Rail Package C5 for construction of civil and building works for double line high speed rail involving Vadodara station between MAHSR 393.7 km and MAHSR 401.9 km in the state of Gujarat

Key achievements:

- Bangalore Metro RT-03 package achieved its second TBM breakthrough on 13th October 2021 after covering 866 m
- High Speed Rail Package 4 connecting Zaroli village – Maharashtra – Gujarat border to Vadodara erected the first 40 m full span box girder (weighing 970 MT) on 25th November 2021 at the Navsari casting yard
- RVNL Package 2 connecting Shivpuri to Byasi in Uttarakhand completed 10 km of tunnelling using the new Austrian tunnelling method (NATM) technology in about twenty months (out of total 26.6 km)
- India's largest TBM (MAVALA having 12.19 m dia.) at Mumbai Coastal Road Project, Package-4 achieved its first breakthrough on 10th January 2022, covering a total distance of 2.1 km
- Bangalore Metro Rail Project, RT-02 package has achieved its First Tunnel Boring Machine (TBM) Breakthrough on 6th January 2022 at MG Road Station



500kV Bang Saphan 2 to Surat Thani 2 Transmission Line

- Medigadda Barrage project in Telangana bagged Formwork Award 2020 for best use of formwork in civil engineering from the Association of Consulting Civil Engineers, India

Outlook

Considering Mission 2070 Net Zero India, the country is to focus on green construction technologies in future infrastructure projects. Carbon-efficient design (modular design), adoption of low-carbon construction processes (low emission materials such as fly ash), enforcement of building energy codes are few initiatives suggested by World Economic Forum in the Mission 2070: A Green New Deal for a Net Zero India white paper. The thrust on renewable energy is expected to increase in the coming years, providing the necessary boost for sustainable infrastructure such as Metros, Hydel & Nuclear businesses.

In India, metro networks operate only in 13 cities and to increase better urban mobility and metro being one of the low carbon emission transport systems, the Government is keen to expand metro services. It is also considering the implementation of Mass Transit Systems such as Metro / Metro Lite / Metro Neo / Personal Rapid Transit System in Tier 1 and Tier 2 cities keeping in view the growing importance of the transport sector in the city's overall development.

The Nuclear business is expected to continue its growth along with continued focus on 10 Pressurised Heavy Water Reactor (PHWR) projects. The growing energy demand in India will make nuclear power a major source of renewable power, as fossil fuels are scarce in the country.

In terms of infrastructure investments, the Budget has factored in a significant increase in capital expenditure in

FY 2022-23 to ₹ 7.5 trillion, which is 24.4% higher than ₹ 6.0 trillion in FY 2021-22 revised estimate. The above initiatives by GoI will benefit the business in the upcoming years.

POWER TRANSMISSION & DISTRIBUTION

Overview

L&T's Power Transmission & Distribution business vertical is a leading EPC player, providing end-to-end solutions for transmission / distribution infrastructure, clean electricity starting from Solar PV plant EPC to last mile electrification. It offers integrated EPC offerings including Ground Mounted / Floating Solar Photovoltaic Plants, Battery Energy Storage Systems (BESS), Substations and Transmission Lines up to 1200 kV, Underground Cable Systems, Distribution Infrastructure both at Medium & Low Voltage levels, and related Digital Solutions. With 15 regional offices spread across the SAARC, Middle East, Africa, ASEAN and CIS regions, the Power T&D business has projects being executed in 30 countries.

The domestic business is organised based on offerings and caters to various T&D utilities, developers and infrastructure customers such as metros, airports etc.

The Substation Business Unit provides turnkey solutions for Extra High Voltage (EHV) air insulated / gas insulated substations, Flexible AC Transmission Systems (FACTS), Digital Substation related solutions and EHV cable systems.



400 kV GIS Substation, Chennai, Tamil Nadu



132-11 kV Umm Beshar and 132-11 kV Wakrah-4 Substation

The Transmission Line Business Unit provides complete EPC solutions for overhead transmission lines. It is well integrated with the digitally-driven, green tower manufacturing units at Puducherry, Pithampur and Kancheepuram, which have a combined capacity to produce more than 1.5 lakh tonnes of tower components per annum. The Kancheepuram facility also houses the world-renowned Tower Testing and Research Station.

The Power Distribution Business Unit has been at the forefront of taking electricity 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 Renewables arm of Power T&D business 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 different module technologies, module mounting structures and storage types. The business unit has accumulated in-depth engineering and construction know-how to execute a vast range of renewable projects, be it hybrid, floating or linear, with the best suited technologies for terrain type and tracking. The container integration facility at Kancheepuram augments the capabilities of the business with an annual capacity to integrate ~ 400 MWh of battery energy storage system with associated intelligent management and control systems.

The initiatives in emerging areas such as Digital Solutions and Electric Vehicle Charging Infrastructure have made initial wins and are on track to ensure that the business is future ready.

The international units of the business provide the entire spectrum of Power T&D related services in 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 significant share of T&D projects awarded every year.

The fast – expanding 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 & Central Africa with breakthrough projects in Ghana and Cameroon. With the regional offices strategically located in Nairobi, Cairo, Johannesburg & Accra 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 to reckon with, holding a portfolio of prestigious projects spread across Thailand, Malaysia, and Philippines.

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

Business Environment

With the consolidation of ongoing distribution schemes under a new, yet to be operationalised Revamped Distribution Sector Scheme, the distribution jobs were limited to few packages. However, the business emerged successful



500 kV HVDC Transmission Line, Kenya

in packages where the scope included advanced SCADA systems and Digital Solutions.

The Substation and Transmission Line orders from state utilities were limited to few states like Karnataka and Rajasthan. The delays in Tariff Based Competitive Bidding for interstate T&D networks led to shrinking of orders from Power Grid Corporation and other developers.

On the back of ongoing transmission line projects in Bangladesh, the business has made further inroads with Substation and EHV cabling orders. With the successful execution of Koshi corridor associated substations and transmission lines, Nepal also offers good T&D prospects.

The customer-end delays in finalisation of funding arrangements and fulfilling bidding / contractual arrangements for Optical Fibre Cabling (OFC) projects in southern parts of the country led to lacklustre performance on the OFC front. The next phase of Bharat Net projects is yet to take off with PPP mode tenders receiving muted response.

The Renewables arm of the business has emerged successful in more than 1 GWp projects in the western region of the country, from Central and State Public Sector Enterprises. This is in line with rising potential for hybrid plants with wind and BESS components. Current supply constraints of solar modules and batteries are envisaged to ease out in the medium to long term with the push given by the Government through the Production Linked Incentive Scheme.

The opportunities for providing Reactive Power Compensation devices like STATCOMs, Static Var Compensators (SVCs), and Reactors have previously been limited only to India. However, such opportunities are on the rise in other operating geographies such as KSA, UAE and Qatar recently.

The expansion of the 380 kV network in Saudi Arabia presented sizeable opportunities for Substations and Overhead Lines. A major Oil & Gas project win for the Group provided power system opportunities in the Kingdom. The GW scale renewable energy projects being built in the region gained significant momentum.

In Africa, the lower vaccination rates, travel restrictions, internal conflict, etc. etc. has caused a lull in the momentum, with borrowing capacities of countries reduced drastically as per the Debt Service Suspension Initiative. However, the business gained successful entry into West Africa with breakthrough projects in Guinea and Cameroon. Addition of South Africa into the fold is another key milestone. Sustained lockdowns and severe restrictions impacted the order finalisations in the ASEAN region.

The FY 2021-22 witnessed several headwinds viz. successive waves of COVID-19, supply chain disruptions worldwide causing unusual increase in commodity / solar module prices besides freight costs. These led not only to delayed order finalisations from the customer's end but also the measured pacing of progress in ongoing projects.

Major Achievements

Orders won:

- 400 kV & 220 kV Substations & Transmission Line in Karnataka
- 400 kV Substations & Transmission Line in Rajasthan
- Switchyard package in Gorakhpur
- Power Supply System for Agra Metro
- EHV Cable System package in Bangladesh



Large scale solar cum storage project in Andaman

- 230 kV GIS in Nepal
- A large Solar-cum-Energy Storage Project with 57 MWhr storage capacity, in Gujarat
- STATCOM / Shunt Reactor / Dynamic Reactive Power Compensation orders in Saudi Arabia and UAE
- 400 kV TLs in Cameroon, Tanzania, and the Mozambique – Malawi 400 kV Interconnector
- 225 kV TL in Guinea
- 500 kV Castillejos TL – a major transmission line project in Philippines

Projects completed and commissioned:

- Two 230 kV Gas Insulated Substations in Bengaluru
- Power Supply Systems for Mumbai Metro Line 3 & Line 7
- 1250+ km of Transmission Lines completed in Madhya Pradesh, Kerala, etc.
- Distribution Infrastructure improved by adding 2400+ RMUs and 1450 km of cable conversion in Northern part of India
- 26 substations and 790 km of overhead / underground transmission corridors in the Middle East, including a 400 kV Substation in UAE and one of the longest 380 kV Overhead lines in GCC region
- 275 kV Matang Substation in Sarawak, Malaysia

Significant Initiatives

- Advanced resource management, BIM integration and forecasting abilities were added to the mature project management digital ecosystem PRAPTI / BODHI.

- Seamless integration of customer relationship and enterprise risk management modules, the migration to an advanced version of enterprise portal with added capabilities and fortified cybersecurity were some other milestones.

Outlook

Various measures proposed in the General Instructions on Procurement and Project Management guidelines by Ministry of Finance, Government of India may prove to be gamechangers if these get implemented by Central Public Sector Enterprises.

The Revamped Distribution Sector scheme gaining traction with budget allocation and ministerial push, several packages are expected to get finalized in next year, especially the infrastructure works meant for Aggregate Technical & Commercial (AT&C) loss reduction.

The Himalayan terrain being quite familiar for the business, the upcoming Leh Solar evacuation related prospects may offer substantial prospects, in addition to Green Energy Corridor II and intrastate strengthening packages. The evacuation arrangements and electrics for nuclear power plants being developed in fleet mode is another good opportunity. Also, the power system packages of metro rail projects in major cities provide good substation and cabling opportunities.

With oil prices remaining high due to geo-political tensions, the Middle East region now provides stable opportunities, though the individual countries are likely to witness cyclical variations due to various factors including demand growth.

Challenges faced by the EPC players due to slow ramp-up of domestic module manufacturing capacity, price uncertainty coupled with aggressive tariffs is further aggravated by



Haliba, Containerised Substation

Chattarpur Water Supply Project

additional customs duty coming into effect from April 2022 on import of solar cells and modules. With India's ambitious target of generating 500 GW of renewable energy by 2030, prospects in renewable evacuation corridors look better. In KSA and Oman, GW scale plants characterised by substantial BESS and Grid components continue to provide huge opportunities, given the Net Zero commitments and Green Hydrogen prospects.

As the multilateral funding from institutions like JICA, Millennium Challenge Corporation are now gathering momentum and as the renewable energy projects are given a thrust, several opportunities including interconnector projects are now on the anvil in Africa. Countries such as Algeria, Mozambique, Tanzania, and Uganda also offer substantial potential.

The establishment of an Indonesian subsidiary of the business is expected to open up sizeable opportunities locally. The T&D network expansion plans of Thailand, Malaysia, and Philippines in addition to Floating Solar, BESS and SVC related opportunities have resulted in several prospects which are under various stages of bidding. The entry into Georgia with a 500 kV Transmission Line order should help build credentials and experience for further opportunities in the Transcaucasia region.

The scaling up of the Digital Solutions business, given its early successes proving its potential and prowess, provides another avenue for growth and profitability. The business is well poised to garner opportunities arising out of the Net Zero renewables race and provide a green technology path to clean energy transition in India and abroad, all this while enabling the customers and prosumers with the highest standards of reliability, availability and efficiency of power transmission and distribution networks.

WATER & EFFLUENT TREATMENT

Overview

L&T's Water & Effluent Treatment business develops water infrastructure offerings which serve to store, move, and treat water, thus delivering substantial social and economic benefits. The business has established itself as an industry leader by executing, commissioning, and operating mega water projects in the areas of drinking water supply, wastewater treatment, industrial water treatment, irrigation and development of smart water infrastructure across the length and breadth of the country. The business has successfully forayed into Middle East, East Africa and SAARC region countries.

L&T's Water & Effluent Treatment business is organised into 3 verticals – (i) Water & Wastewater; (ii) Irrigation, Industrial & Infrastructure; (iii) Water International.

The Water & Wastewater business vertical comprises of Rural Water Supply, Urban Water Supply, Water Management and Wastewater Treatment encompassing the entire spectrum of water and wastewater solutions.

The Irrigation, Industrial & Infrastructure business vertical constitutes Mega & Micro Irrigation, Industrial Water Systems & Effluent Treatment, Desalination and Smart Water Infrastructure, catering to the needs of agriculture and industries.

The Water International business vertical lays its focus on the international markets and continues to tap business opportunities in the regions of Middle East, East Africa, and SAARC region countries.



Industrial Area Sewage Treatment Works, Doha, Qatar

Business Environment

The Financial year 2021-22 was the second consecutive year that the nation had to bear the brunt of the COVID-19 pandemic, with Governments being forced to divert funds towards mitigating the healthcare emergency and consequently leading to deferment of prospects in irrigation and wastewater sectors. However, rural drinking water continued to receive support under the 'Har Ghar Nal Se Jal' Yojana in certain states.

The global spotlight on ESG led to an upsurge in technology intensive process-oriented orders with some of the established PSUs leading the way by transforming their process toward water neutrality.

The water infrastructure market in the Middle East is on an upward trajectory, aided by a rebound in the prices of crude oil. The water sector in the African subcontinent is seeing increasing thrust from multilateral agencies focused on social sector lending in areas of drinking water supply and wastewater treatment. Consequently, both these regions witnessed a surge in prospects during the last quarter of FY 2021-22.

The increase in prospects across the value chain of the business has transformed the industry from a niche segment to a highly commoditised market leading to entry of several competitors. Further, to aid participation of local agencies in Government contracts, a sharp dilution in prequalification criteria has been carried out for all new tenders, leading to increased competition. The business has been able to thrive and grow amidst stiff competition by leveraging advanced technologies, digitalisation and is on course to transform itself into a technology-led EPC player.

Major Achievements

Orders won:

- Piped water supply schemes to various districts in Uttar Pradesh
- Rengali Right Bank underground pipeline project Odisha
- Sewerage works in K&C Valley, Karnataka
- Zero Liquid Discharge and Demineralization works for IOCL Refineries at Baroda and Barauni
- Integrated Infrastructure Development Works for Silvassa Smart City
- Dubai Water Transmission Project
- Water Supply Schemes in various towns of Tanzania

Major projects commissioned:

6+ million people benefitted with the commissioning of 20 projects during FY 2021-22.

- Industrial Area Sewage Treatment Works, Qatar
- 318 MLD Sewage Treatment Plant at Coronation Pillar, Delhi
- CDS Drinking Water Supply Schemes, Rajasthan
- Bansujara Micro Irrigation Scheme, Madhya Pradesh
- Kanpur Water Carriage System, Uttar Pradesh

The business celebrated the UN Designated 'World Water Day' on March 22, 2022 for the 13th consecutive year with numerous events designed to inculcate the need for water conservation among employees and other stakeholders. The mega awareness campaign conducted by the employees covering 20,000+ students was declared a record by the India Book of Records for being the 'Largest Water Conservation Campaign for students across the nation on a single day'.



Moga Water Supply Scheme Project, Punjab

Significant Initiatives

As part of the business strategy to become future-proof and build on the foundation of an agile culture, the following initiatives were undertaken during the financial year:

- In order to track the movement of workforce engaged in remote working areas, a mobile application LMNOP Raksha has been developed. The application sends timely alerts to the related supervisor pertaining to work happening in risk prone areas leading to better EHS performance
- Material Schedule Tracker (MST) is a predictive analytics tool that provides information on cycle time associated with the procurement of a wide variety of materials. MST, adopted across projects, aims to influence procurement decisions and minimise delays associated with procurement of major supplies
- In order to mitigate the impact of steep volatility in prices of commodities due to pent up demand and geopolitical tension, the business is entering into pre-tender pricing agreements with reputed vendors and increasingly focusing on the Just In Time Model for material procurement based on the availability of work fronts
- With the focus on accelerating innovation and maintaining technology leadership, the business has embarked upon the construction of a Water Technology Centre (WTC) at Kancheepuram. The WTC is committed to continuous R&D to innovate scalable solutions enabling the business to meet present and future water needs, to build safe, resilient and sustainable eco-systems globally
- The business is also working with several renowned start-ups in the area of efficient and remote operation of plants with a potential to provide a significant cost advantage. These initiatives will go a long way in the transformation of the business into a technology driven EPC player

Outlook

The prospects for development of water infrastructure continue to remain bright. As per NITI Aayog Report 2019, India is in the midst of a water crisis with 600 million people facing extreme water stress. The Government is doing its bit to tackle water scarcity through a variety of schemes.

The Jal Jeevan Mission with its ambitious target of providing tapped drinking water to 193 million households by 2024 is expected to provide opportunities for mega prospects in the arena of drinking water supply. With general elections scheduled for 2024 and several state elections around the corner, the Government is working on mission mode to monitor the progress and hence prospects in this sector look very encouraging.

Urbanisation, population growth, and climate related water inequity will ensure good opportunities in the water and wastewater infrastructure area in the foreseeable future. Implementation of river interlinking projects announced in the Union Budget 2022 will add another dimension to the business prospects.

Investment into irrigation infrastructure is expected to revive soon. With 51% of agricultural area being rain fed and with an overall irrigation efficiency of only 38%, a wide array of prospects are visible in macro and micro irrigation with the Government being focused on 'More Crop per Drop' through its 'Pradhan Mantri Krishi Sinchayee Yojana'.

The emergence of ESG investing has enhanced the focus on sustainable corporate actions. As a result, the visibility of prospects has increased in the areas of specialised and process oriented industrial effluent solutions.

On the international front, the rise in crude prices is driving more investments in the Middle East and enough prospects



Stacker-Reclaimer

are available in water and wastewater businesses. Priority funding from multilateral agencies for social infrastructure projects are opening new markets for the business in East Africa. The business is carefully reviewing each of the prospects in the international space and perusing projects in countries with a stable Government and sound economic linkages to mitigate any associated risks.

MINERALS & METALS

Overview

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

The business also offers comprehensive product solutions like an array of customised Mineral Crushing Equipment and Plants for varied applications such as surface miners, sand manufacturing plants, material handling and high-speed railway equipment, other custom-made critical equipment and complex assemblies catering to core industrial sectors including Mining, Steel, Ports, Fertilisers, Cement and Chemical Plants, etc.

The complete range of our product solutions are backed by 5 decades of experience & knowledge, in-house design resources, state-of-the-art manufacturing capabilities and providing after sales product support, value-added and cost-effective services to ensure higher uptime. The

manufacturing centres are in Kansbahal, Odisha and Kancheepuram, Tamil Nadu.

Business Environment

Domestic Business

With the revival of economic activity post the disruption caused by COVID-19, the demand for steel has increased and a strong recovery in steel production was evident during FY 2021-22. During the latter half of the year, all non-ferrous metal prices have steadied near their peaks, while steel prices continue to rise unabated. Consequently, metal industry cash flow has been robust, resulting in a substantial reduction in their debt levels.

All the major steel and non-ferrous metal producers are augmenting their current capacity by way of expansion and acquisitions, including setting up greenfield projects.

International Business

The Mineral and Metals sector is one of the thrust areas identified by most of the Middle East countries, as a strategic diversification beyond oil. GCC countries continue to invest in their mineral sectors with strategic long-term initiatives to exploit the untapped mineral deposits.

The Kingdom of Saudi Arabia has been a frontrunner in developing a non-oil economy – led by the mineral sector. Incidentally, the mineral sector has been earmarked to become the third pillar of the industrial thrust area with the establishment of a Mining Fund to provide sustainable finance for the sector.



Kakrapar Atomic Power Plant 3

Steel, Aluminium, Copper, Gold, Phosphate and their allied industries are likely to present new EPC opportunities, especially in the KSA, UAE and West Africa. The downstream metal industry is becoming an attractive investment destination in UAE and KSA due to low power tariffs and flexible policies which is included in their Vision 2030 to be net exporter of value-added products.

The first E&P Project of the business in Egypt is expected to help set a foothold in Africa.

Product Business

The Product Business is the domestic leader for many of its products and is actively pursuing international markets currently, more particularly in Indonesia, Australia and select countries in Africa for their product range. The core products (such as crushers, surface miners, sand plants, material handling equipment) growth is primarily driven by movement in following industrial sectors:

Cement Sector: Major cement producers continued to embark on their expansion plans during FY 2021-22 showing strong revival in the sector. L&T's Crushing Systems & Material Handling Equipment continued to be the preferred choice for Indian cement players. Riding on the current momentum in the economy, business witnessed large order inflows from the Cement Sector in the current year and continues to see a strong order pipeline in the next year. It is estimated that the Indian cement industry is likely to add ~80 million tonnes (MT) capacity by FY 2023-24, riding on the growth in housing and infrastructure projects.

Mining & Steel Sector: Continued augmentation of capacities in coal and iron ore to cater to the growing

demand for steel has increased the business potential for its equipment range covering Surface Miners and Skid-mounted Coal Crushers, Stacker Reclaimers, Plough Feeders, etc. The thrust on increasing domestic coal production is expected to continue and reach 1000+ million tonnes by FY 2025-26.

The current year also witnessed an increased Order Inflow for apron feeders, stacker reclaimers, coal crushing equipment from the above sectors and the momentum is expected to continue in the coming years with promising growth plans of the mining and steel players.

Construction Sector: Growth in infrastructure projects, backed by a revival in economic activities, drives demand for sand plants as well as newly launched, new generation, high-capacity aggregate crushing solutions (jaw crushers, cone crushers and vertical shaft impactors).

Major Achievements

Orders won:

With increased demand and growth in domestic industrial sectors, the business has received the following prestigious orders:

- Steel Melt Shop at Tata Steel Kalinganagar
- Coke Oven Battery at Tata Steel Kalinganagar
- Dry Circuit System at NMDC Ltd. Kirandul
- 2 MTPA Pellet Plant at NMDC Ltd. Nagarnar
- Maintained 100% market share in Cement sector and securing a total of 17 order wins in limestone crushing plants



KSM-304C Surface Miner

- Booked orders for 19 Sand Plants from various quarry owners and construction companies across the country

Major projects commissioned:

- Coke Oven Battery, JSW Steel Dolvi
- Blast Furnace, JSW Steel Dolvi
- Coke Dry Quenching Project, JSW Steel Dolvi
- First stream Commissioned for Steel Melt Shop, JSW Steel Dolvi
- New Hot Strip Mill, SAIL, Rourkela
- 1.5 MTPA to 2 MTPA Expansion of Alumina refinery at UAIL Rayagada
- Stacker Reclaimer at JSW Paradip

Other key achievements:

With its superior manufacturing capabilities and prowess in design to deliver equipment, the Product BU had the following major commissioning highlights this year:

- Successfully designed, manufactured, commissioned and load tested the 1100 MT Straddle Carrier & Transporter Girder and three of the Straddle Carrier Machines, which are in successful operation at High-Speed Rail Project Sites at Gujarat
- A total of 8 Miners (including 2 in international geographies), 11 Sand Plants, 3 Largest Capacity Skid-mounted Coal crushing plants, apart from multiple limestone crushing plants commissioned this year

Significant Initiatives

- Implemented Design Automation, AI enabled engineering, and Data Analytics Solution for continuous improvement on various processes in its domain area
- Implemented the specialised software under iMPACT initiative to monitor progress from BOM to Erection in Piping & Structural with QR code-based progress monitoring and materials tracing and tracking

Outlook

Market sentiments continue to remain positive with strong demand, bullish commodity price forecasts in near terms and metal producers recording unprecedented margins which will provide solid impetus towards new capex cycle. This has strengthened the sentiments of investors and, will lead to a robust investment environment in the industry.

Similarly, the economic scenario in Gulf countries is following a fresh capex cycle to industrialization, facilitating their strategic shift away from oil & gas.



New Water Injection South - R Project for ONGC

HYDROCARBON BUSINESS

Overview

The Hydrocarbon business provides integrated D&B turnkey solutions for the hydrocarbon industry, globally. The business executes projects for oil & gas extraction and processing, petroleum refining, chemicals & petrochemicals, fertilisers, cross-country pipelines & terminals, and has recently launched asset management as well as services for offshore wind.

The business has integrated capabilities across the value chain, supported by in-house front-end design and detailed engineering, R&D, project management, procurement, modular fabrication facilities, Onshore construction, Offshore installation, and commissioning. Major fabrication facilities are in India and the Middle East. In India, the engineering, procurement & project management centres are at Mumbai, Vadodara & Chennai. Modular fabrication facilities are at Hazira (near Surat) and Kattupalli (near Chennai). Overseas presence is dominantly in the Middle East, i.e., in the UAE, KSA & Kuwait and in Algeria. The project management office with a training facility is in Al Khobar, KSA. The business has a state-of-the-art modular fabrication facility at Sohar in Oman, Piping shop at Jubail in KSA and an upcoming Heavy Wall Pressure Vessel Manufacturing shop at Jubail Industrial Zone in KSA.

Pursuant to the Scheme of Amalgamation, approved by National Company Law Tribunal (NCLT) on January 28, 2022, L&T Hydrocarbon Engineering Limited (LTHE) has become a division of L&T with effect from April 1, 2021. This amalgamation will enable the Hydrocarbon business to leverage the superior pre-qualification and financial capability of L&T for securing large bids. The synergies from amalgamation will

further improve operational efficiencies and organisational capabilities to sustain the growth momentum, while continuing to maintain operational autonomy.

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

Offshore

Lumpsum Turnkey EPCIC solutions are offered to the global offshore oil & gas industry. The products encompass wellhead platforms, process platforms, process modules, subsea pipelines and systems, brownfield developments, offshore drilling rigs (upgrade and new builds), FPSO modules, deep-water subsea manifold & structures, living-quarters platforms, transportation & installation services, and decommissioning projects.

Leveraging its Offshore expertise, the business is carving out a part of the team to focus on the emerging business opportunities in Offshore Wind Farms, which will address renewable energy requirements and balance the portfolio.

The offshore vertical has comprehensive in-house engineering capabilities offering customised 'Fit for Purpose' engineering solutions, covering the complete project life cycle, from concept to commissioning, for offshore projects. As a vertically integrated EPCIC player, it also has in-house fabrication and offshore installation capability. Marine assets comprise a self-propelled heavy-lift-cum-pipe-lay vessel – LTS 3000 – held in a joint venture, and a wholly-owned pipe-lay barge – LTB 300.



One of the Three Gas PDMs installed in Hasbah Field, Saudi Arabia

Two Oil PDMs and Associated Facilities in Zuluf Field, Saudi Arabia

Onshore

This business vertical provides EPCC solutions for a wide range of onshore hydrocarbon projects covering oil & gas processing, petroleum refining, petrochemicals, fertilisers (ammonia & urea complexes), thermal systems such as cracking furnaces, cryogenic storage tanks and LNG regasification terminals, cross-country pipelines & terminals as well as coal / pet-coke gasification, coal-to-chemicals, and crude-to-chemicals projects. The business has a track record of concurrent execution of multiple mega projects successfully both in domestic and international markets, with diverse technology process licensors. Design engineering centers for the Onshore vertical offer the complete spectrum of FEED, process, and detailed engineering.

Construction Services

This business vertical renders turnkey construction services for refineries, petrochemical, fertiliser projects, gas-gathering stations, cross-country oil & gas pipelines and terminals including LNG & oil storage tanks and underground cavern storage systems for LPG. Its major capabilities include heavy-lift equipment erection competency, application of advanced welding technologies with high levels of automation, management of manpower and material in large volumes at construction sites and Quality / HSE systems conforming to international practices. The business has also invested in strategic construction equipment viz., a range of pipeline-spread equipment, automatic welding machines and other plant and machinery for mechanical construction works.

Modular Fabrication

This vertical specialises in modular fabrication and supply of offshore & onshore structures and process modules, including free-standing static equipment for oil & gas fields, refineries, petrochemical plants, and fertiliser plants. Leveraging its modular capability, much of the on-site work for mega projects – such as Onshore Process Modules (PAU) & Pre-assembled Piperacks (PAR) for a Residue upgradation Facility (RUF) in India, a Gasification plant in Singapore, a Hydrogen Plant in Netherlands, and a Refinery in Thailand are being executed at its fabrication yards.

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 about 200,000 MT (depending on the product mix).

The Piping shop and the proposed Pressure Vessel Manufacturing shop in KSA will mainly cater to the local market and for developing local skills to support the IKTV programme.

The business is equipped to supply products like windfarm foundations and other modules for offshore windfarm projects and e-houses. All-weather waterfront facilities provide easy access to clients across the globe and have load-out jetties suitable for dispatch of large and heavy modules via ocean-going vessels and barges.

Advanced Value Engineering & Technology Services (AdVENT)

Leveraging the expertise in high-end engineering and execution of large-scale, technologically complex EPC projects



Cracker Furnace Package for HPCL-Mittal Energy Limited (HMEL) at Bathinda

over several decades and collaborating with well-organised R&D centres and renowned institutions, the AdVENT vertical delivers comprehensive customer-centric solutions for the entire value chain of the Hydrocarbon industry.

AdVENT's technical capabilities and agility enable it to offer associated tailored value engineering solutions such as product modular solutions, supporting customers in re-purposing study of existing assets and adoption to energy transition. AdVENT's offerings to clients encompass full spectrum engineering, technology co-development & commercialisation, strategic projects delivery through EPC & other contracting models, integrated modular solutions as well as emerging technology-driven solutions.

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

Asset Management

The Asset Management business is a newly formed vertical with a view to diversify revenue streams and deliver highly integrated, digitally-enabled value-added services to the oil & gas industry.

These comprehensive asset management solutions extend the organisation's design, engineering, construction, and commissioning capabilities to cover operations, maintenance, performance enhancement and health assessment of critical assets. Asset Management complements EPC project offerings for mutually beneficial engagement with clients over the entire lifecycle of assets.

Business Environment

The FY 2021-22 began with a significant thrust across the developed world for energy transition from the Fossil Fuels to Renewables. However, energy transition to limit global warming to well below 2 degree Celsius as agreed in the 2015 Paris Climate Agreement, has been slower than anticipated due to the evolving nature of the technologies, their associated high costs as well as the geo-political risks.

With this backdrop, the oil & gas fraternity engaged with EPC players for cleaner technologies in the conventional areas. With normalcy returning post the COVID-19 pandemic leading to a surge in demand resulting in hardening of oil prices, traction was seen in the GCC region with Saudi Arabia leading the way. Therefore, at least in the near future significant investments are likely in oil & gas projects.

However, the business witnessed disruptive pricing by new entrants in the domestic market, particularly onshore, which caused loss of some market share. The business expects the situation to normalise soon. In the domestic offshore market, business has retained its strong foothold.

The business has been able to withstand the challenges and recorded its highest ever Order Inflow in FY 2021-22 with the Order Book remaining healthy. The Business has successfully completed multiple large projects and outperformed most of its peers in terms of profitability despite inflationary pressures in commodities.

Major Achievements

Orders won:

- Mega contract from Saudi Aramco for a Gas Compression Plant for Jafurah Basin Development Programme and laying



Onshore Process & Piperack Modules being loaded-out from MFF Hazira for a Refinery in Thailand

- 343 km gas transport pipelines between Jafurah Gas Plant and Juaymah Tank Farm
- Mega contract for new facilities and integration with existing facilities and significant contracts for expansion of a marine terminal and replacement of electrical as well as refurbishment of PDMs from a prestigious client in Middle East
- Large contract for Pipeline Replacement Project (PRP-VII) from Oil & Natural Gas Corporation (ONGC) for installation of 350 km subsea pipelines and related offshore works spread across India's west coast
- Significant contract from Indian Oil Corporation Limited for Diesel Hydrotreating Project for its Panipat refinery
- Significant contract from Petronet LNG for 2 x 170,000 m³ LNG tanks for Phase IIIB of the Dahej Expansion Project, Gujarat
- Significant contracts for laying of Mumbai-Nagpur Gas Pipeline (24" x 224 km) including construction of terminals along with associated facilities from GAIL and construction of Steam Methane Reformer, Air Separation Plant and Pressure Swing Adsorption Units for Jubail Industrial Gas Network Project from Air Products Middle East Industrial Gases
- Supply of PAU, PAR and Reformer modules for a Hydrogen plant in Rotterdam, the Netherlands

Projects completed:

- Development of Cluster 8 Marginal Field in Mumbai High for ONGC
- 28 Offshore Jackets for Saudi Aramco in Zuluf, Marjan, Safaniya and Rubiyan Oil fields

- Cracker Furnace Package for HPCL-Mittal Energy Limited (HMEL)
- New 48" Crude Transit Line (TL-5) for Kuwait Oil Company (KOC)
- SRT – III Ethylene Cracking Furnace at Panipat Refinery for Indian Oil Corporation Limited (IOCL)
- Supply of several onshore modules, skids and static equipment for various refineries and petrochemical plants in India and Algeria

Significant Initiatives

The business has placed a significant reliance on processes and on operational excellence, covering productivity improvement and Advanced Work Packs based Project Management, data driven decision making, Smart SCM, value engineering, besides robust QHSE processes. In May 2021, when cyclone 'Tauktae' impacted the Arabian sea, all manpower along with marine assets were safely demobilised from the Mumbai High. Further, towards the journey in digital transformation, the business has rolled-out multiple initiatives, viz., drone-based progress monitoring and survey, product quality surveillance, augmented reality based remote inspection, robotic welding systems for fabrication, electrostatic painting application for waste minimization and resources monitoring and scaffolding management system.

As part of Lakshya 2026, the business has identified various strategic initiatives to boost cost competitiveness and achieve growth aspirations.

Strategic actions include building partnerships, developing markets for adjacencies in business offerings, nurturing new businesses like asset management, offshore windfarms



New 48" Crude Transit Line from North Kuwait to CMM (TL-5) Project for KOC, Kuwait

and modular solutions, driving localisation efforts in key geographies where the business can have a long-term presence and digitally-enabled operational excellence.

Outlook

The ongoing geo-political conflict between Russia and Ukraine is leading to rebalancing of the world economic preferences. Consequent to the recent geo-political changes, the commodity prices which were already on a high, have spiralled further, resulting in a high inflationary trend across global economies. This resulted in sharp increase in the Brent and WTI crude oil prices. The US Energy Information Administration (EIA) expects the crude oil price to remain higher than USD 100 per barrel. With the rebound in oil prices and increased focus by the Governments to ensure energy security, Oil & Gas capex is expected to continue.

ONGC has planned a capital expenditure of ₹ 29,950 crore during the financial year 2022-23. Development of the Deepwater fields in the East Coast of India will continue, which will provide opportunities for the business, in addition to the existing products like subsea structures and pipelines.

With the hardening of global crude prices, the focus will be on the development of small and marginal fields by private players. This will offer Transportation & Installation (T&I) opportunities in India and Southeast Asia.

The Government of India (GoI) has planned to spend about ₹ 750,000 crore in oil and gas infrastructure over five years. State-owned oil companies are planning to spend about ₹ 110,000 crore in the financial year 2022-23. After a gap of several years, there are strong indications of green shoots in

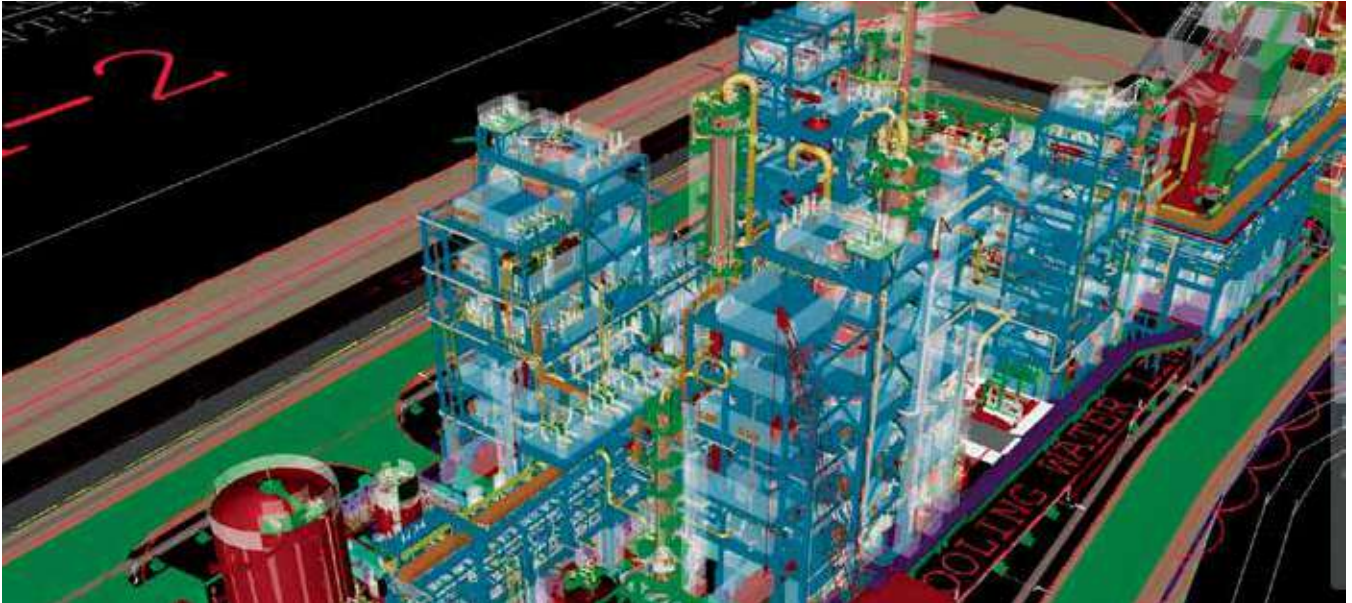
private investment in petrochemical and crude to chemicals projects in India, which augurs well for the business.

India's existing refining capacity of about 250 MMTPA is expected to reach 298 MMTPA by 2025 for which Indian refiners have plans to invest ₹ 200,000 crore with an emphasis on setting up residue upgradation facilities.

With an expected increase in the demand for petrochemical products, investments in integrated Refinery-Petrochemical as well as Oil to Chemical (O2C) / Crude-to-Chemicals (C2C) projects are expected to be triggered. The draft LNG policy announced by the GoI aims to create LNG regasification capacity of about 70 MMTPA by 2030 from the current level of 42.5 MMTPA. Further, Indian Government is planning to invest ₹ 70,000 crore to expand the gas pipeline network across the country. The GoI has also set up an ambitious target to gasify 100 million tonnes of coal into value added products like fertiliser / methanol by 2030 towards the announced net zero targets by 2070.

GoI intends to maximise production of fertilisers like urea, phosphates, and potash, mainly based on indigenous feedstocks and also decrease import dependency of specialty chemicals like ammonium nitrate and nitric acid to achieve self-sufficiency.

There are visible opportunities in international markets for both onshore and offshore projects. The business will selectively target focussed geographies in GCC and Algeria and continue to look at product based modular opportunities in Africa and Iraq. Further, the business is building capabilities to address opportunities arising out of new businesses like asset management and offshore windfarms.



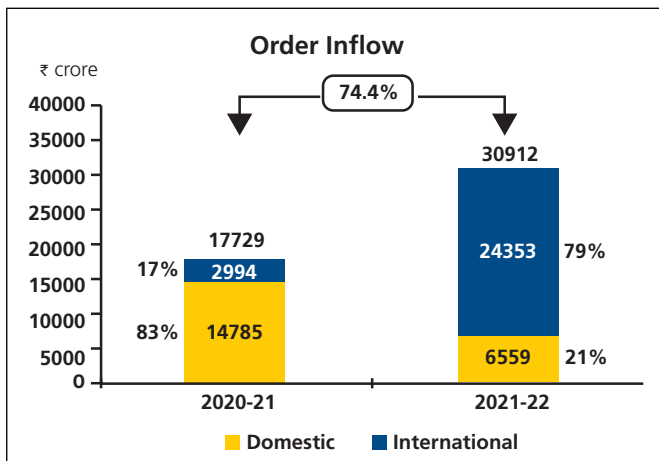
A rendering of the 3D Model for IOCL's 3G Ethanol Project

Aggressive competition and increasing commodity prices are expected to continue in the near future. The business is geared up to respond to challenges through selective bidding, enhanced cost competitiveness and prudent management of risks. There is an increased thrust on localisation in KSA, UAE and Qatar and the business has taken up significant initiatives to address localisation requirements in KSA, which is the biggest market for the hydrocarbon business presently.

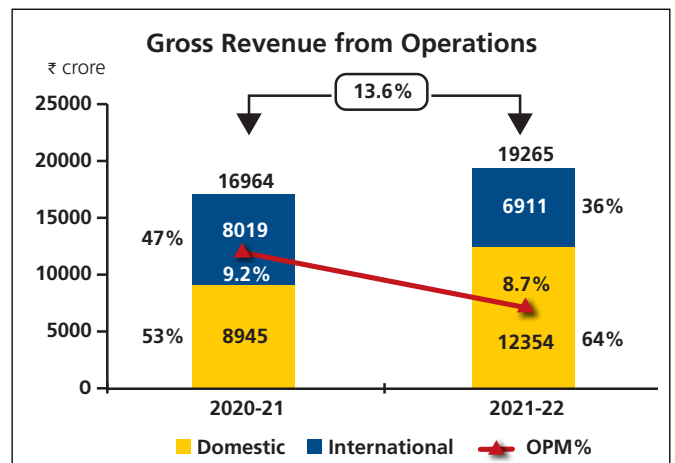
With profit-driven growth at the core, the business continues to remain a customer-centric organisation with sustained focus on improved competitiveness to achieve mission of 'Execution Par Excellence'.

Financial Performance of the Segment

Consequent to L&T Hydrocarbon Engineering Limited being merged with the parent entity, the previous year's figures have been regrouped, wherever necessary.



The Hydrocarbon segment achieved order inflows of ₹ 30,912 crore, registering robust growth of 74.4% over the previous year with receipt of two large value orders during the year from Saudi Arabia, which led to the share of international orders increasing to 79% from 17% in FY 2020-21.



The segment revenue at ₹19,265 crore for the year grew by 13.6% y-o-y, due to pickup in execution momentum, mainly in the Onshore vertical of the business. The share of international revenue in FY 2021-22 was lower at 36% of the total revenue of the segment as compared to 47% in the previous year, with a lower opening international Order Book.

The segment's operating margin decreased to 8.7% from 9.2%, mainly due to input cost inflation and change in job mix.

Funds employed by the segment as on March 31, 2022 at ₹ 2,167 crore increased substantially over March 2021, mainly due to increase in contract assets in some large value onshore projects.



400 MW Bibiyana South Combined Cycle Power Plant, Bangladesh

POWER BUSINESS

Overview

L&T has established itself as one of the leading EPC players in offering turnkey solutions for both Coal and Gas based power plants encompassing every aspect of design, engineering, manufacture, 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 for executing large and complex power projects, which include engineering, state-of-the-art manufacturing facilities, competent manpower and decades of experience earned in executing large and 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 executes combined cycle and cogeneration gas-based power projects on turnkey basis. It has an excellent track-record in implementing projects in India and overseas. It is the first company to execute a project with 'F-technology' gas turbine of 250 MW class.

The business has built on its core competencies and capabilities and has emerged as a major player in new emissions control technologies such as Flue Gas Desulphurization (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 and generators, pulverisers, axial fans and air preheaters, components of FGD and electrostatic precipitators. The business has project management offices at Vadodara, Faridabad, Dhaka, and various other project sites.

The business has the following JVs 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, erecting 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 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. L&T Howden, is in the business of regenerative air-preheaters and variable pitch axial fans (equipment, after-market spares and services) for power plants.

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



Turbine manufacturing facility at Hazira, Gujarat

Business Environment

The Indian power sector is undergoing a significant change and that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for All' has accelerated capacity addition in the country. At the same time, it is conscious of its goal for substantive reductions in emissions from the power sector.

The growth of the thermal power sector remained tepid in view of the Government's increasing focus on decarbonisation of the country's power generation mix and hampered economic activities owing to the COVID-19 pandemic.

A panel constituted by the Ministry of Power, to update the National Electricity Policy has suggested in its recommendations that new coal-based units can be constructed to replace older units of similar capacities, only after it is convincingly established that it is not viable to meet the projected demand from alternate non-fossil sources.

Tenders for FGD Units were delayed and retendered due to increase in input costs resulting in budget constraints for Power producers. Even during this phase of subdued tendering, the business won a FGD order of 1,000 MW from a prestigious Central Utility.

Though the import and pipeline infrastructure for LNG in India has been improving, domestic as well as imported natural gas continue to be economically unviable for power generation projects and hence near to mid-term opportunities remain lackluster. While the Government has set up a committee last year, to make natural gas available

to power plants at a 'reasonably stable price', most of the 24 GW of installed / commissioned gas-based projects in India remain underutilised.

Though there are challenges in the international markets such as greater focus on renewables, geo-political dynamics and uncertainty hovering around COVID-19, these markets still offer specific opportunities, and the business is pursuing certain targeted projects with reputed clients and OEMs.

Major Achievements

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

- Achieved Completion of Facilities of 2nd Unit of a Central Utility Project in Uttar Pradesh where the Supercritical boilers were supplied by the Boiler JV
- Received Operational Acceptance for Cooling Tower package of 2nd Unit of a Central Utility Project in Uttar Pradesh
- Final Acceptance Certificate received from Client for 225 MW CCPP project in Bangladesh
- Provisional Acceptance Certificate received from Client for 400 MW CCPP project in Bangladesh. This project has been conferred the Award of Merit by the prestigious US-based publication - Engineering News-Record (ENR)
- Supply of pressure parts by Boiler JV for its maiden order from the Ministry of Economy, Trade and Industry (METI) of Japan to a power project in Japan



2x660 MW Khargone Thermal Power Plant, Madhya Pradesh (India's first ultra-supercritical power plant)

Significant Initiatives

While the business is targeting the prospects in Coal based power plants and FGDs, it is exploring into various adjacencies such as Life-cycle Management of STG, efficiency improvement of existing plants, manufacturing of quenchers and absorbers, co-firing of Biomass, waste to energy etc. to contribute towards a cleaner environment.

The business aims actively towards 'Execution par Excellence' to improve competitiveness by continuing the journey of cost-saving and on-time project completion. The focus to achieve QEHS excellence remains of prime importance. It has also accelerated usage of digital levers to increase efficiency and productivity of operations.

To expand its international footprint, the business is laying emphasis on business development activities in select international geographies like GCC, Southeast Asia and CIS. It has taken steps to strengthen its presence in such geographies to capitalise on the opportunities available in this sector.

Outlook

An expanding economy, population, urbanisation, and industrialisation means that India sees the largest increase in energy demand compared to any other country. With the emphasis on clean energy and zero emission targets the business continues to face temporary headwinds in the prospects for thermal power. However, the business is

expecting to witness an increase in new thermal projects to be tendered out with an aim to support the smooth transition towards clean energy, while maintaining the country's energy security amid rising demand. Several projects are expected to be finalised in the imminent future.

Considering the CEA's projections of 267 GW thermal power capacity by FY 2029-30 and in view of retirements of old, inefficient, and polluting power plants, addition of new thermal power capacity is envisaged to continue in the near future, positively impacting the business prospects.

It is estimated that the total installed capacity of power plants for which FGDs are to be installed is around 167 GW, involving 440 FGD units. About 80 GW of FGDs have been ordered till date. Tendering of balance units is expected to gain momentum in FY 2022-23 if the current deadlines stipulated by MoEFCC are to be adhered.

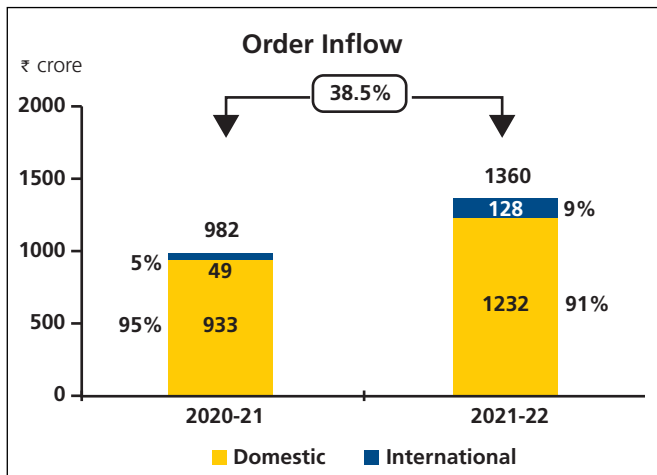
The business is also focusing on international markets for opportunities. The inherent advantages of gas-based power projects like fuel flexibility and fast ramp up and ramp down capabilities, make it most suitable for grid balancing along with renewable energy projects.

L&T-MHI Power Boiler JV and L&T-MHI Power Turbine Generator JV are also looking forward to leveraging upcoming spares and service opportunities in the domestic market and will continue to explore business opportunities in the international market for export orders.

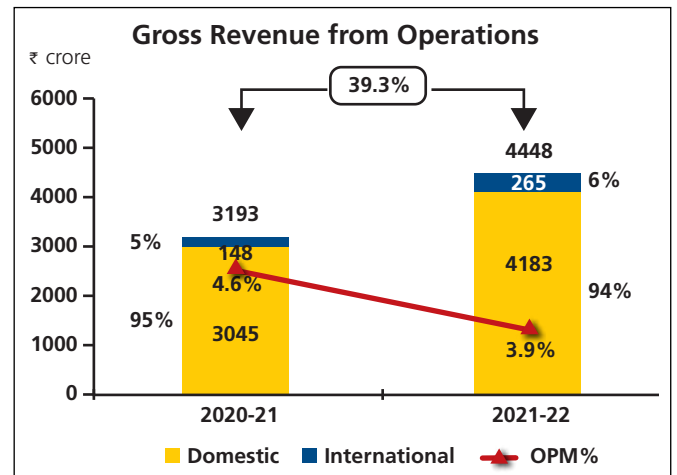


Boiler manufacturing facility at Hazira, Gujarat

Financial Performance of the Segment



The Power segment recorded an Order Inflow of ₹ 1,360 crore for the year ending March 31, 2022, registering growth of 38.5% as compared to the previous year with the receipt of an FGD order. Ordering activity has remained subdued during the year largely due to deferral of limited thermal power project opportunities and delay in tendering of FGD orders.



The segment's revenue improved y-o-y by 39.3% to ₹ 4,448 crore, with a higher execution momentum of opening Order Book.

The operating margin decreased to 3.9% from 4.6%, mainly due to the mix of jobs under execution.

The funds employed by the segment at ₹ 2,281 crore as at March 31, 2022 registered an increase of 12.8% over the previous year, mainly due to the delay in collection of retention moneys, coupled with the build-up in contract assets on account of pick-up in execution momentum.



WASH Tower for IOCL Paradip

HEAVY ENGINEERING BUSINESS

Overview

L&T's Heavy Engineering business is the global leader in meeting the supply of engineered to order hi-tech equipment needs of Refinery, Oil & Gas, Fertiliser, Petrochemicals and Nuclear plants.

The business has been at the forefront of introducing new techniques, products and materials in the manufacturing sector for over eight decades.

The A. M. Naik Heavy Engineering complex at Hazira is a globally-benchmarked state-of-the-art fully integrated, digitally-enabled manufacturing complex. Its capability spectrum not only covers in-house engineering, R&D centres, and world class fabrication facilities, but also includes a highly talented team, committed to a safe and sustainable work culture. The business achieved international recognition through an impeccable track record of executing large complex projects and constantly creating new international benchmarks.

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

- **Reactor & Pressure Vessels (RPV)** PBU specialises in 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.
- **Heat Transfer Equipment (HTE)** PBU specialises in Acrylic Acid Reactor System, Ammonia & Urea plant exchangers, High Pressure Heat Exchangers, Methanol

Converters, PO reactors, VAM reactors and Fired-tube Waste Heat Boiler packages.

- **Process Plant Internals (PPI)** PBU specialises in proprietary process plant internals for Reactors and Ammonia Converter baskets. A large variety of critical internals for advanced refining processes are manufactured using materials like Stainless Steel, Duplex / Super Duplex Stainless Steel, Inconel, Monel, Hastelloy, Titanium, etc.
- **Modification, Revamp & Upgrade (MRU)** PBU offers value-added end-to-end solutions for FCC 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 and emergency repairs for the process plant industry.
- **Nuclear** PBU specialises in key equipment for steam supply systems for 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. It supplies critical components for Fusion Reactors (ITER), Fast Breeder Reactor, Handling spent fuel (Casks / Canisters) and critical equipment for strategic programmes.
- **Special Fabrication Unit (SFU)** fabricates critical Titanium Piping Spools, complex internals for Gasification Plants, Loop Reactor, Primary Quench Exchangers (PQE) for the petrochemicals sector.
- The business also has one of the world's largest **Forge shops**, L&T Special Steels and Heavy Forgings Private Limited (LTSSHF), a joint venture with Nuclear Power Corporation of India Limited. LTSSHF meets the critical custom-made heavy forging requirements of sectors like



Pertamina RR Package 4

nuclear and hydrocarbon. Its custom-made, high-quality products are used across the industrial spectrum.

Business Environment

The global economic recovery faced significant headwinds with new variants of COVID-19 and geopolitical situations causing supply-chain and logistics disruptions and steep escalation in input costs, which in turn resulted in deferred business opportunities. Overall, the business was successful in navigating the industry-wide domestic and global challenges through organisation excellence initiatives. The business succeeded in reaching out to new customers and making inroads in new territories like Turkey, Poland, and Uzbekistan.

The business continues to face foreign competition in domestic projects. To have a level playing field, it is proactively working through industry associations to influence the concerned ministries to mitigate the risks associated with the inconsistencies in the implementation of public procurement under 'Atmanirbhar Bharat' and also to ease / simplify certain processes applicable under BIS & GST.

The business has observed a surge in demand for Renewable Diesel and Bio Diesel plants (which are more eco-friendly). Enforcement of clean fuel standards – Renewable Energy Directive (RED) II, Renewable Fuel Standard (RFS) & Low Carbon Fuel Standard (LCFS) in developed countries, is providing sustainable growth in demand in this sector. Oil to Chemicals provide additional growth momentum in the mid to long-term in the petrochemical sector (especially in Asia) and LNG sector (especially in USA & Middle East). On the domestic front, the Government has approved multiple mega projects in the refinery and petrochemicals sector and further traction is seen in large scale private projects.

The Modification, Revamp, Upgrade (MRU) business, identified as a Lakshya growth initiative has taken off well, both in India

and GCC countries. Increasingly, clients are opting for revamps and deferring greenfield investment projects.

NPCIL's biggest expansion of the country's nuclear power capacity by building 10 nuclear power reactors in 'fleet mode' with an aim to reduce costs and speed up construction time is underway. Most of the purchase orders for bulk procurement of critical equipment such as Steam Generators, Pressurisers and Reactor Headers have been placed for the construction of the 10 proposed units of the new indigenous 700 MWe Pressurised Heavy Water Reactors (PHWRs). Further, Fleet procurement for this strategic sector is also expected in next 2 to 3 years and Nuclear PBU is well poised to tap this opportunity.

Major Achievements

In the international market, the business secured breakthrough orders for the supply of Purified Terephthalic Acid Plant Equipment for SASA, Turkey; Ethylene Oxide Reactors for PKN Orlean, Poland and Enter Corp / Fargana Refinery, Uzbekistan; LNG equipment for projects in Europe and Australia, Hydro-Processing Reactors for PEMEX, Mexico and Rodeo Refinery, USA and FCC Reactor Systems for JGC, Japan / Basra, Iraq.

The business ensured uninterrupted customer supplies throughout the pandemic year by dispatching six complex and heavy Tubular Reactors to various customers in China, six of the World's Heaviest Coke Drums to Mexico, and five Reactors & Heavy Vessels for a Green Diesel Project in USA.

In the domestic market, the business secured breakthrough orders for an Oxidation Reactor for IOCL Paradip PTA Project, securing dominance in the Urea Reactor (10th Urea Reactor in a row), Titanium Piping Spool for NRL JV Bio Refinery under Green Initiative arena and Seismic Stopper for 1st High Speed Rail in India.



End Shield

The MRU business has seen spectacular growth in FY 2021-22. The business has booked the largest order for a Gas Processing Unit in the Middle East and an FCC revamp order (IOCL Barauni). Moreover, the MRU team has executed the most complex HPCL Revamp Project 10 days ahead of schedule during the peak of COVID-19's 2nd wave in April / May 2021.

The nuclear business team completed the assembly of the ITER Cryostat's (the world's largest stainless-steel, high-vacuum pressure chamber) top lid in the site workshop in France. This was an important milestone in the global nuclear fusion arena as well as a moment of pride for India. The business also created a new global benchmark in nuclear manufacturing by delivering the four 700 MWe steam generators for the Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP) 1 & 2 project (6 -12 months ahead of contractual delivery date despite the COVID-19 pandemic) and dispatched the pair of end-shields for the GHAVP 1&2 project (3 months ahead of schedule).

Significant Initiatives

Digital and organisational excellence initiatives accelerated the journey to be the global best Heavy Engineering company.

Improving competitiveness for products like Renewable Diesel Reactor, HP Screw Plug Heat Exchangers and Heavy Columns & Vessels has been identified as a major initiative to increase market share.

Notable digitalisation initiatives include IoT-enabled Industry 4.0 Smart Stations in welding & overlay operations, Virtual 3D Layout Simulation and Digi-Eye – for real-time project progress monitoring. Digitalisation in office areas includes automation of design & procurement, supply chain management and estimation system.

The 'Quality at Root' initiative was embarked upon by the business to reduce the cycle time of manufacturing by eliminating non-value-added activities. This initiative will ensure a sustainable 'First Time Right' quality culture.

LTSSHF has focussed on upgradation of manufacturing technology and achieved very low reject rates for Nuclear and Hydrocarbon sectors.

Outlook

FY 2022-23 is expected to provide a growth momentum in view of an improved global economic environment. It is expected that the investment in renewables projects, petrochemical and LNG sectors may continue to see an uptrend. The business expects higher investments in Renewable Fuel / Refining projects in USA & Southeast Asia, LNG projects in USA & Middle East and Fertiliser projects in Australia, USA & Middle East.

In the domestic segment, the business expects launch of new projects in coal gasification, petrochemical, and specialty chemical industries. The MRU business expects sustainable increased demand.

In the domestic nuclear projects, the customer is evaluating fleet procurement in lumpsum turnkey mode to speed up the implementation process. The projects relying on the foreign technology program continue to progress at a snail's pace. Internationally, nuclear energy is gaining traction based on the recent focus on net zero emission targets. The decommissioning and decontamination business opportunity is also picking up momentum due to retiring nuclear power plants in Europe / USA / Japan, etc.

The demand for heavy forgings is largely dependent on the outlook of the Nuclear, Defence, Hydrocarbon, Thermal power, and Hydro power industry segments. In the Defence

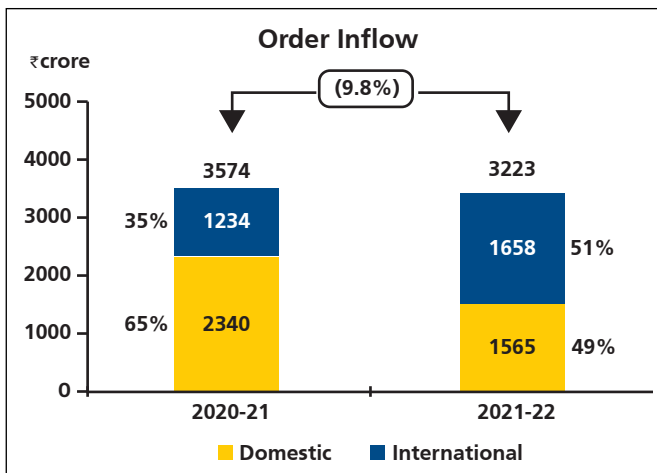


Ethylene Oxide Reactor weighing 1157 MT for IOCL's Paradip Refinery

sector, LTSSHF has been certified as the only indigenous producer of large and heavy forgings and thick plates for the prestigious strategic program. The focus of the forgings business remains to fill the gap in the country with respect to manufacturing of critical heavy forgings.

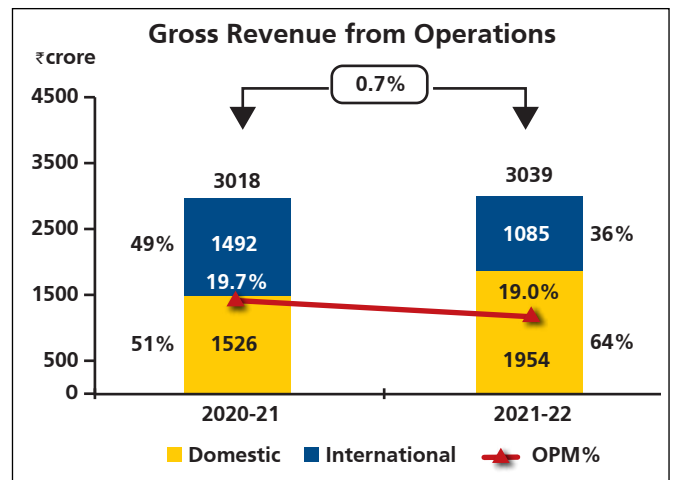
The business remains positive in its outlook for order prospects. However, in view of the recent geopolitical situation, the commodity price escalations have created cost pressures on the awarded contracts / tenders in PSU sector due to longer bid to award exposure. Digital and organisation excellence initiatives will result in higher value creation on a long term basis.

Financial Performance of the Segment



The Heavy Engineering segment recorded an Order Inflow of ₹ 3,223 crore for the year ending March 31, 2022, lower by 9.8% as compared to the previous year, mainly due to deferral of orders in the Nuclear Equipment System

business and Fertiliser & Petrochemicals business. The share of international orders increased to 51% from 35% in the previous year with receipt of a large value international order in the Refinery sector.



The segment's gross revenue of ₹ 3,039 crore remained steady compared to the previous year. The share of revenue from international operations has reduced from 49% to 36% in FY 2021-22 since the previous year had a higher execution of overseas refinery orders.

The segment's operating margin declined from 19.7% to 19%, mainly due to reduced export incentives under the revised scheme.

Funds employed by the segment as at March 31, 2022, at ₹ 1,584 crore, was lower by 8.9% over the previous year, mainly attributed to better collections and receipt of GST refunds.



Short Span Bridging System

DEFENCE ENGINEERING BUSINESS

Overview

L&T entered the strategic Defence sector in the mid-80s leveraging its precision equipment capabilities. This was well ahead of the opening up of the sector for private industry participation in 2001. During the preceding one and a half decades, L&T has been associated with the Defence Research & Development Organisation (DRDO) and Indian Navy's indigenisation programme.

With an offerings portfolio of technologies, products, systems, platforms and solutions, the business provides design-to-delivery solutions across chosen defence segments with a focus on indigenous design, development and production of naval (submarines and warships) and land platforms (armoured systems, howitzers), weapon systems, engineering systems, missile & space launch vehicle subsystems, sensors, radar systems and avionics. These are complemented by R&D and Design & Engineering Centres for targeted platforms, systems, and solutions development.

The business operations extend across two R&D centres, three Design & Engineering Centres, and six production centres across India:

- Submarine hull-building facility and an armoured systems manufacturing, integration & testing facility at L&T's A.M. Naik Heavy Engineering Complex at Hazira, Gujarat
- Strategic Systems Complex for weapon and engineering systems and sensors at Talegaon near Pune

- Aerospace Manufacturing shops for India's space launch vehicle subsystems at the Precision Manufacturing & Systems Complex, Coimbatore
- Aerospace and Missile subsystems manufacturing at the Centre of Excellence for Advanced Composites at Coimbatore
- Strategic Electronics Centre at Bengaluru
- Modern shipyard at Kattupalli (near Chennai)

Besides these dedicated facilities, the business also operates a facility at Visakhapatnam under the Government Owned Contractor Operated (GOCO) model. These Work Centres are complemented by R&D Centres at Powai and Bengaluru, Design & Engineering Centres for submarines and warships at Powai and Chennai respectively and a Design & Engineering Centre for weapon and engineering equipment at Powai. The business is headquartered at Powai, Mumbai.

The business is structured into two strategic business groups (SBGs):

1. Defence & Aerospace
2. Defence Shipbuilding

Defence & Aerospace

Since its inception, the Defence and Aerospace (D&A) business has built a portfolio of wide ranging indigenously designed & developed products, systems, solutions, platforms and technologies through in-house efforts



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

as well as by teaming up with the DRDO. It has also participated in the Indian Navy's indigenisation program for the development of a range of naval engineering systems and weapon systems within the country. Subsequently, L&T Defence built a wide-ranging portfolio of land-based weapon and engineering systems for the Indian Army. To date, the SBG has indigenously developed more than 250 defence products out of which more than 50 of them have 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, mature and equated partnerships with global majors and through-life support offerings. These enable the business to maintain its market leadership position (in the private sector) in an environment where the Government is aggressively pursuing the indigenisation agenda through 'Atmanirbhar Bharat Abhiyan'.

The business also has a Joint Venture (JV) with MBDA, a global leader in missiles and missile systems. The JV is well positioned to indigenously offer advanced missile systems to the Indian Armed Forces.

Defence Shipbuilding

L&T's Shipbuilding business offers end-to-end solutions for design, construction of defence ships and refit services. The business owns and operates a greenfield mega defence shipyard at Kattupalli, near Chennai, located across a sprawling 980-acre complex. The Kattupalli Shipyard is India's largest shipyard, considering just the first phase spread across 150 acres that has been operational for nearly a decade. The design and construction of the yard is modelled to adapt global best practices, such as

modular fabrication, construction under covered shops, use of a Ship-Lift with dry and wet berths, etc., to enable simultaneous construction of different classes of vessels until near completion on land, and then launching them on water through the Ship-Lift. It is the only Indian shipyard with Industry 4.0 practices embedded, enhancing construction efficiency, cycle time and build quality.

A dedicated Warship Design Centre at Chennai is equipped with the latest integrated 3D design, analysis, and Product Lifecycle Management tools, and interfaced with project management and ERP systems, in line with global best practices.

The Kattupalli Shipyard has been largely engaged in new builds and refits / repairs of defence ships of the Indian Navy and Indian Coast Guard. Since 2010, the business has designed and constructed 67 defence vessels and delivered them ahead of schedules, these include a floating dock for the Indian Navy, Interceptor Boats and Offshore Patrol Vessels for the Coast Guard as well as five high speed Border Guard boats for a friendly nation. The shipyard has also supplied design and material kits for seven vessels to be built there to empower that country with indigenous shipbuilding using latest shipbuilding practices and processes. The unique capability of the business to achieve on-time or ahead of contractual delivery performance in all the contracts for defence vessels is a benchmark in the Indian shipbuilding industry. The shipyard has a track record of delivering first-of-class OPV vessels on / ahead of schedule and with design and construction maturity and in-built quality. A global benchmark was attained by the Yard in the sea acceptance trials of a 2,130 MT class offshore patrol vessel by completing the entire acceptance trials in the maiden sea sortie of the vessel to affirm its design and build quality.



FDN-2: Floating Dock built for the Indian Navy

While being actively associated with the defence sector, the business has a policy of not manufacturing any explosives or ammunition of any kind, including cluster munitions or anti-personnel landmines or nuclear weapons or components for such munitions. The business also does not customise any delivery systems for such munitions.

Business Environment

With the Government of India initiating substantive policy reforms since past 3 years and allocating higher budgets for indigenous procurement, the macro picture has become more positive for the business. The determined push by the Govt under 'Make in India' initiative and 'Atmanirbhar vision' saw positive traction towards indigenous production by building a robust acquisition pipeline of potential orders with preferential categorisation in favour of indigenous acquisition by grant of Acceptance of Necessity and accelerating issuance of RFPs.

The Defence capex budget witnessed a systematic increase (~12% y-o-y) in the budget year FY 2022-23 over the previous financial year and the allocation for procurement from domestic industry has witnessed an enhancement from 58% to 68% of the total capital procurement budget (₹ 71,000 crore in FY 2021-22 to ₹ 84,600 crore in FY 2022-23). Also, the allocation for acquisition for the private sector has been enhanced from ₹16,000 crore to ₹ 21,150 crore (25% of domestic acquisition allocation).

A major highlight announced in the Union Budget 2022 is the opening up of Defence Research & Development funding to the private sector, start-ups and academia with an earmarked allocation of 25% of the total R&D budget (₹1300 crore) for fresh cases. This would help create intellectual property (IP) within the country, helping reduce

cost of indigenously developed and manufactured goods and solutions and also facilitate exports that can unconditionally be done with the Company's own IP. Given L&T's track record in R&D, the business would be in a best position to exploit this initiative and take up development of mega platform projects with large order value potential over coming years.

The concluding part of the year witnessed widescale turbulence across the world on account of geopolitical challenges. However, the business has built in resilience in its supply chain to address the risks on account of these challenges. The 'Atmanirbhar Bharat' initiative of the Government also aids in becoming self-reliant with Indian resources and assets for the business.

Major Achievements

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

- Successful delivery of multiple land and naval weapon launch systems, engineering systems and missile systems to the Indian Armed Forces. The 10m Short Span Bridge and Medium Range Surface to Air System were inducted by the Armed Forces in July 2021 and September 2021 respectively
- The business was selected as a 'Strategic Partner' to the Indian MoD and received RFP for Construction of six P-75 (I) Submarines by collaborating with a chosen Foreign Collaborator
- The shipbuilding business won the contract for Construction of Multi-Purpose Vessels (MPV) and conclusion of negotiations for Cadet Training Ships (CTS) as well as Special Pontoon for DRDO, amidst stiff competition



Offshore Patrol Vessel for Indian Coast Guard

- Supplied 223 Medical Oxygen Generation Plants within 75 days of having been called upon to cater to the healthcare requirements during the COVID-19 pandemic
- New benchmarks set up by work centres in terms of serial production of systems and equipment. Noteworthy ones include delivering Combat Engineering Systems (bridging systems, air drop platforms), Air Defence Systems, attaining operational efficiencies through innovation in manufacture and maintenance of safety in operations across work centres aided by digitalisation and automation
- The R&D and Design & Engineering teams continue to focus on emerging technologies to develop a range of products and solutions that are intended to future proof the business. Unmanned systems across four domains (Under Water, Surface Warfare for Navy, Land, Air Domains), Augmented Reality (AR) and Virtual Reality (VR) based solutions and offerings are being emphasized to add a significant value to the business as a differentiator

Significant Initiatives

Evolving through collaboration, the business has identified and signed MoUs / agreements with strategic partners to enhance business opportunities both in domestic and international markets. R&D and innovation has been the backbone of the defence engineering business since inception, and the business continues to invest in R&D to develop new-age technologies and products.

The business has been building a strong position in digital design since the early-90s and has attained proficiency in Industry 4.0 across its multiple R&D, Design & Engineering Centres and Production Work Centres that extend from equipment and systems to the building of complete platforms, such as Warships, Submarines and Armoured Systems.

Focused digital initiatives that were innovated and implemented during the pandemic to overcome associated challenges were adapted to daily operations and the same have been institutionalised to gain higher operational efficiencies. These have also helped in achieving business continuity and meeting key deadlines, evolution of innovative technologies and processes that could adapt to provide through life support, training, digital quality assurance, trial evaluation and acceptance.

Outlook

Against the backdrop of recent global events, the reinforcement of the importance of self-reliance in a strategic sector like Defence has increased. This could result in enhanced spending on the Defence sector. The Government's series of reforms in the Defence sector to enhance indigenisation has been given a fillip by the 'Atmanirbhar Bharat' initiative to innovate and build differentiation in what the Armed Forces deploy. The budget allocation for domestic procurement has been identified by the Government and is expected to be realised in a time-bound manner through the acquisition of the platforms, systems, and equipment as mentioned in the Positive Indigenisation Lists. The recent experiences that have taken place at the country's borders have catalysed the innovative adaption of existing weapons / platforms for high-altitude operations as well as development of indigenous weapons / platforms to combat adverse environmental conditions. This has brought a renewed focus on expeditious completion of trials of systems and their accelerated induction into services.

The MoD has announced significant reforms at different levels as a part of the 'Atmanirbhar Bharat' and 'Make



Air Defence Fire Control Radar

in India' visions. At the strategic level, the revised Draft Defence Production & Export Promotion Policy (DPEPP) has been published and extensively deliberated to incorporate specific inputs from industry stakeholders. This policy focuses on eight pillars of reforms and embeds the vision and roadmap towards achieving significant self-reliance in the Defence sector by FY 2025-26. Over 18 programmes have been identified for acquisition under the 'Make' route of DAP 2020 which focuses on indigenous design, development and realisation using Indian resources. The development and R&D is expected to take off with the formation of SPVs with the DRDO. The MoD also assures grant of a level playing field in naval shipbuilding and inflation linked escalation on long-term contracts of tenures beyond three years. Contracts worth ₹ 500,000 crore are expected to be placed on the Indian industry within the next five years for the procurement of systems / platforms covered in the Positive Indigenisation Lists.

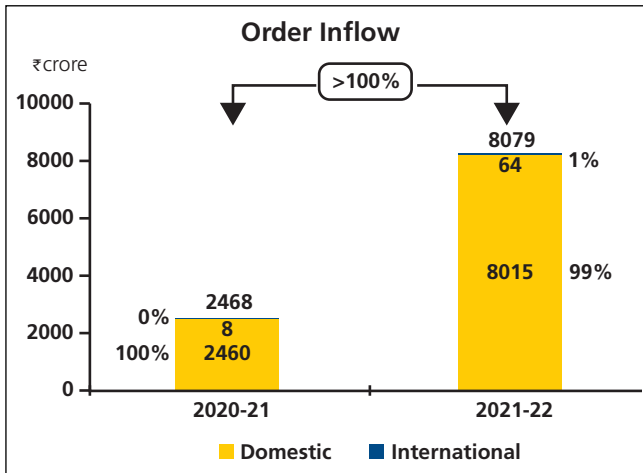
The Government has announced several reforms towards commercial exploitation of opportunities in the space sector. The autonomous promotion and regulatory body, IN-SPACe (Indian National Space Promotion and Authorisation), is working towards handholding and promoting private industry in the space sector. NSIL (New Space India Limited), a PSU under the DoS, is also striving towards working on areas of launch vehicles and satellite production as well as services through private consortiums. The Space Policy is under review by the GoI. It is designed to create a watershed moment for facilitating the role of the private industry and opening up of the space sector. This policy is expected to be released soon.

The business has been a trusted industry partner to India Space Research Organisation (ISRO) and has contributed to 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, which has built, and enhanced their capabilities over the last few decades – to take on the complete manufacture and integration of launch vehicles as well as satellite bus manufacturing and associated services.

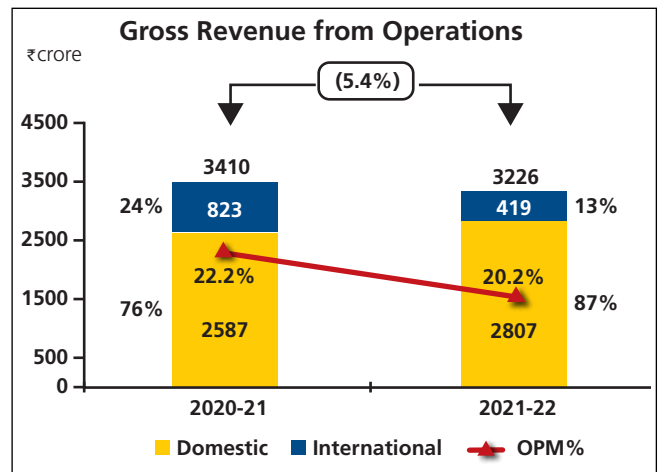


Tactical Unmanned Aerial Vehicle

Financial Performance of the Segment



With receipt of some large value orders in the Shipbuilding business, the Defence Engineering segment has recorded a substantial growth by bagging orders worth ₹ 8,079 crore as compared to ₹ 2,468 crore in the previous year.



The segment's gross revenue of ₹ 3,226 crore declined by 5.4% compared to the previous year with some large value jobs in the portfolio viz. K9 Vajra, nearing completion in FY 2020-21. Share of international revenues decreased to 13% from 24% in previous year with the tapering of an international order in shipbuilding.

The operating margin declined to 20.2% from 22.2% in the previous year, since previous year had the benefit of release of cost savings in some key projects that got completed.

Funds employed by the segment as on March 31, 2022, at ₹ 1,115 crore decreased by 46.6% y-o-y, on account of better collections on completion of deliveries across some key projects and receipt of customer advance on large value new orders.



LTI Headquarters, Powai, Mumbai

IT & TECHNOLOGY SERVICES

The IT&TS business segment consists of:

- a) **Larsen & Toubro Infotech Limited and its subsidiaries (LTI):** LTI is a global IT Services company positioned at the convergence of digital and physical worlds, with real-world expertise and client centricity. It was founded in 1997 as a subsidiary of Larsen & Toubro Limited and got publicly listed in 2016.
- b) **Mindtree Limited and its subsidiaries:** Mindtree provides end-to-end IT and Digital solutions for business transformation through cloud services, data, intelligence, and enterprise transformation & automation. L&T acquired controlling interest in Mindtree in June 2019.
- c) **L&T Technology Services Limited and its subsidiaries (LTTS):** It is a global leader in Engineering & R&D (ER&D) services. LTTS delivers value through Engineering & Technology via its offerings in product engineering, manufacturing engineering, operations engineering and engineering consultancy. The business was incorporated in 2012 and got publicly listed in 2016.

The Boards of LTI and Mindtree have approved the scheme of merger of the two companies subject to receipt of respective shareholders, creditors and regulatory approvals.

Business Environment

According to NASSCOM, the Indian IT Technology industry crossed the USD 200 Bn revenue mark in FY 2021-22 to touch a record USD 227 Bn. Technology was the panacea

that enabled corporations to not just keep the lights on, but also repivot their business models to an online / virtual mode, adapt to changing market dynamics and customer needs and enable collaboration in a distributed work model.

During the year, the industry saw USD 30 Bn of incremental revenues and an overall growth rate of 15.5%, the fastest since 2011. All sub-sectors of the industry recorded double-digit growth.

The performance of the IT sector was boosted in FY 2021-22 by the rapid pace of digitalisation and higher discretionary expenditure by enterprises. India continues to be one of the preferred destinations for setting up Global Capability Centres (GCCs).

India has also emerged as a global hub for digital talent with more than 5 mn tech workers and is the largest employer within the private sector. The industry's 'people first employee-centric' approach saw tech firms quickly adapt to hybrid work models and scale up capability building programmes. The industry recorded nearly 10% estimated growth in direct employees in FY 2021-22, with the highest-ever net addition of approximately 450,000 personnel to its employee base.

NASSCOM further reports that the current global pandemic has accelerated the growth of demand for digital transformation and other software-led business journeys. This has had a direct, positive impact on offshoring for key R&D destinations, including India.



LTI's state-of-the-art delivery Center in Johannesburg, South Africa

A sense of heightened immediacy, calling for rapid delivery schedules measured in months as opposed to years earlier, translates to a growing focus on implementing new-age customer-centric solutions through robust, data-driven business models. The scenario further got strengthened by a rapid on-ground shift towards vehicle electrification, smart manufacturing practices, digital products and solutions, state-of-the-art healthcare options, streamlined connectivity, and a sustainable approach to business operations. These key trends will help shape the global ER&D ecosystem, direct investment decisions, and define growth plans for the future.

Risks and Concerns

Client relationships are at the core of the IT Services business. The businesses enjoy a history of high client retention and continue to derive a significant proportion of revenue from repeat business built on the successful execution of prior engagements. This exposes the business to the risk of revenue concentration with top customers. Concentrated efforts are taken to expand the client base and geographies, to cross-sell and up-sell to incrementally achieve broad-based growth and increase the value-add of deliverables.

Employees remain the prime asset for any technology business. It is critical for the organisation to attract and retain skilled employees and manage the industry wide issue of attrition. The concern is contained with employee friendly policies, framework to reward high-potential employees, innovative programmes for employee engagement, learning & development plans and career growth options. Such holistic approaches and interventions are implemented to limit attrition.

Cyber Security is a major risk as businesses move to newer areas of engagement such as social, mobile computing and cloud computing. Hacking, ransomware, social engineering, and other cyber-attacks represent ever present threats to data security and system availability. Tighter measures are put in place to ensure adherence to set policies and practices. Cybersecurity assessment from third parties provide enhanced confidence in cybersecurity measures. End point security controls are deployed to ensure levels of security are not compromised while working remotely.

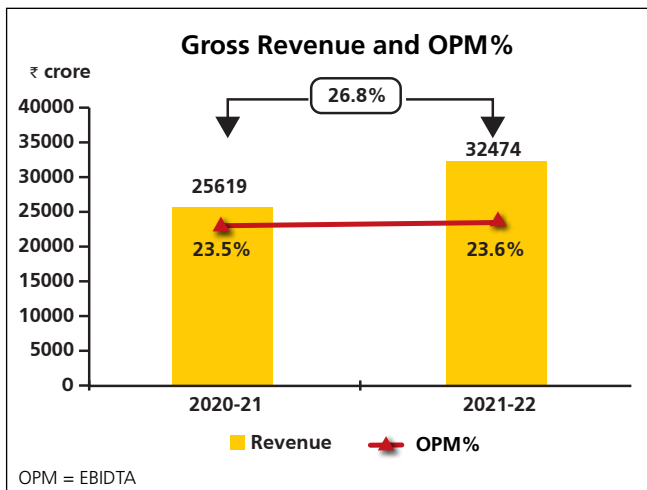
Compliance & Litigation risks are a given when businesses operate out of multiple regions and specially when the regulations across the globe are changing and evolving constantly. It is imperative to be compliant with these requirements, to avoid the possibility of legal liabilities and reputational damage. System-based controls are implemented to keep the organisation compliant with the regulations globally. The businesses also engage consultants across the globe who provide support in adhering to statutory requirements and complying with the changing regulations. Similarly, litigation is handled by experienced in-house legal teams along with external counsels.

Foreign Exchange risk is one of the key risks as major revenue is denominated in foreign currency. This risk is mitigated by a dynamic hedge management policy and strategies that are periodically reviewed in the light of macroeconomic changes.



Mosaic Experience Centre, Powai, Mumbai

Financial Performance of the Segment



The segment recorded a gross revenue of ₹ 32,474 crore for the year ended March 31, 2022, registering a growth of 26.8% over the previous year, reflecting the improved growth opportunities in the sector. International revenue constitutes a steady 92% of the total revenue of the segment.

In USD terms, the revenue at USD 4,393 mn for FY 2021-22 reported an industry leading growth of 26% over the previous year.

The OPM% was maintained at the previous year levels despite increase in employee costs.

The funds employed by the segment as on March 31, 2022 at ₹ 26,441 crore increased by 12.8% compared to

March 31, 2021, mainly reflecting an increase in volumes by way of increase in customer receivables and higher investible surpluses.

L&T INFOTECH

Overview

Larsen & Toubro Infotech (LTI) is a global technology consulting and digital solutions company helping more than 485 clients to succeed in a converging world. Each day across 33 countries, with workforce of over 46,000, LTI enables clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees, and shareholders.

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

Banking and Financial Services: LTI offers a full array of digital banking services that connects to end customers through multiple digital channels. It delivers business value through services, such as data driven transformation, risk and regulatory compliance, digital enablement, innovation partnerships and NexGen ADMS services across retail banking, payments, trade finance, capital markets, asset / wealth management, custody and settlements.

Insurance: LTI helps insurers solve complex business problems such as digital adoption, customer experience management, speed-to-market, underwriting profitability, operational efficiency, distribution effectiveness and claims optimisation. Its domain expertise spans across the insurance value chain, including intermediaries, carriers, reinsurers, regulators, and Independent Software Vendors (ISVs).



LTI Delivery Centre, Warsaw, Poland

Manufacturing: This sector includes Industrial Manufacturing, Automotive and Aerospace arenas. LTI leverages its rich domain knowledge in industrial machinery manufacturing to help Plant Equipment and Industrial Machinery (PEIM) companies spur innovation and reduce time-to-market. It provides customized IT solutions for PEIM companies in key areas, including supply chain management, shop-floor-to-top-floor integration, productivity improvement, serialisation and traceability, and production analytics.

Energy and Utilities: LTI is at the forefront to help the traditional energy companies to not only improve operational efficiencies and sustainability but also break away into the newer green energy solutions by providing next generation Energy Industry IT Services and Solutions across Upstream, Midstream, Downstream and Renewables. With thorough industry know-how and technology expertise, it has delivered powerful real-time advanced analytics and decision support capabilities to several global clients.

Consumer Packaged Goods (CPG), Retail and Pharma: LTI enables CPG companies to transform their businesses with robust IT services and solutions. By partnering with LTI, customers can effortlessly launch targeted, omni-channel offers and promotions for consumers, while streamlining operations to boost profitability. LTI enables retailers to streamline operations using technologies such as IIoT and Cloud and derive actionable consumer and business insights by harnessing advanced analytical tools.

Hi-Tech, Media and Entertainment: LTI has helped high tech clients with IT solutions to realise substantial synergies from their M&A activities by structured IT portfolio rationalization, complex digital integration and digitisation of core processes.

It further enables media entities to offer superior user experiences across platforms and helps them enhance content creation, distribution, and rights management. By partnering with LTI, customers can leverage multiple distribution models effectively for higher monetization of the content. Its proven expertise in new media and strong digital technology credentials can help achieve faster time-to-market and establish leaner operations.

LTI has offerings across the following service lines:

- Application Development & Maintenance and Testing
- Enterprise Solutions
- Cloud Infrastructure & Security
- Analytics, AI & Cognitive
- Enterprise Integration & Mobility

Major Achievements

LTI has been ranked 22 among the top 25 most valuable IT services brands in the Brand Finance IT Services 25, 2022 ranking. It's brand value reached USD 1.1 Bn, an exceptional growth of 83% since 2020.



Blockchain capability demonstration at Mosaic Experience Centre

Key deal wins

- a) Selected by a European company providing digital marketing solutions for a global, end-to-end managed services deal spanning across the internal IT department. The scope includes business applications maintenance, development and support of cloud and data platforms, as well as end-user services
- b) Selected by one of the largest global veterinary care practices and chain of North American pet clinics, a new logo, for a managed services deal involving cyber security and modernisation of IT infrastructure including migration to cloud to gain operational efficiencies and transform clinic management and support
- c) Selected by a Global Fortune 500 financial services company for an end-to-end managed services engagement involving transformation, governance and support for middleware and data as part of their global technology function
- d) A Global Fortune 500 corporation, a leading provider of ratings, benchmarks, analytics, and financial data, has selected LTI as its primary partner for an engagement involving data and digital services to integrate its data platforms with its recent acquisition
- e) Selected by a Global Fortune 500 consumer goods company as their strategic partner for data and analytics work to transform and gain insights across their most critical business functions of manufacturing, supply chain, marketing, and creation of a metadata hub
- f) Engaged by a key Government body in the public healthcare space to develop an eco-system and technology infrastructure providing, storing, and improving access to relevant public data and supporting public health insurance programmes

Significant Initiatives

LTI acquired Cuelogic Technologies, a digital engineering and outsourced product development company with over 300 people headquartered in Pune, India. Founded in 2010, Cuelogic has built capabilities in digital engineering and primarily focuses on developing cloud native web and mobile applications, modernisation, and runs an innovation lab as a service for its clients in the USA and India. Cuelogic works with enterprise clients on multiple facets of digitalisation such as UX Consulting, DevOps, AI Consulting, IoT, Applications Modernisation, Cloud Architecture & Integration.

LTI launched its hybrid model of working called Yin-Yang, embracing a next-generation hybrid workplace where Work from Home and Work from Office will coexist to help employees benefit from both work environments.

LTI launched Fosfor, the Data-to-Decisions Product Suite, an integrated suite of products across the data-to-decisions lifecycle signifying LTI's intensified focus into the multi-billion-dollar AI and data products market. As Fosfor, LTI brings together the synergies of erstwhile Mosaic and Leni products uncovering unlimited opportunities for enterprises with next-generation AI products.

LTI is now a signatory to the Ten Principles of UN Global Compact. These principles lay down the operating guidelines for a company to meet their fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.



Mindtree West Campus, Bengaluru

Outlook

FY 2022-23 growth estimates for the technology industry reflects the optimism of FY 2021-22. According to NASSCOM Tech CEO Survey 2022, 72% of Tech CEOs indicate 2022 tech spend to be in line with 2021. Most respondents also expect to maintain or grow their hiring, in line with previous year.

The industry has also set a target to touch USD 350 Bn revenues by FY 2025-26 with an annual growth rate of 11-14%.

Digital transformation continues to be a strategic priority and key area of focus for Banking and Financial Services firms. Technology investments are across large and medium sized banks and across sub-verticals such as capital markets, payments, retail banking, wealth management etc. Firms are investing in improving customer experience by shrinking the core and building a layer of service-oriented interfaces. This gives them the agility to launch a new product and offer a higher degree of straight-through processing.

In the Insurance sector, major initiatives will be focused on enhancing online user experiences with an increased emphasis on hyper-personalisation and data-driven ecosystems as well as remote distribution networks, augmented reality and IoT.

The manufacturing industry is likely to continue to see an influx of investment in automation and digital solutions that support increased agility and better risk management. Tools that capitalise on the use of data will also be a key.

The spend on energy transition and sustainability could go up even more in FY 2022-23.

The consumer-packaged goods, retail and pharma sector is likely to see continued investments in the data platforms and digitalisation initiatives with a focus on resilient supply chains and consumer experience led by direct-to-consumer strategies.

LTI also sees an increasing trend in innovation in the 5G space, edge computing driven eco-system of connected devices and smart products, hardware firms moving to new business models and heightened focus on supply chain resilience. The Media and Entertainment industry continues to experience the influence of consumer behaviour dynamism, mergers and acquisitions fuelled by competitive intensity and industry reshaping due to technological innovation. The year has also seen the emergence of the Metaverse which is likely to see increased levels of spendings.

MINDTREE

Overview

Mindtree is a global technology consulting and services company that enables enterprises across industries to drive superior competitive advantage, improve customer experiences and create positive business outcomes by harnessing digital and cloud technologies. A digital transformation partner to more than 270 of the world's leading corporations, Mindtree brings extensive domain, technology, and consulting expertise to help reimagine business models, accelerate innovation and maximise growth. As a socially and environmentally responsible business, Mindtree is focused on growth as well as sustainability in building long-term stakeholder value. Powered by more than 35,000 talented and entrepreneurial professionals across



Mindtree, Kolkata

24 countries, Mindtree is consistently recognised among the best places to work.

The business enables the customers across diverse industry sectors such as banking, capital markets, insurance, communications, media and entertainment, technology, education, retail, consumer packaged goods, manufacturing, travel, hospitality, logistics, and healthcare to achieve digital transformation.

Communications, Media and Technology (CMT)

Mindtree partners with CMT customers to help them reimagine their business models, optimise and automate key processes, and fully leverage digital technologies. It enables Communications Service Providers (CSPs) and Original Equipment Manufacturers (OEMs) to customise, implement and support their 5G products, IoT platforms, and edge devices.

The offerings help media firms, broadcasters, publishers, gaming developers, advertising agencies, information service providers, professional service firms, and educational institutions to digitalise their content and scale their direct-to-consumer platforms. Mindtree also enables technology software, hardware, semiconductor, and networking companies to build innovative and intuitive products, increasingly offered as a service with subscription-based pricing.

Banking, Financial Services and Insurance (BFSI)

Mindtree enables banks, cards and payments networks, capital markets institutions, property and casualty (P&C) carriers, and life and annuity insurance firms to accelerate digital transformation.

Mindtree helps BFSI customers to modernise their core, reimagine their go-to-market models, adopt cloud, leverage data and insights, and better engage with their customers through insightful analytics, personalised marketing, and tailored experiences. It also enables customers with their ESG journeys by creating strategies, providing intelligence services, managing risks, staying compliant, and generating green alpha.

Retail, CPG and Manufacturing (RCM)

Mindtree helps its RCM customers become future-ready and get to the market with better predictability and speed. It enables some of the world's largest food, beverages, household and personal care products, sports goods, footwear and apparel, consumer durables, and pharma consumer firms to drive hyper-personalisation in today's connected world. This is done by harnessing cutting-edge consumer-data platforms and hyper-analytics and reimagining supply chains along with manufacturing processes. It also helps retail customers deliver cohesive and compelling omnichannel experiences to their 'GLOCAL' customers.

Travel, Transportation and Hospitality (TTH)

Mindtree partners with leading airlines, hotels, cruise lines, travel service providers, car rental firms, and real estate companies in their digital transformation initiatives to help them recover from the COVID-19 pandemic and deliver measurable business outcomes.

Data analytics and cloud modernisation expertise help customers achieve economic discipline, lean operations, and digitalisation to drive profitable growth.



Design Thinking Workshop, Mindtree Digital Pumpkin, New Jersey

Healthcare

Mindtree's cross-industry experience helps customers across the health ecosystem including payers, providers, and medical device companies to accelerate growth, deliver superior experience to consumers, clinicians and employees, reduce the cost of care, and run digitally optimised operations. Mindtree also provides industry-focused platforms, value-driven engagement constructs, innovation labs, and cohesive partnerships built on the foundation of technology and talent.

Alliances and Partnerships

To meet the rising demand, globally companies need to innovate and invest in disruptive technologies to better compete in the market. The technology ecosystem banks heavily on integrative solutions, which is why it is important for technology service providers and innovators to collaborate to create sustainable solutions. At Mindtree, the idea of collaboration and partnership is to deliver appropriate technology solutions to new and existing clients which result in better business outputs and outcomes for them.

Mindtree's key partner relationships are:

• Microsoft

Mindtree is distinguished with the highest tier of Microsoft Azure partnerships and is one of the exclusive 70+ Managed Service Providers with exclusive access to all levels of support programmes and solutions. It also collaborates closely with Microsoft to develop next-generation cloud solutions for clients.

• Salesforce

Mindtree is an established premium consulting partner of Salesforce with 17+ years of experience on the platform. As a Platinum Partner, it specialises in Salesforce implementation strategies to drive digital growth through deep client engagement and offers services across the Salesforce success value chain – ranging from Strategy Consulting & Solution Design to Implementation and Application Value Maintenance.

• AWS

Mindtree is an Advanced Consulting Partner in the Amazon Partner Network (APN) for Amazon Web Services (AWS). Together, they have helped several enterprises to successfully migrate to the cloud.

• Adobe

Mindtree has been a Platinum-level Adobe Business Partner for over 3 years. The partnership with Adobe and the domain experience brings together a full suite of customer experience transformation services to accelerate its clients' digital transformation journey.

• Google

Mindtree is a Premier Google Partner for Google Cloud Platform (GCP) and offers its customers a complete spectrum of cloud services.

The business is also empanelled as a strategic vendor to Google's 'Professional Services Organisation' (PSO) and a part of the Google Cloud Partner Advantage Program that is designed to provide Google Cloud customers with qualified



Immersive Aurora, Mindtree East Campus, Bengaluru

partners that have demonstrated technical proficiency and proven success in specialised solution and service areas.

• SAP

Mindtree and SAP have been strategic partners for more than a decade. Mindtree is currently the only integrated service provider in the world with expertise on the SAP HANA platform across all three major public cloud platforms: Amazon Web Services, Microsoft Azure and Google Cloud. Mindtree is also one of a handful of Lighthouse Partners, which offer customers SAP's re-imagined enterprise resource planning solution, SAP S/4HANA via the public cloud.

• ServiceNow

Mindtree is an Elite partner of ServiceNow and was recognised as the 2022 ServiceNow Americas Emerging Service Provider Partner of the Year. Its dedicated ServiceNow practice has carried out large-scale transformational engagements. In addition to upskilling and reskilling resources across various ServiceNow certification streams and building competencies beyond ITSM, Mindtree has also invested heavily in establishing a dedicated ServiceNow engineering team and centre of excellence, developing a broad range of custom applications and accelerators to drive function-specific as well as enterprise ServiceNow solutions.

Significant Initiatives

With the increased demand for digitisation from companies around the world, the demand for talent having requisite skillsets has increased significantly. Campus hiring programmes and the flagship training program for fresh graduate hires have been rejuvenated to accelerate fresher

deployment to client projects. Mindtree Edge, a unique learn-and-earn program for BSc and BCA graduates continues to progress as planned with a focus on investing in future-ready talent.

The Future ways of working (FWoW) program is aimed at creating flexible, more sustainable workplace and working model centered on clients and Mindtree minds. The business has devised F-O-R (Flexi, Office or Remote) working model which is the core of the FMoW program. As part of 'Work of the Future' talent strategy, tapping into tier 2 and tier 3 cities and setting up delivery centres in Coimbatore, Warangal, etc., has assisted not only in terms of managing the demand, but also in managing attrition.

Mindtree continuously endeavours to automate and digitise the activities embracing the advantages it carries. It employs BOTs for performing various tasks, it has launched 'Flexor' an internal platform for bottoms up approach for improving project level margin, a crisis communication system is being developed to send internal alerts and advisories and it is automating Business Continuity Management tools.

Key deal wins

Multiple annuity and multi-year large deals have been bagged across verticals and few of them are given below:

- One of the world's largest technology companies selected Mindtree as a preferred supplier for product engineering and cloud professional services to enable it to scale up faster
- A large global bank selected Mindtree for a multiyear deal to provide global support to the content and event operations of the marketing function of its asset and wealth management unit



Headquartered at Knowledge City, Vadodra, L&T Technology Services Limited (LTTs) is a global leader in Engineering and R&D (ER&D) services.

- A leading US flagship airline signed a multiyear contract with Mindtree. As part of the contract, Mindtree will support core airline systems, including commercial, operations and enterprise IT, through business verification testing services
- A leading US based managed healthcare and insurance company selected Mindtree as a preferred partner for digital transformation and modernisation work
- A leading European producer of dairy and farming machinery awarded Mindtree a multiyear contract to transform, implement, and support digital workplace services across the globe

Outlook

While the COVID-19 pandemic seems to have caused unimaginable and significant damage, the unprecedented collective policy efforts by Governments and central banks, paired with the resilience and innovations of private enterprises, have helped minimise lasting economic and physical damage across the world. The pandemic has accelerated the pace of digitalisation, with businesses ramping up technology and digital presence. This trend is likely to continue and will aid in chasing newer avenues of growth led by innovation, while enhancing efficiency.

To support the next phase of growth, Mindtree is making supply-side more efficient by driving a talent mindset across the organisation and making talent an integral part of the organisational fabric, thereby strengthening employee value proposition. The targeted global investments across partnerships, large deal solutioning, white space opportunities, innovative working and delivery models, Go-To-Talent strategy, gaining mindshare from key stakeholders,

mergers and acquisitions will continue to navigate the business towards a more profitable growth path.

L&T TECHNOLOGY SERVICES

Overview

L&T Technology Services Limited (LTTs) is a leading global pure-play Engineering Research and Development (ER&D) services company. It offers consultancy, design, development, and testing services across the product and process development life cycle.

LTTs provides services and solutions in the areas of software and digital engineering, embedded systems, engineering analytics and plant engineering. The Company's customer base includes 69 Fortune 500 companies and 57 of the world's top ER&D companies, active across multiple segments. Its technologists work with global firms to offer smart solutions and services that drive new product development, facilitate remote asset management, and enable virtual product design and prototyping. With its multi-sectorial engineering prowess, LTTs is continually blending and integrating ideas and technologies to deliver differentiated engineering solutions that are uniquely designed to address complex business challenges.

The Company's innovation and cutting-edge work includes the world's first autonomous welding robot, architecting the smartest campus in the world, block chaining real estate assets and solar connectivity drones, among others. The key differentiators for LTTs' business are its value-maximising customer-centric innovations, deep domain expertise, and a multi-vertical presence across major industry segments:



LTTS' Creative Think Studio showcases design aspects of the product to create delightful customer experiences

Transportation

LTTS' Transportation Engineering Services enable OEMs worldwide to develop next-generation vehicles and aircraft systems, achieve a faster time-to-market, and drive innovation across the value chain.

In the Automotive sector, LTTS partners with global customers through robust and reliable platform and solution offerings across key emerging areas, including, Electrical Vehicle (EV) technologies, Advanced Driver Assistance Systems (ADAS), and Autonomous Drive (AD) frameworks. It aids customers to meet and exceed global transport safety protocols, emission standards, and regulations.

LTTS' Aerospace offerings cover the widest spectrum across aero engines, aerostructures and systems, avionics, air traffic management systems, new-age digital transformation solutions, urban air mobility and defence.

In Rail Transportation, the offerings include cutting edge signalling systems and full RAMS support for systems and fleet management.

Industrial Products

LTTS leverages its deep domain expertise in software, electronics, connectivity, mechanical engineering, industrial networking protocols, IIoT, smart industry products, test frameworks, and enterprise control systems to support global customers. This translates into a robust presence across building automation, home and office product design, energy management, process control and machinery design.

The Company is also involved in supply chain optimisation and standardisation to help customers explore alternate

sourcing avenues in the post-pandemic global economy. With digital manufacturing emerging as a major focus area, LTTS is spearheading digital transformation initiatives for customers to help unlock the true potential of emergent technologies in the Industry 4.0 ecosystem.

Telecom & Hi-Tech

LTTS' Telecom and Hi-Tech vertical provides engineering services and solutions across five key domains – Telecom, Consumer Electronics, Semiconductors, Independent Software Vendors (ISVs), and Media & Entertainment (M&E).

For the consumer electronics segment, LTTS provides services in the areas of product conceptualisation, design and development, platform software development, testing and certification, manufacturing support, product maintenance, and product launch.

LTTS supports its semiconductor customers with a range of services covering hardware system design, platform software development, modem services, verification and validation, multimedia, connectivity, and storage.

LTTS partners with leading ISVs to deliver application engineering, VLSI, cloud engineering, product uplift, platform development and migration, product support, and testing and certification services.

In Media & Entertainment, LTTS provides services across product engineering, conceptualisation, design and development, testing and certification, manufacturing support, maintenance, and value engineering. The Company is pursuing key partnerships with leading participants in the emerging OTT (Over The Top) space.



Electric Vehicle Lab

Plant Engineering

LTTS provides end-to-end solutions across designing, engineering, project management, handover operations, and delivery and maintenance of custom digital solutions. As a leading Engineering, Procurement, and Construction Management (EPCM) services specialist, LTTS supports all key stages across a plant's lifecycle – from conceptualisation to commissioning.

The Company's digital solutions further enable manufacturers to upgrade and integrate their legacy systems with smart platforms to help drive state-of-the-art connectivity and synergy for transforming business outcomes.

Medical Devices

LTTS helps medical device OEMs worldwide accelerate product development cycles, reduce time to market, deliver sustained value engineering, and ensure seamless multi-geography compliant product launches. The Company works closely with leading global medical device manufacturers and healthcare providers to offer solutions around remote medical care, regulatory compliances and approvals, in-vitro diagnostics, patient mobility solutions, surgical services, home healthcare, and Medical Internet of Things.

LTTS also provides pre-compliance testing and validation support. It also helps customers with product/compliance remediation frameworks, complaint management systems, and regulatory documentation support. LTTS is focusing on redefining legacy medical product design methodologies for ensuring the widest possible compliance with diverse regulatory regimes across territories and regions.

Major Achievements

LTTS has had several major deal wins across all verticals. Large deal bookings touched a new high, led by a marquee USD 100 million+ deal with Jaunt Air Mobility for an electric air mobility program, a USD 45 million+ deal win in the EV segment, and several USD 25 million+ engagements.

LTTS' strength in Engineering and Technology is underscored in the ratings by key industry analysts, including, Zinnov, Everest, ISG, ARC, IDC and NelsonHall, who have consistently rated LTTS as a leader across various categories.

Key deal wins

Transportation

- Jaunt Air Mobility (Jaunt) awarded LTTS a multi-year USD 100 million+ electric air mobility contract. LTTS will open an Engineering and R&D Centre in Québec Province to provide new product development engineering and design services for the Jaunt Journey eVTOL (electric Vertical Takeoff and Landing) air taxi
- Strategic Engineering Partner for a US-based automotive Tier 1 company, to provide engineering services for its Electric Vehicle (EV) product portfolio. As part of the programme, LTTS is setting up an R&D centre in Krakow, Poland
- LTTS was empanelled by a global aircraft manufacturer as a strategic supplier for its engineering and digital services for 5 years to help drive its next-generation programmes



At LTTTS' Imaging Lab, engineers develop various Innovative AI-based imaging solutions

Industrial Products

- Implementing a water and wastewater management system for the beverage plant of a leading food and beverage conglomerate. The sustainability-focused initiative will reduce water wastage and ensure adherence to local regulations
- A global manufacturer of motion and control technologies selected LTTTS as a worldwide strategic transformation partner to implement and support its IoT initiatives. This multi-year contract includes developing and managing its IoT Condition Monitoring platform and integrating various products

Telecom and Hi-Tech

- A Hi-Tech 5G client selected LTTTS as their strategic partner to establish an extended product development centre for the adoption of new-age technologies and to accelerate time-to-market
- A leading technology company has empanelled LTTTS as a strategic engineering partner for a period of 5 years for its product and devices portfolio

Medical Devices

- A leading European Med-Tech company named LTTTS as its engineering provider to offer best in class hardware and software product engineering services and help its 'build care as a service' business model by smart-enabling their products

Plant Engineering

- LTTTS has been awarded a multi-year programme from a European Oil & Gas Company to create digital twins for all its upstream and downstream assets, to reduce operational costs

- A multi-year plant engineering contract from a leading global food processing company to provide plant engineering design services for the client's upcoming facilities in Europe and North America

Significant Initiatives

LTTTS has continued to invest significant time and effort in strategic initiatives that will propel its technology footprint, engineering infrastructure and human resources, with the objective to provide a differentiated experience to its customers.

- LTTTS released its first Sustainability Report for the year 2020-21, with a roadmap to achieve carbon and water neutrality by 2030. As part of its commitment to building a sustainable business, LTTTS signed the Science Based Target Initiative pledge
- LTTTS has been selected as an engineering partner by Mavenir and NVIDIA, to accelerate the adoption of the industry's first converged AI-on-5G. LTTTS will support Mavenir with customisation, integration and deployment of AI applications on NVIDIA's AI-on-5G unified platform
- NeXSens Lab at the LTTTS, Bengaluru Campus was inaugurated. The lab will serve LTTTS' global clientele and is equipped with state-of-the-art high-precision tools for catering to all sensorisation requirements
- The Company has unveiled eVOLTTTS, a first-of-its-kind EV technology demonstrator platform. It is also focusing on delivering state-of-the-art telematics and connectivity solutions, cutting-edge infotainment systems, powertrain design services, and end-to-end design and development of automotive components



The IoT Innovation Hub in Bengaluru is where IoT solutions come to life – from connected workers to smart fuel dispensers

- LTTs is helping drive private 5G network rollouts for global organisations to achieve seamless connectivity and unlock business value. The Company has also unveiled a state-of-the-art lab as a service model to address the emerging requirements of its customers
- Project Rendezvous was initiated within the Company to implement the learnings of the employee engagement survey, EMPulse '21. The Project Avatar teams helped restate the Vision, Mission, and Values of LTTs to prepare the Company for the journey ahead

Outlook

The Indian ER&D sector, valued at USD 31 Bn in 2019, is well-positioned to harness the favourable conditions and is projected to be worth over USD 63 Bn by 2025, as per NASSCOM. As a pure-play ER&D market leader, LTTs stands to benefit from leveraging its set of well-defined offerings. With established credentials as an innovation leader and deep

cross-industry experience, the Company is set to strengthen its robust growth trajectory by providing a unique proposition to customers across industries and domains.

LTTs is built on the twin pillars of engineering and technology. The Company continues to strengthen this foundation by leveraging emerging trends that it feels will drive relevance in the marketplace for years to come.

Last year, LTTs identified a set of key focus areas – the Six Big Bets: Electric Autonomous & Connected Vehicles (EACV), 5G, Med-Tech, AI & Digital Products, Digital Manufacturing, and Sustainability. Investments have been undertaken across each of these key technology areas, accelerating LTTs's core culture of innovation. New alliances are being explored to drive and strengthen this journey, as the Company reaffirms its commitment to becoming the partner of choice for customers, engineering sustainable digital transformation journeys which would make them competition-proof and future-ready.



Farm Equipment Finance

FINANCIAL SERVICES BUSINESS

Overview

L&T Finance Holdings Ltd. (LTFH) is the holding Company for the financial services business of the Larsen & Toubro Group. It is one of India's most diversified NBFCs, having a strong presence across lending and investment management businesses. LTFH was incorporated in 2008 and in 2011, it went on to become a public-listed company. Headquartered in Mumbai, LTFH has a strong network of branches and dealers across India catering to the business requirements of a 99 lakh+ customer base across core businesses as given below:

- Retail Finance (farm equipment finance, two-wheeler finance, micro loans, consumer loans, home loans, loans against property and small & medium enterprise loans)
- Wholesale Finance (infrastructure finance and real estate finance)
- Investment Management

RETAIL FINANCE

Retail became the largest lending segment for LTFH in FY 2021-22 with 51% share in the entire loan book. Additionally, the collection efficiencies have surpassed the pre-COVID-19 levels.

Farm

While the industry de-grew by 6% y-o-y, LTFH performed relatively well through a focus on preferred dealer and OEM strategy and enhanced focus on customer retention through

Kisan Suvidha Loans. LTFH maintained its leading position with a stable market share of 15%. The collection efficiency of LTFH at 94% in March 2022, continues to remain the highest in the industry and has surpassed the pre-COVID-19 levels.

Two-wheelers

Despite the industry de-growth of 11% y-o-y, LTFH maintained its leading position with a stable market share of 11% on the back of extensive use of analytics, capturing higher counter shares amongst dealers, focusing on financially prudent customers, increasing finance penetration to provide sustainable future growth and by providing the best-in-class turnaround time of 45 seconds on loan sanction.

Micro Loans

In FY 2021-22, the Micro Loans business registered healthy volumes driven by normalised collections and better-than-industry asset quality. Strategic initiatives like product-focused set targets and new product launch helped clock the highest ever quarterly disbursements of ₹3,881 crore. LTFH increased its focus on retaining customers with an excellent repayment track record with a share of repeat customers at 55% in Q4 FY 2021-22 through loan products like Vishwas Loans and Pragati Loans. The Company continued to deepen channel presence in states like Bihar, Punjab and Karnataka and increased geographic diversification by addition of a new state of Rajasthan. Enhanced focus on collections during the year backed by data analytics led to collection efficiency reaching 99.6% during March 2022.



Housing Finance

Consumer Loans

Consumer Loans is LTFH's first Digital Native product. It is an entirely digital proposition, with no-touch sourcing and instant decisioning. The whole process of login to disbursement takes less than 30 minutes, which is the USP of the Company in the market. It was launched as part of cross sell strategy to existing two-wheeler customers and recently it made an entry into the Education Loan sector. The Company aims to build a sustainable quality portfolio backed by a robust underwriting framework and leveraging digital and analytics which enabled Collection Efficiency in this portfolio reaching ~99.7% in March 2022.

Home Loans

LTFH focuses on the Home Loan market through its presence in 17 locations across India. A digital lending model coupled with paperless sanction of home loan to salaried customers, led to a unique offering that helped in quick turnaround of proposals. During the year, the contribution of Home Loans as a part of total retail housing disbursements has increased from 85% in FY 2020-21 to 96% in FY 2021-22.

LTFH re-initiated disbursements in Self-Employed Non-Professional (SENP) and Loan Against Property (LAP) segments with revamped market offerings through Direct Selling Agents sourcing towards the latter part of the year.

WHOLESALE FINANCE

Infrastructure Finance

LTFH continues to be one of the leading players in the infrastructure finance business (with a special focus on Renewable, Roads and Transmission lines). The Company continued concentrating on projects with strong sponsors and off-takers with a proven track record.

LTFH's funded road annuity projects are receiving timely payments from NHAI. Toll collections rebounded in FY 2021-22 from the impact of COVID-19 pandemic influenced lockdowns in FY 2020-21.

Consequent to the merger of L&T Infrastructure Finance Company Limited with L&T Finance Limited, RBI has advised LTFH to take steps to convert the IDF – NBFC business to an NBFC – Investment and Credit Company (NBFC – ICC). Accordingly, L&T Infra Credit Limited has applied to the Reserve Bank of India (RBI) for conversion to an NBFC – ICC.

Real Estate

LTFH continued its strategy of focus on tranche disbursements to existing projects to ensure construction is not stalled. The emphasis was laid on rigorous portfolio monitoring for identification and implementation of corrective action plan. Continued focus on completion of existing Real Estate projects which resulted in re-payments / prepayments of over ₹ 3,000 crore in FY 2021-22.

INVESTMENT MANAGEMENT

LTFH announced the stake sale of its mutual fund business in December 2021. The transaction is expected to be effected post receipt of regulatory approval.

Business Environment

The Indian economy reverted to growth mode in FY 2021-22 after a decline in FY 2020-21. Just as the economic revival was seen in the latter part of first half of FY 2021-22, the second half of FY 2021-22 again faced another wave of the COVID-19 variant, though the adverse impact was limited.



Real Estate Finance

However, private consumption spending, especially in the rural belts continued to stay weak throughout FY 2021-22, led by an uneven monsoon, weak non-farm employment generation and unfavourable terms of trade for farmers.

India's Consumer Price Index (CPI) based inflation averaged at 5.5% in FY 2021-22 versus 6.2% in the corresponding period of the previous year. While softening of food prices provided some relief, the hardening of crude oil prices presented a major headwind to the inflation outlook.

The Indian financial sector remained fully functional during FY 2021-22 and anchored the process of economic recovery. However, in the last quarter of FY 2021-22, the post-pandemic recovery of Indian economy was partially affected by the disruption caused by the war in Ukraine and the consequent economic sanctions on Russia, which are likely to reduce global growth and push up inflation.

The regulatory environment saw lot of changes with the RBI issuing multiple guidelines for harmonising policies between all lending institutions.

To strengthen supervision over NBFCs, the RBI introduced scale-based regulation and revised Non Performing Assets (NPA) recognition and upgradation norms during October 2021.

The RBI tightened NBFC asset classification norms by issuing guidelines on Income Recognition, Asset Classification and Provisions (IRACP). The revised norms prescribed the classification of Special Mention Account (SMA) and NPA on a day-end position basis and upgrade from an NPA to standard category only after clearance of all outstanding overdues.

Further, the RBI brought in the Prompt Corrective Action (PCA) framework, which was aimed at increasing market discipline among non-bank players and align the regulations at par with those of banks.

Significant Initiatives

During FY 2021-22, along with addressing the challenges posed by the COVID-19 pandemic, the business focused on retailisation, sustainability of performance with steady margins, improving asset quality and building a strong liability franchise. The specific focus for the year was on the following areas:

A) New Retail products

LTFH scaled up its first 'Digitally Native' Product-Consumer Loans (₹2,254 crore disbursement in FY 2021-22) at a rapid pace and launched a pilot for a new product - Small and Medium Enterprise Loans (SME loans) in Q3 FY 2021-22. The SME products are aimed at addressing the financing needs of the professionals (mainly doctors and chartered accountants) and specific industries which have shown resilience during successive waves of COVID-19.

B) Proactive Liability Management and Diversification of Borrowings

In FY 2021-22, LTFH leveraged its strong liability franchise to further reduce its weighted average cost of borrowing (WAC). This was done through renegotiation of interest rates on existing borrowings, prepayment of high-cost borrowings and raising of long-term low-cost borrowings such as Priority Sector Loans (PSL) as well as Sustainability Linked Loan (SLL). The yearly WAC reduced by 58 bps from 8.08% for FY 2020-21 to 7.50% for FY 2021-22 helping to achieve the lowest ever yearly WAC.

The Liquidity Coverage Ratio (LCR) guidelines announced by the RBI came into effect from December 2020. As a prudent



Infrastructure Finance

practice, LTFH has been maintaining LCR ratios well above the regulatory required ratios.

The Company continued to capitalise on the low interest rate environment in FY 2021-22 and has been able to lock-in long-term low-cost funding. It raised long-term borrowing of ₹15,293 crore in FY 2021-22 with an average maturity of 3.22 years.

C) Digital Initiatives

LTFH launched UPI based payments which amplified the customer experience alongside easing the collection efforts.

Major Achievements

LTFH launched a Direct-to-Consumer (D2C) mobile application named 'LTFH Planet' (Personalised Lending and Assisted NETWORKS) to fulfil the objectives of:

- Sourcing for onboarding customers directly through lead generation, end-to-end digital workflows, digital partnerships and e-aggregators
- Increasing upsell and crosssell across businesses, thus resulting in enhanced customer engagement
- Digital collections and servicing, thereby reducing branch/call centre dependency and converting the non-mandate customers
- Providing insights on customer behaviour based on the deep tech and data analytics

During the year, LTFH's AAA rating was reaffirmed by all four rating agencies – CRISIL, ICRA, CARE and India Ratings. Also,

in August 2021, ICRA changed its rating outlook for the Company to 'AAA/Stable' from 'AAA/Negative'.

Outlook

At the end of FY 2021-22, risks to India's economic growth have shifted from the COVID-19 pandemic to geopolitics, elevated crude oil prices and interest rate hikes by the US Federal Reserve.

While economic growth in FY 2022-23 will be driven by another year of normal monsoons, higher public investment and private capex in select pockets supported by the Government's PLI scheme, there will be headwinds from the global economic slowdown and higher commodity prices, especially oil.

Bond yields and bank interest rates will rise at a faster pace because of adverse spill overs from the actions of global central banks, higher market borrowings by the Central and State Governments and inflation risks.

LTFH plans to be a top-class, digitally-enabled retail finance company moving from a 'product-focused' to a 'customer-focused' approach, thereby creating a Fintech @ Scale. LTFH with a CRAR of 23% is well poised to leapfrog into this next phase of growth through vectors like continued product excellence, cross sell and upsell to existing good customers, geographical expansion, launch of new products and App & Digital-based channel expansion.

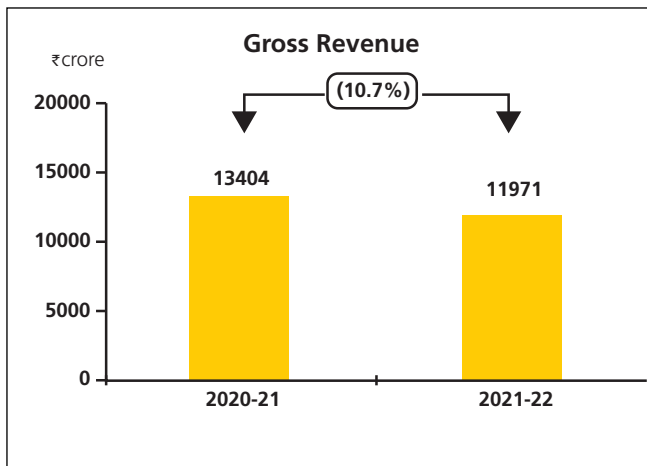


Micro Loans

Financial Performance of the Segment

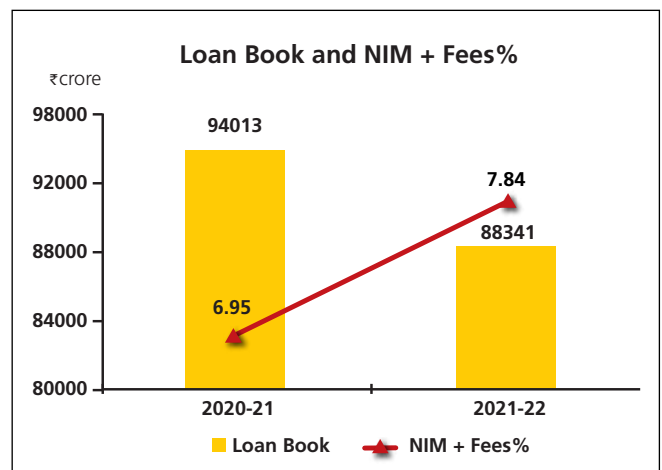
The Financial Services segment comprises Rural, Infrastructure and Housing Finance.

(NIM) including fee income improved from 6.95% to 7.84% mainly due to the increase of share of rural portfolio, higher fee income and reduced cost of borrowings.



The segment's revenue declined by 10.7% y-o-y at ₹11,971 crore for FY 2021-22 due to targeted reduction in the wholesale loan book.

With easing of the pandemic and resumption of normalcy in economic activity, disbursement of fresh Loans and Advances grew by 31% y-o-y at ₹37,202 crore for the year ended March 31, 2022. The Loan Book stood at ₹88,341 crore as at March 31, 2022 registering a decline of 6% over the previous year, reflecting a cautious lending approach, focus on collections, portfolio sell down and a phased liquidation of the de-focused business book. The Net Interest Margins



The Gross Non-Performing Assets (GNPA) ratio improved to 3.80% as at March 31, 2022 from 4.97% as at March 31, 2021. Net NPA ratio has increased to 2% as at March 31, 2022 against 1.57% as on March 31, 2021, with one large value account being classified as NPA during the year.

The Financial Services business entered into a definitive agreement with HSBC Asset Management (India) Private Limited ("HSBC AMC") to sell its stake in the Asset Management Company (L&T Investment Management), subject to regulatory approvals. Average Assets Under Management (AAUM) in the Investment Management business is at ₹75,592 crore.



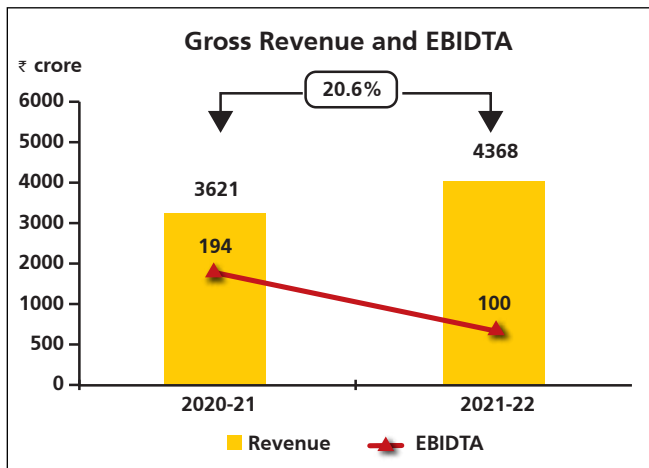
Kudgi Transmission Lines, Karnataka

DEVELOPMENT PROJECTS BUSINESS

The Development Projects segment comprises:

- a) Roads and Transmission projects developed through a joint venture company, L&T Infrastructure Development Projects Limited and its subsidiaries and associates (the L&T IDPL Group)
- b) The Hyderabad Metro Rail project, executed through a wholly owned subsidiary, L&T Metro Rail Hyderabad Limited
- c) Power development projects executed through subsidiaries of L&T Power Development Limited

Financial Performance of the Segment



The segment recorded revenue of ₹4,368 crore for the year ended March 31, 2022, higher by 20.6% over the previous year. The growth in revenue is mainly on account of higher Plant Load Factor (PLF) in Nabha Power Ltd. (NPL) with pickup in power demand in the state of Punjab. Further, the gradual increase in ridership of metro services in Hyderabad, aided the growth in revenue of the segment.

The segment reported an operating profit of ₹100 crore for FY 2021-22, lower than ₹194 crore reported in FY 2020-21. The drop is mainly on account of non-consolidation of NPL profits with the management's decision to carry the investment in NPL at realisable value.

The funds employed by the segment as at March 31, 2022 at ₹20,136 crore, lower by 5.9% compared to March 31, 2021 mainly due to the divestment of Singoli-Bhatwari Hydro-Electric Plant.

L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED (L&T IDPL)

Overview

L&T Infrastructure Development Projects Limited (L&T IDPL) is a pioneer in the Public-Private-Partnership (PPP) model of development in India, which involves the development of infrastructure projects by private sector players in partnership



Major junction at Sambalpur-Rourkela Tollway Limited

with the Union and State Governments. Since its inception in 2001, the Company has developed landmark infrastructure projects across key sectors such as roads, bridges, transmission lines, ports, renewable energy, and urban infrastructure. It is one of India's largest road developers as measured by lane kilometres under concession agreements signed with Union and various State Government authorities.

Currently, its portfolio includes nine roads & bridges projects of 3,936 lane km developed and operated (one road project in Gujarat ceased to be subsidiary during FY 2021-22) and a transmission line from Kudgi to Bidadi in Karnataka covering 490 km. It also manages five operational road assets covering 2,748 lane km transferred to Indinfravit Trust, an InvIT that the Company sponsored and launched in May 2018 as the first privately placed InvIT in India, with substantial holding from international pension funds and insurance investors.

Over two decades of extensive experience in developing various infrastructure projects and working with governments, financial institutions, and corporate entities, has helped the Company to develop proven competencies in Viability Assessment, Financial Closure, Project Management, Operations & Maintenance and Portfolio Management of infrastructure assets across various sectors.

Business Environment

The operations have been fairly normal during the year, barring the impact of the second wave of COVID-19 and the farmer's agitation in the National Capital Region and the surrounding areas, which lasted till mid-December 2021. In order to mitigate the impact of the pandemic, the Union and State Government authorities have granted an extension of the concession period of such affected projects.

As FASTag (Electronic Toll Collection) has been made mandatory with effect from 15th February 2021 for all the vehicles plying on NHAI roads, Electronic Toll collections as a proportion of total toll collections is currently over 96%. This digitalisation has resulted in reduced cash-handling and its associated costs.

Major Achievements

L&T IDPL holding company has become a zero-debt company during the year and has complied with procedural submissions to NSE in this regard. Consequently, the Company has applied to RBI for surrendering the NBFC CIC registration. The requisite RBI formalities in this regard have been complied with and the Company is awaiting the final approval confirming de-registration.

During the year, Kudgi Transmission consistently achieved availability of 99.99%, thereby qualifying it to receive incentive payments over and above the transmission tariff.

In March 2022, one of the flagship projects of L&T IDPL, namely, Vadodara Bharuch Toll Road of 498 lane km reached the end of 15 years of concession period and was later transferred to NHAI, after settling all outstanding liabilities and disputes. The transfer of the project on March 17, 2022, and the Vesting Certificate was issued by NHAI within 16 minutes of transfer of project, which was the fastest in NHAI's history.

Significant Initiatives

The dedicated mobile app for O&M of the roads and power transmission line business launched by the Company was integrated with ERP and ArcGIS Online (ESRI, a map-based server), and has successfully run without disruption. The mobile app's salient features include capturing GPS coordinates,



The Hyderabad Metro adds efficiency to city mobility

working off-line, capturing A / V and pictures, various measurement readings, preventive and corrective maintenance and optimising consumption of spares for asset repairs.

As a part of process automation, the Company developed an intuitive Highway Management System christened as 'iHAMS'. This is yet another industry-first innovation that is transforming the way assets are managed under O&M. This solution is an AI / ML-based video-analytics application which detects damaged / missing assets without any human intervention by using dashcams installed in Route Patrolling Vehicles. The system was successfully piloted at one SPV and will be implemented at the other SPVs. Also, the system is being improved for better usage and is being planned to be integrated with SAP S4 HANA ERP in FY 2022-23.

The Company has also pursued innovative accident reduction measures including adopting of Behavioural Science approach solutions, which aims at studying driver behaviour and design solutions to bring about behavioural changes. This has been successfully implemented at one of its SPVs which has resulted in reduction in accidents / fatalities and hence it will be rolled out in other projects as well.

Outlook

In the Union Budget FY 2022-23, the total expenditure by the Ministry of Road Transport and Highways is estimated at being 52% higher than the revised estimates for FY 2021-22. In FY 2022-23, it is expected to complete a road length of around 2500 km as part of the Bharatmala project.

The National Highway Network will be expanded by 25000 km and development of hill roads will be taken up in PPP mode under the 'Parvatmala' scheme. The Ministry expects to raise ₹86,182 crore during the next three years to fund projects

under the National Infrastructure Pipeline, by monetising its assets under the Toll-Operate-Transfer (TOT) model and in FY 2022-23, the Ministry plans to raise about ₹20,000 crore through such monetisation which augurs well for the business.

L&T METRO RAIL (HYDERABAD) LIMITED

Overview

L&T Metro Rail (Hyderabad) Limited (L&TMRHL) is a special purpose vehicle created to undertake the business of constructing, operating and maintaining the Metro Rail System including Transit Oriented Development (TOD) in Hyderabad under the Public Private Partnership model on Design, Build, Finance, Operate and Transfer (DBFOT) basis.

The 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, in aggregate covering a route length of 69.2 km. This network got fully commissioned in February 2020. The remaining concession period is approximately 25 years, extendable for a further period of 25 years by the Company subject to fulfilment of certain conditions as set out in the Concession Agreement signed with the Government of Telangana.

The Concession Agreement also includes rights for real estate development in the form of Transit Oriented Development (TOD) for 18.5 Mn. sq.ft., of which 1.28 Mn. sq.ft. consisting of 4 malls and an 0.5 Mn. sq.ft. of office block have commenced commercial operations.



Hyderabad Metro, Going the distance – connecting destinations

Business Environment

The fiscal year started with the onset of second wave of COVID-19. The State Government imposed a partial lockdown to control the spread of the virus and allowed metro services to operate for restricted hours. Normal operations resumed from Q2 onwards and gathered momentum on the back of a vaccination drive and with many small & mid-size IT companies starting a 'return to office' policy and opening of schools and colleges / universities. However, average ridership remained below pre-covid levels mainly due to large IT companies continuing to adopt WFH strategy and a general precaution exercised by the local population to avoid / minimise the use of public modes of transport.

Contracts for various advertisement media including advertisements inside trains, apart from various physical media like piers, portals, etc., were added during FY 2021-22. In addition, new media viz. audio advertisements in trains and stations were launched in FY 2021-22.

Major Achievements

- L&TMRHL completed the refinancing of the entire term loan availed from the consortium of banks with a mix of non-convertible debentures and commercial papers that will help reduce interest expenses and improve profitability
- The business was successful in adding many new tenants in its retail malls portfolio. Discussions are also underway for the launch of a new income source viz. offering rights to television channels to broadcast their exclusive content on trains
- L&TMRHL has tied-up with a solar power developer for generating captive solar power (planned capacity of about

8.35 MWp) at a very competitive price. This will cater to about 10% of the energy requirement of Metro trains

Significant Initiatives

- To boost the ridership, L&TMRHL has undertaken a few initiatives like increasing service hours in the morning from November 2021 and introducing a special fare product (Suvarna 2.0 offer) from October 2021
- The signalling software has been upgraded in all the three corridors for enhancing the maximum operating speed from 70 km/h to 80 km/h, leading to a reduction in the travel time on Corridors 1 and 3 respectively
- Another initiative recently launched by L&TMRHL is the Super Saver Card targeted towards enhancing ridership on holidays (Sundays, public holidays, etc.)
- Considering developments in mobility, L&TMRHL has tied up with partners to setup Electric Vehicle charging points at different metro stations. A total of 55 charging points are available across Hyderabad Metro stations

Outlook

With the COVID-19 pandemic waning, it is expected that the daily commute in Hyderabad across the various modes of transport shall be around 9 million, up from 5 million in FY 2021-22. The upcoming transport scenario shall be influenced by minimum social distancing, IT / ITES sector working from office, school and colleges reopening completely, increased travel by senior citizens and reduced private transport due to increased road congestion. Considering the above, L&TMRHL by virtue of providing safe, clean, comfortable, and punctual travel along with various value-added initiatives (robust and affordable last



2x700 MW Supercritical Technology based Thermal Power Plant at Rajpura

mile connectivity, contactless travel, etc.) aimed at minimising commuters' pain points, targets a higher ridership on the Metro Rail System in FY 2022-23.

Measures like collaborations with various feeder services for first and last mile connectivity are being taken to strengthen fare revenue. In addition, new Non-Fare Revenue initiatives viz. training, fibre leasing, mobile towers, etc., can add to revenues for L&TMRHL.

A new business model of upfront revenues from Transit Oriented Development is being worked on with all the stakeholders involved. These monetisation activities are likely to get a major impetus in FY 2022-23.

Hyderabad Metro Rail is seen as an environment friendly, safe, clean, and sustainable mode of transport with best practices adopted by L&TMRHL. With Government planning to implement Phase II of the Metro project, it will significantly enhance the average ridership of the metro network in the medium to long term.

L&T POWER DEVELOPMENT GROUP

L&T Power Development Limited, a wholly-owned subsidiary of L&T, is engaged in developing, operating and maintaining power generation assets. The portfolio currently comprises a single project in the thermal sector viz. Nabha Power Limited which owns and operates a 2 X 700 MW supercritical thermal power plant at Rajpura, Punjab.

During the year, the Company's stake in the 3 X 33 MW (99 MW) Singoli-Bhatwari Hydro-Electric Plant in Uttarakhand,

which commenced its commercial operation from January 2021, was sold to ReNew Power on August 30, 2021. This transaction is in line with the Company's strategy to pursue the divestment path for all non-core assets in its portfolio.

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 2039.

The plant sources its fuel from South-Eastern Coalfields Ltd. (SECL) and Northern Coalfields Ltd. (NCL), subsidiaries of Coal India Limited, 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 also secured approvals to arrange coal from alternate sources to make up for any shortfall in supply of coal under the FSA. The Bhakra-Nangal distributary is the perennial source of water for the plant under an allocation by the State Government. The plant is operated by an in-house team of experienced operations and maintenance professionals.

The power plant is running successfully for over eight years with an average 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 seasons. NPL also happens to be the lowest cost coal-based power producer within Punjab with best operational efficiency.



2x700 MW Supercritical Technology based Thermal Power Plant at Rajpura

Business Environment

India's average electricity demand has gone up by 7.85% in FY 2021-22 (y-o-y) as the economy rebounded post easing of COVID-19 restrictions. The electricity demand in Punjab picked up during the year and the average demand has been higher by 7.5% (7,205 MW) compared to last year (6,705 MW). Punjab witnessed a net capacity addition of 113 MW during FY 2021-22, all of which was contributed by renewable sources.

The annual Plant Load Factor (PLF) of NPL stood at 79%, the highest in the operational history of NPL and also achieved 20% higher PLF than the national average for FY 2021-22. Out of the total power demand of Punjab state, 15% was met by NPL.

A drop in coal production due to the extended monsoons and an increase in imported coal prices, led to severe shortage in coal supplies. NPL made every possible effort to secure coal from various CIL subsidiaries and signed FSA with Northern Coalfields Limited (NCL) for transfer of coal linkage from SECL.

Major Achievements

- Zero Lost Time Injury (12.08 million cumulative safe working man-hours)
- Highest continuous operating station days achieved: 126 days (Previous best 119 days)
- Sustained Operational Performance – Annual PLF: 79% v/s all India thermal average: 59%
- Ensured domestic coal adequacy for FY 2021-22
- Capital Overhaul (COH) of Unit 2 completed successfully
- Significant collection of receivables from PSPCL in a disputed matter pursuant to favourable order from Hon'ble Supreme Court

Outlook

In FY 2022-23, the demand in Punjab is expected to remain around ~8,000 MW (Peak 15,000 MW) and as a result, NPL is expected to schedule a high PLF of ~82% and remain at the top of the merit order among the thermal power producer within the state.

The increase in per capita energy consumption continues to promise robust long-term demand. However, domestic fuel supply and transportation challenges continue to linger and coal prices are likely to remain elevated due to various geopolitical issues.

The GoI appointed Commission for Air Quality Management (CAQM) has directed power plants within 300 kms of Delhi-NCR region to co-fire up to 5 -10% biomass, to address the concern of stubble burning.

The Company continuously faces operation and fuel related risks such as fuel quality, fuel availability, supply chain logistics and regulatory risks such as environmental compliances, clearances, and Government policies. The Company has implemented multiple measures in each of the risk areas to ensure a proactive approach and timely mitigation.

NPL expects to commission a Flue Gas De-sulphurisation (FGD) system in FY 2022-23, which is a mandatory requirement under the environmental norms notified by GoI.

Major focus areas for NPL during FY 2022-23 would be HSE compliance, maximising plant availability, commissioning of FGD, resolution of long pending litigations, improving operational efficiency, securing adequate coal quality and quantity, cost management and digitalisation initiatives.



Crescent Bay, Mumbai

OTHERS

'Others ' business comprises:

- a) Realty Business
- b) Industrial Machinery, Products & Others comprising of Construction & Mining Equipment, Rubber Processing Machinery and Industrial Valves
- c) Smart World & Communication
- d) Digital Business

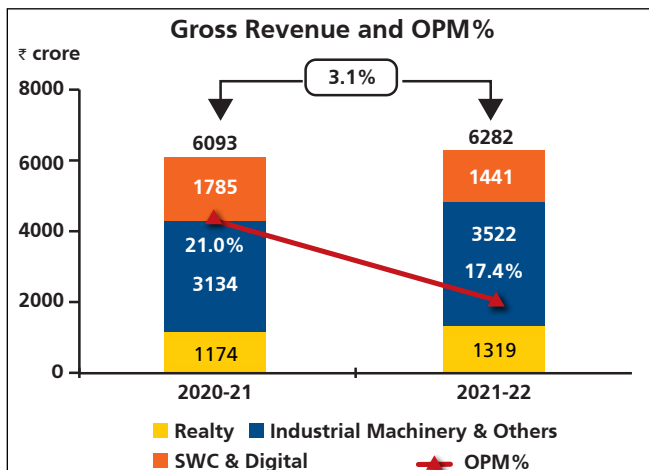
Financial Performance of the Segment

Revenue for the segment registered a growth of 3.1% from

₹6,093 crore to ₹6,282 crore in FY 2021-22. The growth was in the Realty business on higher handover of flats and improved demand in Construction Equipment and Rubber Processing Machinery business. Supply chain disruptions and extended conversion cycles impacted the Valves business whereas completion of projects and lower execution momentum in the new jobs impacted revenues of Smart World & Communication business.

The operating margin declined over the previous year since FY 2020-21 included a non-recurring gain on sale of a commercial property in the Realty business.

The funds employed by the segment as at March 31, 2022 at ₹8,074 crore increased by 5.5% compared to March 31, 2021 largely attributed to inventory build-up of under construction property in the Realty business.



REALTY BUSINESS

L&T Realty is positioned amongst the top real estate developers in India, with development potential of ~ 60 Mn. sq. ft. across residential, commercial, and retail segments in Mumbai, Bengaluru, NCR and Chennai. The business model includes development in partnership with land / development rights owners, and sale / leasing of commercial spaces.



Seawoods Grand Central, Navi Mumbai

Residential Segment

1. Emerald Isle, Mumbai

This flagship residential project in Powai spread over 90 acres and developed in phases. A new phase named Veridian was launched during the year. Regarded as the finest gated community, the project today has a lively community of over 1,000+ resident families.

2. Elixir Reserve, Mumbai

Elixir Reserve 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, office towers and retail spaces within walking distance.

3. Crescent Bay, Mumbai

With the Arabian Sea as the backdrop – Crescent Bay is a residential complex at Parel with the perfect setting for an exclusive lifestyle. The highlight of the development is a sky deck and other lifestyle amenities on level 21. The project is complete and occupied by 1,100+ families.

4. Seawoods Residences, Navi Mumbai

Part of India's first Transit-Oriented Mixed-Use Development, Seawoods Development is spread across over 40 acres. Seawoods Residences offers unmatched connectivity and is surrounded by breath-taking views. It's a successful project, sold out on launch. More phases are expected to be launched soon.

5. Rejuve 360, Mumbai

Designed on the wellness thought, this residential complex is focused on the rejuvenation of mind, body, and soul. Conveniently located in Mulund west, Mumbai Rejuve 360 has sustained its position among premium developments in the micro-market.

6. Centrona, Mumbai

Centrona is a gated community situated in Ghatkopar and has functional residences with unmatched comforts and conveniences. The location boasts of being within easy reach of the city's most iconic locales, providing easy access to every corner of the city. With world-class amenities, it is perfect for people who want to spend more time with their loved ones.

7. Raintree Boulevard, Bengaluru

Conceptualised on the live-work-play theme, Raintree Boulevard is a 65-acre mixed-use project located in the high-growth micro-market of Hebbal. Situated just 20 mins away from the airport, the project offers fine-living and best-in-class amenities. L&T Tech park and a large format mall are within walking distance from the project. 1,000+ happy families are already residing at the project. Launched in phases, Olivia at Raintree Boulevard is a luxury offering launched during the year.

Commercial Segment

1. Seawoods Grand Central, Navi Mumbai

India's first Transit-Oriented Development (TOD), Seawoods Grand Central offers 2.6 Mn. sq. ft. of Grade A development with a unique combination of commercial and retail business spaces.

2. Technology Centres, Mumbai

Designed to provide superior workspaces, it is a 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 is already completed and some has been effectively divested.



Artist's Impression

Elixir Reserve, Mumbai

3. Technology Park, Bengaluru

Located in the rapidly growing micro market of Hebbal, the project has the potential for development of commercial office spaces of 3.1 Mn. sq. ft., which is being taken up in phases. With unmatched connectivity and well-designed spaces, it is set to become the most favoured address for many technology companies.

4. L&T Innovation Campus, Chennai

Coming up on a 40-acre plot in the IT hub of Chennai, the 6.5 Mn sq. ft. L&T Innovation Campus project will be developed in phases. It will bring together 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.

Business Environment

Post pandemic, the residential sector has shown significant uptake across all top cities, supported by multiple factors such as lower interest rates, better affordability and positive outlook of the economy, resulting in liquidation of existing inventory levels.

Select initiatives by the Maharashtra State Government, particularly lower stamp duty on residential property registrations and 50% concession on development premiums were of great support to the real estate sector.

The continuously rising input cost of basic raw materials like cement, steel and other construction raw materials are current challenges facing the sector.

The regulatory changes / reforms over past few years in the realty sector have created an environment of transparency and reinforced customer confidence, leading to improved housing ownership.

In the backdrop of improved mobility and rapid vaccination drives, employment generation picked up pace in the organised sector, led largely by hiring in the IT / ITES and BFSI sectors. As a result, office leasing activities in India picked up pace in last quarter, registering a healthy growth.

Revival in the real estate space has attracted foreign investors leading to a sizeable inflow of foreign funds into commercial spaces in recent months.

This change, coupled with customers preference for corporate brands offers a unique opportunity for L&T's realty business. The complete recovery of the commercial segment is however, expected to take a longer time due to multiple factors.

Major Achievements

- Launched a premium project 'Elixir Reserve' in Powai
- Successful launch of 'Veridian', a new phase in the flagship Powai development
- Launched a new phase 'Olivia' as part of a large maiden township in Bengaluru. The project commands a premium in the micro market
- As the workplace merges with the home, sale of large size units gained momentum. Traction was seen in large format premium units in Crescent Bay, Parel, placing the business amongst the most sold projects in the premium South Mumbai market



24" Class 600 Butterfly Valves. Large quantities supplied ahead of time for refinery expansion project

Outlook

The real estate sector in India is expected to reach USD 1 trillion in market size by 2030 and contribute 13% to the country's GDP by 2025.

The demand for residential properties will continue to surge due to increased urbanisation and rising household incomes. India is among the top 10 price-appreciating housing markets internationally.

Homebuyers' preferences for bigger homes, large, gated communities, better amenities, and attractive pricing will sustain the demand for premium housing.

Retail inflation has an adverse effect on the disposable income of consumers, possibly posing a concern over consumer sentiments for the near future. However, supportive measures from the Government, RBI and the resultant pick-up in end-user demand will keep the momentum going.

Environment, sustainability, and governance are expected to be a path to progress in the Indian real estate industry. Transparency and stakeholder interaction are now becoming increasingly important. Such growing awareness places developers like L&T Realty in a favourable position.

L&T VALVES LIMITED

Overview

L&T Valves (LTVL) is a leader in flow-control solutions. The business leverages sixty years of manufacturing excellence

to serve key sectors such as oil and 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, Plug valves and automation solutions. L&T Valves also runs a global after-market business to support its installed base with service and spares needs.

L&T Valves are designed by specialists with deep understanding of various industry requirements, standards and practices, using state-of-the-art design and analysis software. The Company has a series of successful innovations to its credit, including mission-critical solutions for defence and aerospace industries.

The business has a global manufacturing presence with two manufacturing facilities in Tamil Nadu, India which are equipped with state-of-the-art 5-axis machining centres, CNC machines and facilities for critical testing and two facilities in USA and Saudi Arabia. LTVL products deliver safety, reliability, and quality for industries across the world.

Business Environment

The business landscape of FY 2021-22 started with the COVID-19 impact in the first quarter and resumed normalcy by the second quarter. Raw material price increases, supply chain hurdles and high logistics cost dominated the global macro-economic scenario.

The recovery of oil consumption across the globe and pent-up demand revived the pace of capital expenditure and opened up the market for industrial valves. Planned maintenance by customers deferred from previous period offered opportunities to the business. The valves market remains



Nickel Aluminium Bronze Valves for applications

Cryogenic Ball Valves for Liquefied Natural Gas

highly fragmented with the presence of large players as well as SMEs. These local players are very price competitive, in turn affecting the price margins of the entire industry.

The industry is seeing a shift towards sustainable products leading to the creation of a strong demand for Industrial Valves.

Major Achievements

Orders received:

The major orders include supplies to:

- Aramco Marjan Project Order from Cunado Spain
- Berri Project Order from Saipem
- 48" Rich and Lean Gas Project from Gulfar
- Aramco Marjan Package I Order from Mcdermott

Major Product achievements:

During the year, the business through its technical expertise customised the products and met customers' requirements:

- Metal seated trunnion mounted ball valves for high temperature service
- Large size triple offset butterfly valves
- Gate and check valves with Inconel 625 overlay for sour service
- Triple offset butterfly valves for cryogenic service
- High pressure flex wedge and parallel slide gate valves in F92 material for power industry
- Welded body buried service ball valves for city gas projects

Major Product developments:

In line with changing market requirements in areas of safety, emission standards in energy, the business made following product developments:

- Hull ventilation flap valves for submarine service
- Globe control valves in F92 material for start-up vent services in power plants
- Bellow seals gate valves for nuclear power and sodium service
- Soft-seated gate and check valves
- Large-size butterfly valves for refineries

Approval / Certifications:

The business made significant efforts to improve its approvals and certifications and gained fresh approvals in the following areas to enhance its market area and customer base.

- API Spec Q1 & API 600, API 594, API 6D, API 609, API 603 Monogram Certification for Coimbatore & Kancheepuram facility
- Safety Integrity level (SIL) Certification – Gate, Ball, TMBV, TOBFV & Globe by TUV Nord & Exida
- Customer Audits by Air Products, Man Energy Solutions, Kuwait National Petroleum, Saudi Aramco, GE power, SASO, NTPC, Black & Veatch, Vogt Power, Thermax, Chiyoda Corporation & NAMC, etc.



Triple-offset Butterfly Valves for Refineries and Process Applications

Large-size high pressure valve for Hydrogen project Applications

Significant Initiatives

- Robust internal quality standards enabled the Company to become the first Indian manufacturer to comply to the stringent specifications of The International Association of Oil & Gas Producers (IOGP)
- Efforts towards foundry vendor base rationalisation (from 57 foundries to 29 foundries) leading to better buying costs and terms, better supply quality and reliability
- Initiative to vertically integrate machine shop to foundry (six suppliers) improved supply chain visibility and performance as well as reduced the lead time for execution significantly
- The Company prioritised the spending on improving the infrastructure by constructing a central kitting store and continuing to do shopfloor layout modifications to improve the lean flow of material
- The Company secured the Authorised Economic Operator (Tier 2) certification from the Government of India, Ministry of Finance, Central Board of Indirect Taxes and Customs, which is a key step to enhancing the logistics speed and customer satisfaction
- Focus on automation of repetitive business processes by adapting RPA&AI / ML technologies has enabled substantial improvement in productivity and reducing overheads

Outlook

Crude oil prices, capacity additions, geopolitical scenarios, liquidity, project capex spending and GDP trends in the relevant geographies continue to be the key demand drivers impacting order prospects.

The market remains highly fragmented with intensified competition rising from the changing market dynamics. Raw material and logistics costs remain as major challenges for the Company in the FY 2022-23. But with improved on time delivery and quality products supported by a good mix of direct and distribution customers, the Company is confident of improving its Order Book.

The business has also taken stock of advancements in renewables and energy sector in general. The Company is actively engaged in challenging assignments to create new products for the arising needs in clean energy and other associated sectors. The diverse portfolio in terms of geography and industries, continuous new product development, range extension is expected to be an advantage for the business in the years to come.

With streamlined product basket building, initiatives on geographical expansion, resilient supply chain, digitalisation and a strengthened aftermarket team would help the business gain market share and build a strong Order Book in the coming year and deliver highest level of customer satisfaction.

The business with major linkages to the fortunes of the oil & gas segment plans to increase their focus on growing segments such as Water, LNG, Hydrogen and in other cryogenic application segments which are expected to grow in the coming year as it has suitable products available for the mentioned segments. Cryogenics and Water sector is expected to witness considerable growth in the coming years enabling positive outlook for valves business.



Komatsu PC300-8 Hydraulic Excavator with Breaker attachment

With COVID-19 behind, revival of the oil prices, stable customer enquiries, buoyancy in the non-oil sectors like water, pharma, power, and focussed actions taken by LTVL, the outlook of the business remains positive.

CONSTRUCTION EQUIPMENT & OTHERS

Overview

The Construction Equipment & Others (CE&O) business includes the manufacture and marketing of construction equipment, mining equipment and equipment for tyre manufacturing industry, broadly segregated into Construction & Mining Machinery (CMM) and Rubber Processing Machinery (RPM).

The CMM division is engaged in the business of distribution and after-sales service for hydraulic excavators and dump trucks manufactured by Komatsu India Private Limited (KIPL) and other mining and construction equipment manufactured by Komatsu worldwide. It also handles the distribution and after-sales support for a range of construction equipment including wheel loaders, compactors and hydraulic excavators manufactured by L&T Construction Equipment Limited (LTCEL) and Mining Tipper Trucks manufactured by Scania India. In addition, the division handles distribution and after-sales support for the mining equipment manufactured by L&T's Minerals & Metals SBG viz. surface miners, sand plants, crushing solutions and apron feeders. The CMM

division completed 75 years of business during FY 2021-22 and celebrated the same through the release of a corporate stamp, among other initiatives.

LTCEL, located in Doddaballapura, near Bengaluru, manufactures vibratory compactors, wheel loaders, hydraulic excavators, asphalt paver finishers, pneumatic tyred rollers, skid steer loaders, hydraulic power packs, cylinders, pumps and other components. During the year, LTCEL played a significant role in the process of development and manufacture of the girder transporter and straddle carrier for the Mumbai-Ahmedabad High-Speed Rail project.

The RPM division, located in Kancheepuram near Chennai, is engaged in building machines and tyre automation systems for the global tyre industry. RPM established as a JV in 1972 for manufacturing tyre curing presses and became a fully-owned business unit of L&T in 1995. The manufacturing facility located in Kancheepuram, India caters to the machinery requirements of the tyre industry and has supplied equipment to 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 development as well. RPM business is also celebrating a significant milestone in FY 2022-23 with its 50th anniversary.

The Product Development Centre (PDC), based at Coimbatore, with its highly-skilled design team, renders engineering and product development support for CMM and RPM businesses.



L&T 1190 Soil Compactor

Business Environment

Construction & Mining Machinery Business (CMM)

Investment in the construction and mining sectors is one of the key demand drivers of the CMM business.

During the year, highway construction activity increased as compared to the previous year as the overall contract awarding activity improved in this period. However, elections in five states resulted in subdued growth in Q4.

The demand for mining / material handling equipment also improved on the basis of higher production of coal, iron-ore and other non-ferrous metals.

The market size for premium excavators grew by 9% in FY 2021-22 with L&T / KIPL's market share increasing to 31% from 30% in the previous year. The market demand for wheel loaders and vibratory compactors remained stable at about 6,000 with L&T / LTCEL maintaining its market share at 12% in FY 2021-22.

However, the demand opportunities for construction and mining equipment to some extent, got constrained due to stiff competition from domestic and Chinese equipment manufacturers.

Rubber Processing Machinery Business (RPM)

The demand for the rubber processing machinery manufactured by this division depends on the capital investments by the tyre majors, which is in turn linked to the growth forecast for the Automobile, Agricultural and Mining sectors.

The first half of the year witnessed good recovery for the tyre industry with pick-up in economic activity and demand for vehicles. However, due to the effect of the Omicron-led 3rd wave, passenger car tyre demand remained muted for the second half of the year. Marginal growth was seen in the truck and bus market in Europe and North America. The growing infrastructure activities in both developed and developing countries, combined with increased agricultural and mining activities, has been providing a boost to the tyre sales in select segments.

The Indian tyre industry reached a turnover of about USD 7.8 Bn in 2021. The tyre demand has witnessed an overall healthy recovery of 19% - 20% in the last 9 months. The recovery has been supported by a robust growth in the after-market replacement segment as well as the OEM tyre segment that has grown in the backdrop of higher vehicle sales. Also, the recovery in the domestic demand and growth in exports has resulted in overall better capacity utilisation for the overall industry. Nevertheless, the Indian tyre industry is facing significant headwinds in the form of a sharp rise in raw material prices, particularly for natural rubber and crude-linked imports such as synthetic rubber, carbon black, and other inputs.

FY 2021-22 witnessed significant investments from the tyre majors both in domestic segment and international segment, especially in the Americas. The tyre manufacturers are mostly operating at their peak capacity and looking at expansion opportunities. The Truck & Bus, Agri and Off-the-Road segment continue to remain profitable and a focus area for the tyre makers due to increased agricultural, mining and construction activity. The investments in 2-wheeler and passenger car segments were only incremental.



Komatsu HD785-7 Dump Trucks

Major Achievements

Construction & Mining Machinery Business (CMM)

- Won the largest single order ever in this year for supply of mining equipment with a maintenance contract for a period of 10 years
- Supplied 7000th PC71 and 2000th PC210-10M0 hydraulic excavators from KIPL and 1500th L&T vibratory compactor from LTCEL
- Highest ever dump truck sales of 135+ machines in a year
- Commissioned L&T's largest skid plant (3 x 1500 TPH) in Ambey Mine, Rajmahal Coal Mines

Rubber Processing Machinery Business (RPM)

- Received a breakthrough order for the supply of first ever passenger car hydraulic tyre curing presses to USA
- Received the largest order from a Japanese tyre manufacturer for their green field project in India
- LTRPM received the US patent for the design of Mould-height adjustment for its new generation hydraulic curing press
- Successfully engineered and executed Truck Bus Radial (TBR) Presses – Side Frame type – 3rd Generation Press with about 7.5% weight reduction in structures. The press offers unique features of energy efficiency with savings of 30% in steam consumption over earlier type of presses
- Reduced floor time for Truck Bus Radial (TBR) & Passenger Car Radial (PCR) presses by 40% thereby increasing assembly throughput

Product Development Centre (PDC)

- PDC along with LTCEL worked on certain construction equipment and road machinery of LTCEL to successfully

migrate them to a new engine platform conforming to CEV IV emission norms and meet the new safety regulations

- PDC along with LTCEL developed various attachments during the year such as Rock Splitter, Bottom Dump Attachment for L&T 300i, Clam Shell, Mass Excavation Bucket and Super Long Front for the 100T Class excavators
- PDC along with RPM worked on several new development and improvement projects related to Tyre Curing Presses and Tyre Building Machine (TBM) for supply to some of the marquee customers of RPM. It is noteworthy to mention that PDC was also awarded 2 patents related to the RPM business in this year

Significant Initiatives

Construction & Mining Machinery Business (CMM)

- Suraksha 10000 plus programme launched to cover PC210-10M0 excavator by extending the warranty service coverage to 5 years / 12,500 hours
- Inauguration of KOWA (Komatsu Oil Wear Analysis) lab in Nagpur for oil analysis to help in ascertaining the machine condition
- Both KIPL and L&T extended the warranty period by 2 months on the equipment supplied in view of the low utilisation of machines during the COVID-19 period
- Launched L&T Genuine Lubricants along with Gulf Oil for LTCEL equipment
- Introduction of KGO (Komatsu Genuine Oil) lube dedicated van for promotion of genuine oils from Komatsu to expand sales and market share
- Introduction of new variant of PC205 20T hydraulic excavator to cater to general construction and hiring segment



Passenger Car Floor Mounted Hydraulic Tyre Curing Press Smart Kiosk installed at Pimpri-Chinchwad

- Introduction of PC500 50T hydraulic excavator for use by private coal OB (Overburden removal) contractors

Rubber Processing Machinery Business (RPM)

- Evolved 19 design projects through 'Technology Centre Initiatives' and implemented 9 initiatives for design improvements
- Created vendor fabrication facility adjacent to the plant, to cater to 150 MT / Month of fabrication load to address the shortfall of in-house capacity
- Successfully implemented modular assembly and testing methodology for TBR presses
- Successfully developed supplier base for machining of heavy structures like top / bottom structures, side frames, guide columns, lock ring etc. to meet the increased business requirements in Hydraulic Tyre Curing Press (HTCP) segment

Outlook

Construction & Mining Machinery Business (CMM)

With the Government's thrust on investment in infrastructure construction activity expected to pick up pace during the coming year, the construction equipment market is expected to grow by 17%.

Government initiatives in infrastructure development in roads, railways, irrigation, ports, urban and rural infrastructure, affordable housing, etc., are expected to drive demand in the cement and metal sectors, which in turn will boost demand for excavators, dump trucks, dozers and other road construction and mining equipment. With ~65% of demand for mining equipment coming from coal PSUs, business is planning to target selective tenders along with Komatsu. 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.

Rubber Processing Machinery Business (RPM)

The global tyre demand is likely to be robust and tyre companies are poised for investments in select segments. The global tyre market size is estimated to be worth USD 146 Bn in 2022 and is forecast to a readjusted size of USD 192 Bn by 2028 with a CAGR of 4.7% during this period. The domestic tyre market is expected to be very buoyant especially in sectors like Agri, Mining and Truck & Bus. As per ICRA, the Indian automobile sales volume is expected to grow by 5-9% y-o-y in FY 2022-23.

Electric car sales will be a growth pole for the industry, with new electric products coming to market. Also, electric vehicles are expected to see strong adoption in the coming years, with 2-wheelers and 3-wheelers leading the way.

The business has an added advantage as compared to the European competitors, due to its wide product range across all segments and being a market leader in machinery for Off-the-Road in Agri and Mining sectors which will aid the growth in coming years.

SMART WORLD & COMMUNICATION

Overview

The global adoption of technology for smarter, secure, intelligent solutions, efficiency improvement and optimisation are not only having a profound impact on how technology is being used in our daily lives but also has opened a multitude of business opportunities.



Integrated Command Control Centre, Jhansi

The Smart World & Communication business unit has been leveraging the latest technological innovations in Utilities, Communication, Cybersecurity and IoT areas to benefit society at large. The business provides end-to-end solutions / services in the system development of Smart Cities, NextGen Communication & Military Communication.

The business over the years has gathered prolific experience as a leading systems integrator (MSI) through roll out of domain centric projects, developing 25+ Safe & Smart Cities, providing digital connectivity to 13 states, integrating more than 1.25 lakh IoT Devices, 30+ Data Centers and various defence communication projects.

Leveraging the experience garnered across years, the business has embarked on a transformational journey of establishing itself as a Global Smart Solutions & Services Leader for Smart Cities and in NextGen Communication technologies.

L&T's Smart World & Communication business has always endeavoured to keep pace with the ongoing advancements in the technology landscape with a diversified team of 700+ skilled professionals, the business is continuously keeping abreast with technology trends like Cloud Computing, IoT (Internet of Things), AI, Mobility, Drone Technology, LEO Satellites, 5G, Cyber security etc. The business operates in 3 major segments:

Safe & Smart Infrastructure – Systems and solutions for Safe Cities, Smart Cities, Public Safety, Critical Infra Security, Traffic Management Solutions, Integrated Command Control Centres, Advanced Metering Solutions and Smart Utilities.

Communication & Telecom Infrastructure – Systems and solutions for Network Design, Engineering & Rollouts, Network Migration & Upgradation, NextGen Data Centers, Private Cloud, Cyber Security with focus on IT / OT Security,

Cloud Security, LTE, Virtualised Network Technologies, 4G / 5G, TETRA.

Military Communication – Systems and solutions for Satcom and Ground stations, Radio communication System (HF VHF & UHF), Tactical Communication Systems, Software Defined Radios, Electronic Warfare Systems, Vessel Traffic and Coastal Surveillance System.

Business Environment

The opportunity landscape was affected by the 2nd and 3rd wave of the COVID-19 pandemic. Diversion of Government spends resulted in the decline of the addressable market. The progress of certain projects was also impacted as the work-front clearances were delayed due to the restrictions imposed on account of COVID-19.

Overall, the progress under the Smart City Mission has been uneven due to administrative delays and financial constraints with many city corporations / agencies.

Citizen's safety continued to be a Government priority and City Surveillance and Intelligent Transit Management System (ITMS) projects saw movement in few cities like Bengaluru, Chennai, Delhi, etc.

Defence and Space technology got higher budgetary allocations, paving the way for opportunities for Military Communications but faced with slow roll outs.

The BharatNet and Smart Meter programmes saw various deliberations in the operational modality and policies rollout leading to delay in implementation.

The business is moving up the technology value chain with a focus on solution / services-based domain centric



Smart Signalling System at Raipur

Smart Pole at Vishakapatnam

opportunities for more profitable and sustainable pipeline in the focus domains.

Major Achievements

Despite challenges posed by COVID-19 on the market opportunities, the business was able to secure multiple critical jobs such as:

- **Patna Smart City** - Integrated Command and Control Center (ICCC Smart City Platform) and implementation of city surveillance, ITMS and smart solutions and analytics
- **Moradabad Smart City** for creation of Command-and-Control Centre (CCC), CCTV Surveillance, Smart Traffic Solution, and Integration of various ICT components
- **Ahmedabad Safe City Project** - Integrated Command & Control Center, City Surveillance System and Video Analytics solutions for citizen safety
- **Integrated Mobile Shelters** for Armed Forces for Advanced Systems Laboratory of DRDO
- Breakthrough orders in areas of solutions / services and from private sector with solutions order received from Telangana, orders in Operational Technology and Cyber security from industrial segments, order for setting up of Security Operation Centre, etc
- The business also successfully demonstrated its capability in the 5G domain with the successful deployment of use case leveraging IoT, Video AI riding on 5G network in the areas of public safety and smart & connected health
- Additionally, the business also carried out the proof of concept for private Long Term Evolution at L&T's A M Naik Heavy Engineering Complex Hazira in Surat

- The Communications segment successfully launched the in-house developed Network Management System that can effectively monitor the IT and Non-IT Infra simultaneously in a project
- The business has signed transfer of technology with Centre for Development of Advanced Computing (CDAC) for Cyber Security- DLM using blockchain and Centre for Artificial Intelligence & Robotics (CAIR) DRDO for Secured Handset

Projects commissioned:

- Successful soft launch of Moradabad Smart City Project Integrated Command Control Centre ahead of schedule
- Commissioning of 9.3 meter Earth Satellite Antenna System for Integrated Test Range for DRDO
- Cyberabad & Rachakonda ITMS for Cyberabad & Rachakonda Commissionerate
- Telecom system for R2 section of Bengaluru Metro flagged off
- Facility Acceptance test for Jharkhand Statewide Area Network Project successfully completed

Outlook

Rapid urbanisation is driving the use of technology to solve complex city problems globally. Smart Cities expansion to remaining Tier 2 & Tier 3 cities is expected. Public Safety (City Surveillance) and better commute experience (ITMS) in cities are being prioritised by the Government. The Smart Meter National Program in India aims to connect Smart Meters at 250 Mn households by 2025. Similar to the Advanced Metering for Energy utilities, opportunities pertaining to IoT solutions for Water Utilities is also expected to gain traction



L&T EduTech - Building Value for Learners, Academia and Industry

in the coming financial year. Under the Jal Jeevan Mission, sensor-based IoT devices play a crucial role in providing safe quality of water and restrict pilferage.

The rising security concerns and emergency service are leveraging the perimeter security and quick response system against any external threat, thus giving a boost to the perimeter security market for Government and private sector establishments such as ports, seaports, defence, industries, factories etc.

The BharatNet program to provide digital connectivity to gram panchayats across the country has been targeted for completion by 2025.

Special initiatives for Data Center & Cloud Modernisation and IT Refresh are being implemented by Government and Private sector. The growing penetration of digital models across a wide range of businesses offers a massive opportunity in this Data Centre & Cloud ecosystem.

Driven by the need for high-speed and secured wireless network, the private LTE market size is experiencing an accelerated adoption across industries and in an exponential year on year market growth, creating opportunities for the business in the areas of adoption of private LTE across industries.

The Cyber Security market continues to provide exceptional opportunities for solution providers. With the increasing threats and IT & OT convergence Cyber Security solutions have received a push in the Private as well as Government sectors. 5G is critical to cater to the future needs of digitalisation and for developing digital solutions for businesses across the globe, which will create opportunities for efficiency enhancements and new revenue streams. 5G spectrum allocation is expected to be fast-tracked and the rollouts are expected to be implemented in the near future.

The latest Spacecom policy has opened doors for private companies to participate in the domain. Growing application of Satellites for Surveillance, Defence & Remote connectivity through Satellite broadband (LEO / MEO sats.) has opened up new avenues in the space domain for ground stations.

The Smart World & Communication business with its experience and expertise is well positioned to ride on the wave of digitalisation and digital connectivity and convert the prospects to project wins.

DIGITAL BUSINESSES

'Others' also includes the new age businesses incubated by the Company. 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

Technology has led to massive disruption in the education industry. World-class education is now available online and is expected to complement the physical classroom learning. Hybrid / blended learning is here to stay and has made education equitable, accessible and affordable.

L&T, with its rich experience in engineering, is well placed to develop industry led, application-oriented content, bridging the industry-academia gap. L&T's courses are developed based on its inherent expertise and strengths in core engineering, manufacturing, technology and its efforts in digitalisation, and not just an aggregation of the existing resources.

L&T EduTech is a business formed to offer EdTech products and solutions to educational institutions, skilling bodies, working



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

professionals, students, and learners across segments using a technology intensive user-friendly platform. The business commercially launched on October 15, 2021 intends to further fine-tune the product over time. The offerings include technical courses for colleges covering a wide stream of subjects like Civil, Mechanical, Electrical & Electronics, IT, Chemical, etc. It also offers Vocational & Skilling programmes for increasing employability and Upskilling and Assessments for evaluating as is skills for measuring employability and for competency mapping.

There are four broad categories in EdTech Industry and out of the four segments, L&T has decided to enter Higher Education and Professional skilling. To address the issue of equity, access and opportunity, University Grants Commission has recently doubled the academic credit limit for online courses to 40%, which positively supports the business. Industry-led curriculums and cross functional credits are only going to increase in number since there is a dearth of continuous industry-based knowledge and upgradation among the students of India. All these aspects create a positive outlook for the business.

L&T SuFin

In India, a number of B2C e-commerce platforms are well established and operating at scale. In comparison, the B2B e-commerce for industrial and construction products is at a nascent stage and just beginning to emerge with a few players operating in some segments of industry.

L&T, with its presence across multiple industrial and infrastructure sectors, has deep knowledge of a large number of construction and industrial products and associated supply chain nuances. L&T also has rich experience in dealing with thousands of SMEs over the years, and thereby understanding their problems and impediments to growth. Further, L&T's

experience with SMEs and with the products, provides an opportunity to create trust between buyers and sellers on the platform. Leveraging its strong brand salience, understanding of the products and leadership position, L&T is well placed to enter and service the B2B e-commerce segment.

L&T SuFin is a B2B industrial products ecosystem which has been commercially launched in March 2022, providing a platform for SME / MSME buyers and sellers to connect in an efficient manner, thereby enabling sellers to expand their sales reach, and for buyers to find the right products and services at an optimal cost and quality. The business platform offers a wide product range in industrial supplies & consumables, building & construction materials, electrical & electronics equipment, machinery tools & mechanical equipment and packaging, printing & office supplies.

The logistics partners on the platform would enable efficient delivery and fulfilment in a timely, cost-effective manner with strong service level agreement compliance. In this B2B marketplace initiative, financial services companies will also participate on the platform by providing attractive financing options to the registered users.

The revenue for the platform is generated in a hybrid manner through subscription fees, advertising, product listing, etc. and through transactions fee by charging a commission for transacting on the platform. In addition, there are financing fees, and logistics fees collected from the entities for using the services.

With digitalisation making inroads into all business segments, e-commerce is slated to grow exponentially and in this positive environment, L&T SuFin brings choice and convenience in a single and completely reliable package.

INFORMATION TECHNOLOGY

IT at L&T operates on a federated structure with Corporate IT as the apex IT organisation and CIO council that is represented by all business CIOs. The IT spends at business levels are governed by the specific needs of that particular business.

While the IT and digital landscapes continue to expand within L&T, more and more business stakeholders are becoming cognizant of the value that IT delivers to the business vis-à-vis the investments being put in. Continual measurement of IT value delivery is the new order in the business.

While the investments continue in strategic areas of IT, there is a fundamental shift in the way business is done post the COVID-19 pandemic. Remote working and online collaboration are the new normal of doing business. As the new normal settles in, it is even more imperative that one secures these new modes of communication and collaboration.

Over the past year, significant, yet strategic investments have been done in the areas of cyber security to ensure that uniform sets of policies, processes and technologies are implemented across the organisation to tackle the ever evolving threat landscape. 'Security by design' principles are applied in all areas of IT to ensure that all applications are secure right from the development stage.

Multiple generational changes in IT Infrastructure in strategic areas have been done to ensure that IT is able to respond to the new needs of the business for the next several years. All these investments are done with an eye to reduce information security risk at all times.

At L&T we are constantly enabling businesses with new, innovative platforms for ERP, Vendor Invoice Management, Data Analytics, etc., that enable the evolution of a real time enterprise. L&T also continues to work with public cloud vendors selectively to move workloads wherever found economically viable.

IT at L&T is in a sweet spot as IT and digital transformation permeates across L&T using various tools and technologies. As this happens, IT is working very closely with the businesses and stands ready to deliver to business relevant and state-of-the-art solutions that will enable L&T to stay competitive and secure in the future.

Regular awareness and training programmes are being conducted around IT and Information Security to ensure that all employees understand the criticality of IT and use it judiciously for the betterment of the organisation.

HUMAN RESOURCES

With a people-centric philosophy and practice, combined with dynamic top management, the Company was able to ensure business continuity, keep the workforce safe, healthy, motivated and engaged and contribute to the society during the unprecedented times brought about by the COVID-19 pandemic. Continuous communication from the top management and the HR team helped the employees deliver their best amidst the pandemic. Financial assistance and additional insurance was provided to employees and their family members affected by COVID-19 along with educational, financial and career support to families of deceased employees. The Company also went out on a war footing to build medical grade Oxygen Generation Units and donated 40 of such large-scale Oxygen Generating units to various hospitals across the country.

The pandemic did not deter the Company from continuing with industry leading HR initiatives and some of them are summarised below.

The digitalisation journey that started with an advanced ERP solution and online Performance Management System was further integrated with a Career Development & Succession planning module, which helped in identifying emerging leaders and build a strong talent pipeline. It helped to identify

critical roles and high potential employees, define career paths, assess role-readiness, create targeted mentoring programmes, match mentors and mentees, and enable mentor / mentee collaboration.

An AI-enabled BOT was integrated to facilitate quick engagement surveys across the organisation. The platform has been branded HEERA. This provides a methodical approach of gathering employees' feedback / views periodically. Basis such insights, appropriate and timely action is expected to help further improve employees' experience and engagement.

HiFive, an online rewards and recognition platform was integrated to promote a culture of appreciation and recognition of employees at the workplace.

L&T Radio has been launched to create a high-impact employee communication and engagement environment for all L&T-ites, through a series of podcast covering leadership messages, employer branding, success stories, life learnings, health and wellness, HR policies, and more.

In the post COVID-19 scenario of 'War for Talent', the attraction and retention of talent acts as the biggest

differentiator for the success of an organisation. Major emphasis was given on campus branding which included initiatives like the 'L&T Campus Engage' programme, that facilitates the connection with the engineering and management students across various colleges by offering industrial visits, sponsoring fests, organising national events, tech talks. GRACE (Get Ready for an Awesome Career in Engineering) was launched as a pre-joining engagement initiative, which included gamified content with leaderboards, webinars, technical talks and newsletters, presentations on marquee L&T projects, virtual industry visits and engagement through social media platforms.

L&T's Performance Management System, aptly named FAIR (Framework for Linking Appraisals with Incentives and Rewards), ensures that top-class talent gets visibility and furthering meritocracy. The Leadership Development Centres, pivotal to the Company's core philosophy of grooming internal talent, ensures that the right leadership talent is identified through an intense and objective selection process. Talent Assessment is being successfully done through the Development Centres which encompass a structured and objective 2–3-day process to identify the strengths and developmental needs of employees in terms of the required competencies.

A structured succession planning approach is undertaken to meet business objectives. An entire portfolio of critical roles is created by aligning the impact drivers, where succession matters the most. A Career Development and Succession Planning Module is integrated with the Performance Management System to facilitate the process in a more efficient manner.

The Company's signature Seven-Step Leadership Development Programme is an established best practice in talent development. It prepares leaders at all levels. This flagship programme provides young employees with high potential access to a curated learning experience delivered by reputed thought leaders from Indian and international business education institutes. The emerging leaders who move up the Seven-Step Leadership Programme are mentored by seniors ensuring a robustness in the continuity of the leadership thought process and value systems.

The organisation gives a lot of emphasis on learning and development. It runs as many as 18 dedicated training institutes / academies including Leadership Development Academy, Lonavala, IPM – Institute of Project Management, Chennai & Vadodara, CTEA – Corporate Technology & Engineering Academy, Mysuru & Madh, Safety Innovation School, Hazira, Surat and 8 CSTIs - Construction Skills Training Institute across the country. IPM has now established the Knowledge@Work platform tailored to provide project execution related knowledge assets in a digital form. It has also initiated Pragati - the Project Leadership Development Program (PLDP) of Larsen & Toubro, which is aimed at enabling the comprehensive development of project leaders who can handle mega projects and mega portfolios through a structured competency-based development.

The Company has a matured Safety Education Programme that is designed to build and strengthen a culture of safety at workplace. Ensuring safety for its employees and workmen, the Company has partnered with the National Examination Board in Occupational Safety & Health (NEBOSH) and The Institution of Occupational Safety & Health (IOSH) to develop internal training capabilities in EHS and is an accredited course provider for its employees on diverse aspects of industrial and project safety.

With the emphasis on diversity and inclusion, L&T has embarked on a mission to make it a key business imperative. Employees at L&T cut across the barriers of race, gender, nationality, caste and age, reinforcing the Company's image as an inclusive organisation. For the last couple of years, very focused initiatives have been undertaken to improve the gender ratio in the organisation on all the 3 aspects – attraction, development, and retention of women employees. Also, re-entry of women into the workforce post maternity and child-rearing is being supported. The unique platform '**Renew**' which is linked to the talent acquisition portal is designed specifically for the same. The 'Winspire' initiative celebrates the journey of women leaders and provides them a platform to share their inspiring stories of overcoming challenges, through a series of interviews and panel discussions. GROW (Get Ready to Own & Win) aims at providing opportunities to women employees to explore leadership potential and accelerate personal growth through group and individual coaching. 'Winspire Propel' and 'Winspire Rise' initiatives were launched pan L&T for developing mid-career women leaders in Tier 2 and for early career women in Tier 1. There are a host of initiatives planned under the newly formulated D&I Charter based on 4 broad themes of Induct, Engage, Develop leadership pipeline and Enable a supporting ecosystem, to further strengthen the inclusive culture of L&T and make it even more diverse.

All the above practices have been recognised by prestigious and premier national and international bodies through numerous accolades and some of the awards won by the Company are:

- International Gold Award in the 6th Annual Stevie Awards for Great Employers
- ATD Excellence in Practice Award 2022 in Leadership / Management Development
- ATD BEST 2022 for Talent Development

The Company also has an institutionalised mechanism for dealing with complaints of sexual harassment through a formal committee constituted in line with the Company's policy on 'The Protection of Women's Rights' at workplace under relevant statutory guidelines. This policy has been widely disseminated across the Company and all complaints are addressed in a time-bound manner.

For further details on HR, refer Human Capital (page no.168)

| AWARDS

During the year, the CSR Journal has ranked Larsen & Toubro Limited #18 among Top-100 companies in India for CSR and Sustainability. Multiple projects across multiple businesses received awards from RoSPA (The Royal Society for the Prevention of Accidents) and British Safety Council for Environment, Health and Safety. Further, businesses have also won many awards and accolades, some noteworthy awards are mentioned below:

Buildings & Factories

- American Concrete Institute awarded Narendra Modi Cricket Stadium Motera with Overall Excellence award
- NPCI Datacenter Chennai & Hyderabad received 'TIER – IV' Design Certificate from 'UPTIME INSTITUTE'
- 'Statue of Unity' Project won the 'Outstanding Structure' IA StructE National Award

Heavy Civil Infrastructure

- Business bagged the International Green Apple Environment Award 2021, UK in Habitat and Biodiversity Conservation in Mumbai Coastal Road Packages 1 and 4

Power Transmission & Distribution

- PT&D Oman won the Dossier Award for the Best EPC Contractor of the Year

Hydrocarbon

- Business adjudged as the 'Top EPC Contractor in the Middle East' by Oil & Gas Middle East magazine
- Winner Award for Best Practices in Occupational Health and Safety 2021 from Confederation of Indian Industries (CII)
- ASSP - GCC Excellence Awards 2021 for NSGEP & TL 5 Project, KOC Kuwait
- CII EHS award 2021 under 'Construction Category' and 'EHS Workforce Engagement' special category award for HPCL FCHCU & HPCL CDU VDU projects

Power

- The 400 MW Bibiyana South Gas-based Combined Cycle Power Plant in Bangladesh has been conferred the Award of Merit by the prestigious US-based publication - Engineering News-Record (ENR)

Defence Engineering

- Won Apex Gold Medal award for defence work centre at Hazira by International Research Institute for Manufacturing

L&T Infotech

- LTI has been recognised as the Global Innovation Partner of the Year by Snowflake, the Data Cloud Company
- Recognised as a Great Place to Work-Certified™ Company in the USA and as Top Employer in the UK for a second consecutive year
- Received Gold recognition from EcoVadis for ESG practices including environment, labor and human rights, ethics and sustainable procurement
- LTI in ITS Top 10 list in Everest Group's PEAK Matrix® IT Service Provider of the Year 2022 and Ranked 1 in Top ITS Challengers list in Everest Group's PEAK Matrix® IT Service Provider of the Year 2022
- LTI Syncordis has been recognised as Temenos Service Partner of the Year

Mindtree

- Ranked second for client satisfaction in the 2021 UK IT Sourcing Study, conducted by Whitelane Research in collaboration with PA Consulting, with an overall satisfaction score of 80%, well above the industry average of 72%
- Awarded Silver rating by EcoVadis in this year's sustainability assessment, placing Mindtree among the top 25% of the more than 75,000 companies it assessed
- Won three Brandon Hall Group Human Capital Management Excellence Awards for 2021 for innovative leadership development, HR data analytics, and employee benefits, wellness and well-being programs
- Certified by Great Place to Work® Institute as a Great Place to Work® in India and recognised as one among India's Best Workplaces™ for Women for 2021 (Top 50 – Large Companies)
- Won the Silver award in the Most Innovative Company of the Year category at the Best in Biz Awards 2021 in North America

L&T Technology Services

- NASSCOM honoured L&T Technology Services with the Engineering and Innovation Excellence Awards 2021 in the 'Engineered-In-India Product of the Year' category for its Robotic Endo-Trainer Kit

- Confederation of Indian Industry (CII) awarded LTTS with the prestigious Top 25 Innovative Company Award at the 2021 Industrial Innovation Award
- LTTS' Chest-rAITM solution recognised in the Innovation in Overall Customer Experience category by ASSOCHAM 2nd Innovators' Excellence Awards 2021
- Zinnov rated LTTS as a global ER&D Leader and leader across its core verticals such as Automotive, Aerospace, Medical Devices, Industrial, Semicon & Telecom
- LTTS has been recognised as a Leader in Digital Engineering in ISG's Manufacturing Industry Services 2021 Study in the Transportation, Hi-Tech and Industrial segments, along with its Life Science Digital Services Study recognising LTTS as a Leader in Europe & USA in the MedTech and Digital Transformation Services areas

Hyderabad Metro

- Telangana State Global Linker - 4th Edition of the Telangana State Industry Award 2021 for best Sustainability Practices

Nabha Power

- 'Best Thermal Power Generator - Commissioned after 2010' by IPPAI

Realty

- A. M. Naik Tower awarded the Luxury Project of the Year – Commercial and Most Environmentally Friendly Commercial Office Space at the Asian Leadership Awards 2021
- Raintree Boulevard, Bengaluru recognised as the Residential Project of the Year at the Realty Plus - South India Awards

Valves

- Silver Medal in the National awards for Manufacturing competitiveness 2021 organised by International Research Institute for Manufacturing

Construction Equipment Business

- CMM business received best excavator brand 2021 award for PC 210-10M0 excavator and Innovative New Equipment award for L&T 990HFi vibratory compactor from Construction week equipment and infra conference & awards 2021

Smart World & Communication

- India Digital Awards – 2021 for Best Supply Chain Solution for the inhouse end to end Supply chain solution (SWIFT, Smart Sign off & i-smart Inventory)
- India Digital Awards – 2021 for Best Mobile Application was awarded to Jhansi Smart City for the application developed for Government bodies

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.

NATURAL CAPITAL

Page no. 136 →



FINANCIAL CAPITAL

Page no. 196 →



SOCIAL AND RELATIONSHIP CAPITAL

Page no. 178 →





MANUFACTURED CAPITAL

Page no. 148 →



INTELLECTUAL CAPITAL

Page no. 158 →



HUMAN CAPITAL

Page no. 168 →

About the report

At L&T, we have been taking concerted efforts towards achieving resource efficiency and decarbonising our businesses. We have sharpened our focus on improving performance across environmental, social and governance (ESG) parameters. We are revisiting our vision, policies, frameworks, roadmaps and action plans to deliver solutions towards building a better future. This Integrated Report (IR) includes financial and non-financial performance of L&T Limited and is aligned to principles of International Framework developed by the International Integrated Reporting Council (IIRC). The Report expands the target audience from the primary provider of financial capital to include employees, customers, suppliers, local communities, regulators, and policy-makers.

VALUE CREATION MODEL

INPUT METRICS



Natural Capital

Water Consumption: **9.4 Mn m³**
 Energy Consumption from Non-Renewable sources: **9,520,137 GJ**
 Energy used from Renewable Sources: **127,129 GJ**
 Spend on Environment: **₹294.8 Mn**
Material Consumed

- Cement: **3,256,013 MT**
- Sand: **3,186,601 MT**
- Ferrous: **1,657,640 MT**



Manufactured Capital

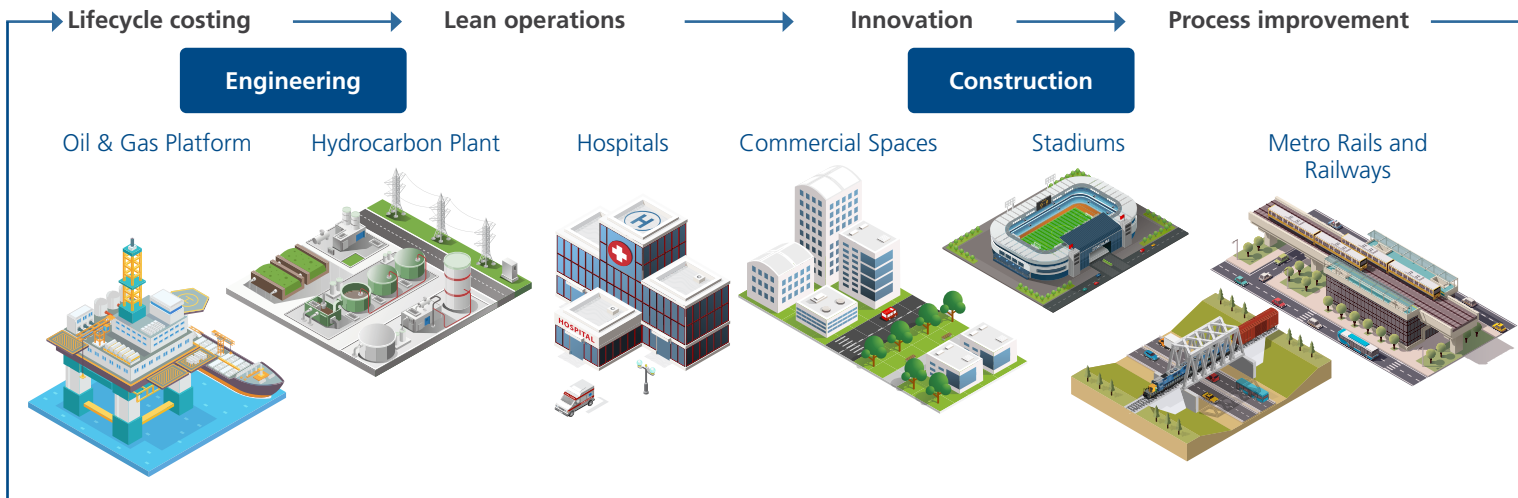
Project Sites: **710**
 Manufacturing Locations: **18**



Intellectual Capital

R&D Spend (Cumulative for last 3 years): **₹4,498.4 Mn**
 Patents filed: **15**
 R&D Engineers and Scientists: **187**
 Active collaborations and partnerships: **28**

BUSINESS PROCESSES AND OFFERINGS



OUTPUT METRICS

Wastewater recycling efficiency: **48%**
 Saving in energy: **149 Mn kWh**
 GHG emission: **889,063 tCO₂e**
 GHG emission intensity: **893 tCO₂e/Bn**
Material reused/recycled
 Steel: **2,676 MT**
 Zinc: **130 MT**
 Crushed Sand: **1,330,182 MT**

Building Infra created: **17 mn.sq.ft**
Mobility Infra created

- Roads: **474 lane km**
- Railways: **306 track km**
- Mass Transit: **3.86 km**
- Bridges & Tunnels: **11.6 km**

Power Infra created

- Transmission Lines: **1,860 circuit km**
- Solar Power capacity: **161 MWp**

Water & Sanitation Infra created

- Irrigation capacity : **1.01 L ha**
- Pipelines laid: **32,609 km**
- Treatment capacity: **617 MLD**
- Factory Output : Total production in the reporting year (B&F, PT&D, M&M, HE, Defence, LTEH): **321,967 MT**
- Green Business revenue: **₹388.43 Bn**

Value Engineering projects: **74**
 Revenue in FY 2022 from new emerging business started in last three years: **₹21,510 Mn**





Human Capital

Permanent Employees: **45,615**
 Engineers (BTech/MTech/Diploma): **37,966**
 Workforce (Contract Employees): **200,062**
 Employees covered under leadership development programmes: **310**



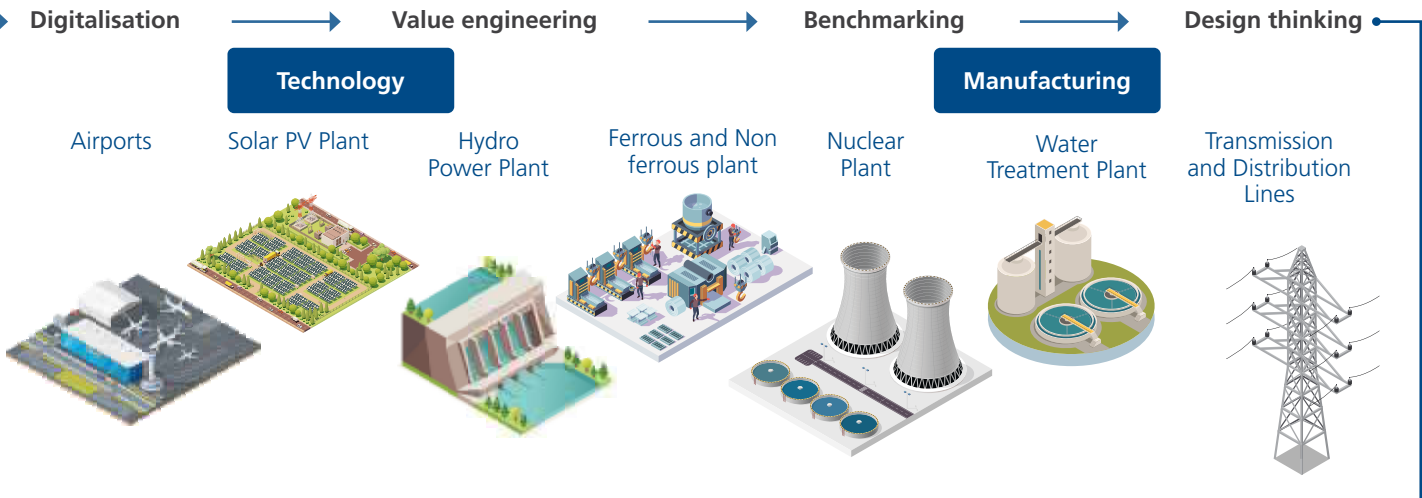
Social and Relationship Capital

CSR Spend: **₹1.36 Bn**
 CSR Partners: **45**
 Active suppliers and contractors: **97,123**
 MSME Suppliers: **2,615**
 Memberships of Industry Chambers: **15**



Financial Capital

Order Book: **₹3,155.7 Bn**
 Net Current Assets: **₹344.5 Bn**
 Net Fixed Assets: **₹97.0 Bn**
 Gross Debt Equity Ratio: **0.30 : 1**



Revenue/employee: **₹19 Mn/employee**
 Attrition Rate: **9.05%**
 Average training hours per employee: **8.37**
 Accident free man hours: **1,153 Mn**

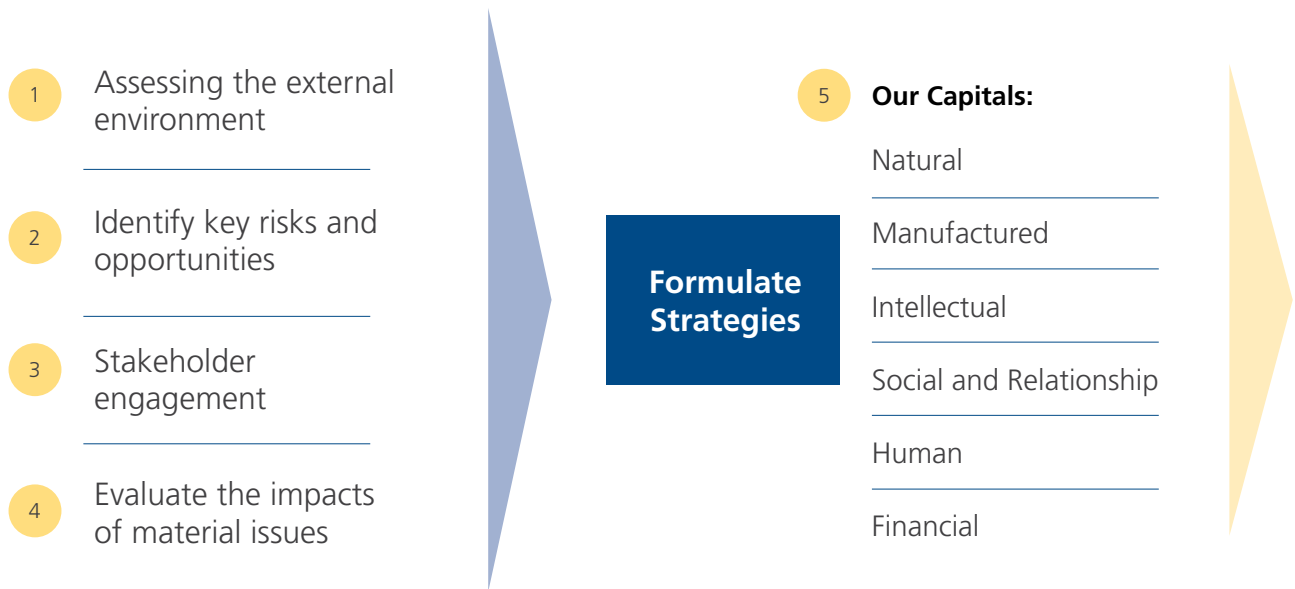
CSR Beneficiaries: **1.13 Mn**
 Contribution to Exchequer: **₹54.4 Bn**
 Awards: **56**
 Appreciation certificates: **27**
 Joint Projects: **35**
 Complaints received: **76**
 Complaints resolved: **50**

Turnover: **₹1,010 Bn**
 PBIT: **₹115 Bn**
 Dividend: **₹30.91 Bn**
 Return on Net Worth: **12.23%**



VALUE CREATION PROCESS

Our value creation process assesses our operating context, identifies the key business risks, evaluates the relationships that are critical to our value creation abilities and assesses the availability of our resources.



1 External environment:

The environment in which we operate, including the economic environment, global pandemic, climate change impacts and infrastructure growth cycle, among others.

Page **34-112** →

3 Stakeholder engagement:

Our success and business sustainability depend on the support from our stakeholders and makes it imperative for us to understand their needs and interests.

Page **124-126** →

2 Identifying risks and opportunities:

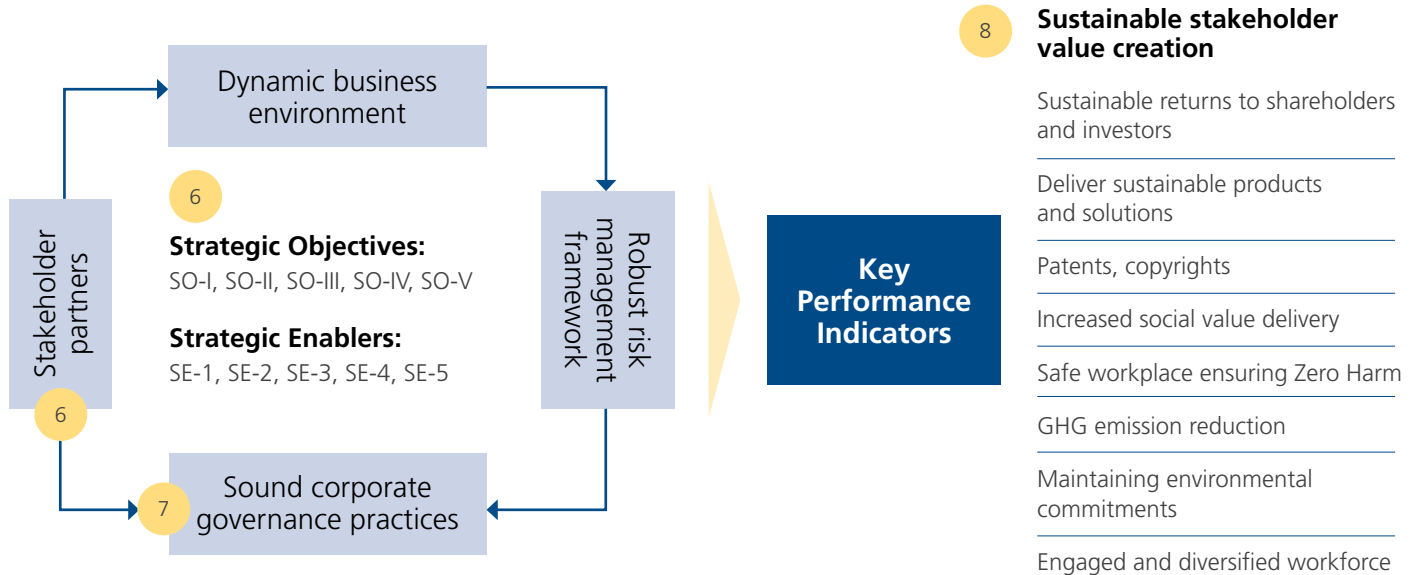
The key objective is to identify key risks associated with the business and their impact on our strategy and value creation process.

Page **25-29** →

4 Material issues:

Material issues have the potential to impact our value creation and achievement of our strategic objectives.

Page **127-131** →



5 **Capitals:**
Our resources and relationships which are critical for us to create value and are classified into six capitals. We provide inputs under each capital to drive our business process.
[Page 136-199](#)

7 **Governance:**
We are committed to the highest degree of ethics and compliance. We ensure transparency across business processes and remain accountable to stakeholders.
[Page 292-317](#)

6 **Strategic objectives:**
In line with our overall strategy, we prioritise the strategic objectives which help us in achieving our overall organisational goals.
[Page 22-23](#)

8 **Key performance indicators:**
We have defined the financial and non-financial KPIs to measure the impacts of our strategy execution over the short-, medium- and long-term.
[Page 24](#)

STAKEHOLDER ENGAGEMENT

Fostering and nurturing relationships with all our partners and stakeholders is essential for the success of the Company and long term value creation. Backed by strong engagement platforms, we are working on several initiatives with our partners across the value chain for inclusive development. We are able to manage risks and opportunities proactively and set clear goals to deliver long term shared value by engaging with our key stakeholders through regular dialogues.

SHAREHOLDERS AND INVESTORS



Material Topics:

- Business performance
- Improved Return on Investment (ROI)
- Effective financial and non-financial risk controls
- Fair business practices

L&T's Interaction and Engagement Approach

- Quarterly calls
- Face-to-face meetings
- Annual general meetings
- Investor grievance channels along with the presentation of financial reports and presentations
- Business Responsibility and Sustainability Report (BRSR, earlier BRR)
- Integrated Reports (IRs)
- Regular announcements and filings with the stock exchanges

Value creation

- L&T Limited is India's largest E&C company with ₹1,010 Bn revenue and ₹2,483 Bn market capitalisation.
- Solid financial performance irrespective of challenges
- Consistent credit ratings CRISIL: AAA (Stable), ICRA: AAA (Stable)

CUSTOMERS



Material Topics:

- Timely completion of projects
- Confidentiality
- Competitive contract price bid
- Innovation and state-of-art engineering techniques
- High safety standards
- Transparency in energy, water and GHG emissions performance

L&T's Interaction and Engagement Approach

Continuous interaction through various channels such as:

- Customer meets
- Workshops and conferences
- Exhibitions and trade fairs
- Advertising campaigns, bulletins, and news
- One-on-one interactions
- Periodic reviews, annual reviews, customer satisfaction surveys and feedback forms

Value creation

- On-time project completion with deeper 'customer connect' at multiple levels.
- Tighter project monitoring and control
- Increased after-sales support and regular monitoring of projects
- KPIs – Safety, water, material management, energy and GHG emissions, among others.

EMPLOYEES



Material Topics:

- Career growth
- Employee benefits
- Skill development
- Effective/high-quality training programmes

L&T's Interaction and Engagement Approach

Regular communication through:

- Project updates
- Town halls
- Departmental meetings
- Connect sessions where employees voice their ideas and concerns
- Internal magazines and portals such as Newsmen, SPOT News, RAPL, etc.
- Enterprise-wide employee portal called 'L&T Scape' for regular connect

Value creation

- Focus on attracting and retaining talent
- Promote employee wellness, functional and soft-skill development programmes, leadership development programmes, continuous improvement in programmes for structured learning and development of workforce

SUPPLIERS/CONTRACTORS



Material Topics:

- Timely payments
- Repeat orders
- Price reduction
- Different purchase processes by businesses as per project/establishment's requirements

L&T's Interaction and Engagement Approach

- Periodic partner meets
- E-tendering and e-procuring and supplier meets
- Training and capacity building programmes such as Human Rights, EHS training, etc.
- Regular visits to suppliers' and contractors' facilities

Value creation

- Cost-effective price negotiations
- Screening, assessment and audits of suppliers related to quality and EHS aspects



GOVERNMENT



Material Topics:

- Compliance with regulations
- ESG performance and Integration
- CSR and reporting

MEDIA



Material Topic:

- Transparent Stakeholder Communication

COMMUNITIES



Material Topics:

- Expectation of livelihood creation
- Improvement in well-being and living standards
- Water and sanitation - development of community infrastructure

L&T's Interaction and Engagement Approach

- Regular interaction with local governments
- Member of important industry associations
- Play an active role in policy formulation

For further details on our public policy advocacy, please refer to Principle 7 of BRSR [Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent]

Value creation

- Continual improvement in our ESG performance
- Present our performance through mandatory and non-mandatory disclosures

L&T's Interaction and Engagement Approach

- Regular press meets and periodic media visits
- Interactions for news and articles

Value creation

- Provide media updates
- Share critical information through press releases and feeds to social media (LinkedIn, Facebook and L&T website)
- Conduct media briefings and presentations

L&T's Interaction and Engagement Approach

Regular engagement through:

- CSR programmes and initiatives
- Volunteering activities
- Quarterly review of Integrated Community Development Projects
- Continuous engagement with village panchayats and local authorities

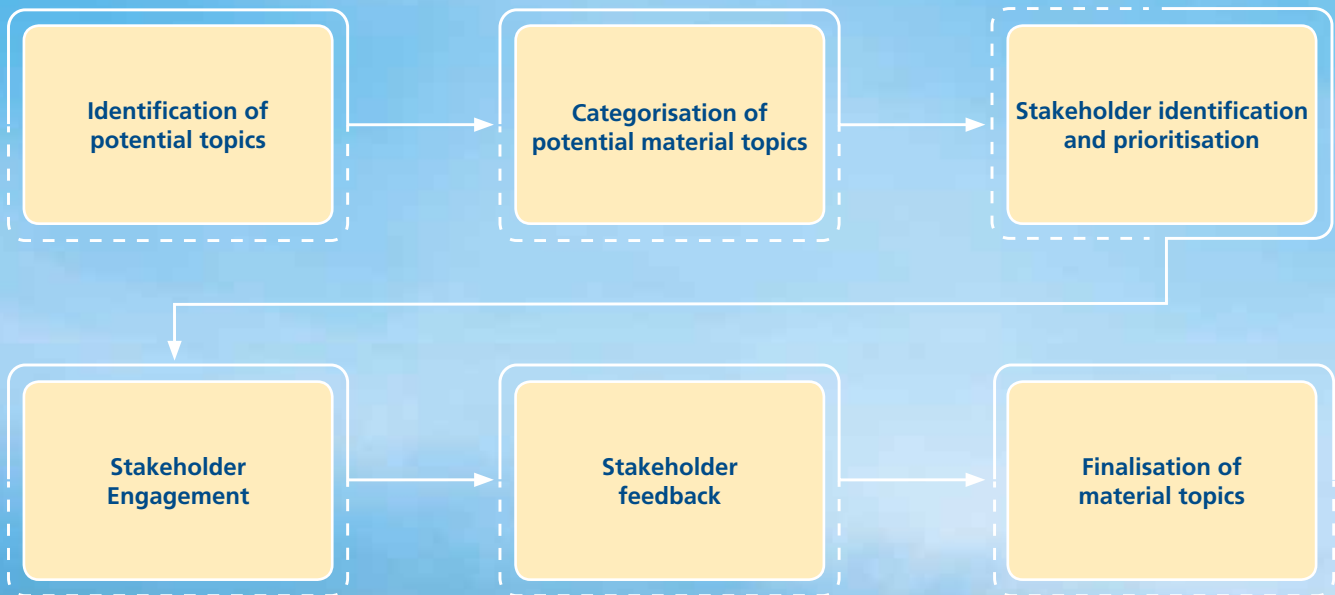
Value creation

- Nine Construction Skills Training Institutes (CSTIs) impart training in formwork, carpentry, bar-bending, steel fixing, masonry, construction, electrician skills, welding and CCTV installation training
- Education, health and skill development for communities around L&T establishments and project sites
- Access to drinking water and sanitation in water-stressed regions
- Integrated Community Development Programmes

I MATERIALITY ASSESSMENT

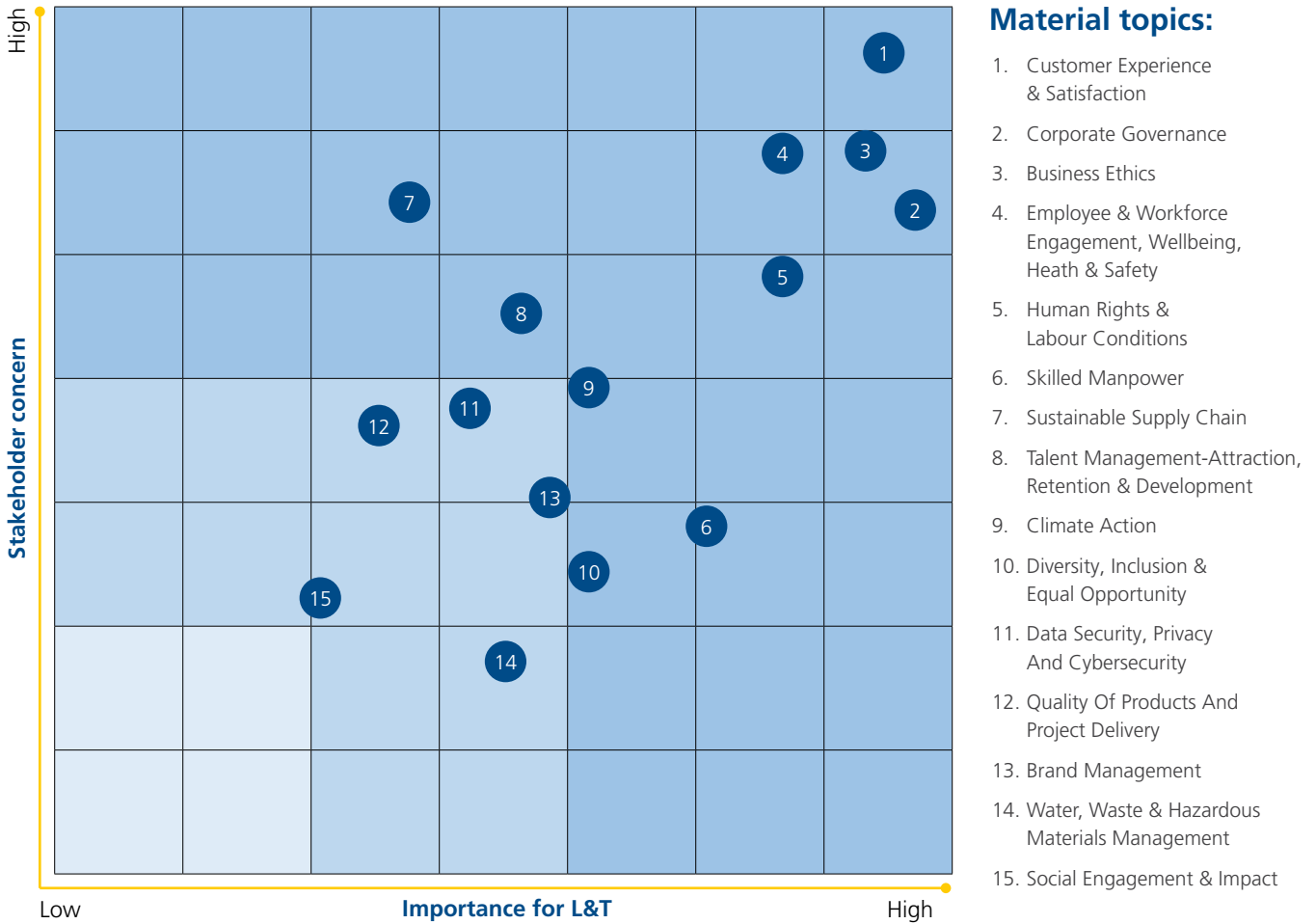
Materiality assessment is the process to identify, prioritise, track and report on ESG issues that are of concern to stakeholders and can impact the business. A matter is material if it is of such relevance and importance that it could substantively influence the assessments of providers of financial capital regarding the organization's ability to create value over the short, medium and long term. In FY 2021-22, we conducted an extensive stakeholder engagement exercise to identify the top ten material issues and understand the stakeholders' perspectives on the potential material topics and efforts for sustainability. These material topics form input for our strategy, planning and disclosure.

ASSESSMENT PROCESS



MATERIALITY MATRIX





















We identified 32 potential material issues which are directly or indirectly related to our businesses. Stakeholder feedback was obtained through surveys and finally top 15 material issues which are most important for short-, medium- and long-term value creation from both internal and external stakeholders perspective, were identified.



Material topics:

1. Customer Experience & Satisfaction
2. Corporate Governance
3. Business Ethics
4. Employee & Workforce Engagement, Wellbeing, Health & Safety
5. Human Rights & Labour Conditions
6. Skilled Manpower
7. Sustainable Supply Chain
8. Talent Management-Attraction, Retention & Development
9. Climate Action
10. Diversity, Inclusion & Equal Opportunity
11. Data Security, Privacy And Cybersecurity
12. Quality Of Products And Project Delivery
13. Brand Management
14. Water, Waste & Hazardous Materials Management
15. Social Engagement & Impact

DESCRIPTION OF MATERIAL ISSUES AND LINKAGE WITH STRATEGY AND CAPITALS

Material Topics	Description	Capitals Associated	Strategies
Customer Experience and Satisfaction	Refers to the relationship, interactions and experiences between the business and the customer throughout the entire journey. L&T's presence is primarily in EPC and projects and customers include Central & State Govt., public and private sector organisations. Partnering with customers for on-time project completion with deeper 'customer connect' at multiple levels, regular monitoring of projects, innovation and state-of-the-art engineering techniques, high safety standards, transparency in energy, water and GHG emissions performance, etc.	  	SO-I, SO-III, SO-IV, SO-V
Corporate Governance	Set of systematic rules, practices, and processes by which businesses are operated, regulated, or controlled are part of corporate governance. It involves balancing the interests of a company's stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the Government, and the community. Corporate Governance reflects our core values around the principles and ideals based on independence, transparency, accountability, responsibility, compliance, ethics and trust.	     	SO-I, SO-II, SO-III, SO-IV, SO-V
Business Ethics	Implementation of policies and procedures regarding topics which include, but may not be limited to, issues such as insider trading, fraud, bribery, discrimination, professional conduct, etc.	     	SO-I, SO-II, SO-III, SO-IV, SO-V
Employee & Workforce Engagement, Wellbeing, Health & Safety	Refers to the physical, mental, and emotional health of employees and workforce, both within and outside the workplace. With 52,155 employees and 200,000 + workforce, it is important to continuously engage the workforce in an effective manner. Engagement includes regular communication, training & development, skilling, management-employee dialogues and technologies that enable the same.	 	SO-V
Human Rights & Labour Conditions	Human rights include child labour, forced labour, prevention of sexual harassment, etc. Also involves the right to safe and healthy working conditions, as well as rest, leisure and reasonable working hours. Labour conditions cover areas such as working conditions, wages, discrimination, etc, including entitlement to wages and benefits, working hours, overtime arrangements and overtime compensation, and leave for illness, maternity, vacation and respecting collective bargaining agreement. Our scope is not just limited to Tier 1 vendors but also our subcontractors and workers. With a contract workforce of > 200,000 contract, it is crucial to support, respect and protect human and labour rights and ensure that the Company is not complicit in any kind of violations.	  	SO-V



Financial
Capital



Intellectual
Capital



Natural
Capital








Manufactured
Capital



Social & Relationship
Capital



Human
Capital

Material Topics	Description	Capitals Associated	Strategies
Skilled Manpower	Trained, educated and experienced segments of the workforce undertaking more complex mental and physical tasks. As we carry out large contracts related to construction and infrastructure, skilling manpower on a continuous basis is extremely important. Primary skill sets include bar-bending, formwork, electrical work, tiling, masonry, welding, carpentry and solar electrical work, etc. It is also required for hi-tech manufacturing for Defence Engineering and Heavy Engineering businesses.		SO-V
Sustainable Supply Chain	Management of environment, social and economic impacts across the supply chain. Suppliers are our partners in delivering timely performance in construction and manufacturing businesses. We encourage suppliers to partner our sustainable growth. With an active supplier base of 97,123 and 2500+ MSME suppliers, fostering 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 stewardship is vital.		SO-I, SO-V
Talent Management-Attraction, Retention and Development	Refers to how employers can attract and retain high-quality employees, develop their skill, motivate them to deliver their best and stay with the organization in the long run. Strategic implementation of talent management practices helps businesses improve performance, stay competitive, drive innovation, form productive teams, reduce turnover and create a strong employer branding. Key aspects include productivity, engineering skills, project execution capability, technology orientation, and leadership pipeline.		SO-I, SO-III, SO-IV, SO-V
Climate Action	Key aspects include emission reduction, efficiency in energy use, renewables, judicious use of water, recycling of water/ waste and use of eco-friendly materials, and green business.		SO-III, SO-V
Diversity, Inclusion and Equal Opportunity	Refers to providing employment opportunities on merit without any discrimination based on gender, sexual orientation, disability, marital status, pregnancy & maternity, caste, socio-economic status, religion, faith, nationality, ethnicity, race, colour, age, religious or political views. Ensure equal opportunities with respect to recruitment, learning, development, promotion, employee benefits, separation and other aspects of employment relationship based solely upon merit, performance, potential and qualifications required for the job.		SO-V



Financial Capital



Intellectual Capital



Natural Capital



Manufactured Capital



Social & Relationship Capital



Human Capital

Material Topics	Description	Capitals Associated	Strategies
Data Security, Privacy and Cyber Security	Refers to the state of being protected against the criminal or unauthorized use of electronic data, or the measures taken to achieve this. With the internet being pervasive, cyber security is becoming a major concern for companies. Includes mechanism for data security, privacy and cyber security. Covers people, process and technology. Key aspects include IT security policies, frameworks to manage Cyber Security risk, and controls across the organisation.	  	SO-IV
Quality of Products and Project Delivery	High quality and timely delivery of the projects are critical for success and growth. Products are in high tech manufacturing areas of Heavy Engineering (process plants, reactors, boilers, steam generators). Construction (building, infrastructure, hydrocarbon, etc.) and related projects constitute >90% of revenue for our businesses.	  	SO-I, SO-III, SO-V
Brand Management	Refers to maintaining and bettering products, services, and brand perception with the objective to receive cost leverage, increase customer loyalty, and establish meaningful brand awareness. It also includes promoting approaches to increase the perceived value of a product line or brand over time. Our brand management includes corporate brands and individual brands of various ICs.	     	SO-I, SO-II, SO-III, SO-IV, SO-V
Water, Waste and Hazardous Materials Management	Water is one of the most significant inputs for construction activity. Processes, technologies, and systems to reduce the amount of water used, increase water-use efficiency and manage the wastewater appropriately needs to be deployed. Water conservation through recycling, reuse and efficiency improvement are major focus areas. Hazardous-waste management is the process of collecting, treating, and disposing waste material that can cause substantial harm to human health and safety or to the environment, if handled improperly.	 	SO-I, SO-V
Social Engagement and Impact	Effective means to create a positive impact in the areas where the Company operates. Our business spans vast areas of the country and we directly impact and get impacted by society. Communities are among our primary stakeholders. Our focus areas include Water & Sanitation, Health, Education and Skill Development.	  	SO-V



Financial
Capital



Intellectual
Capital



Natural
Capital



Manufactured
Capital



Social & Relationship
Capital

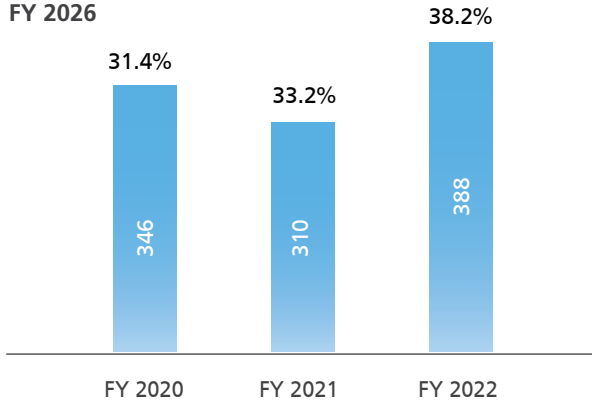


Human
Capital

SUSTAINABILITY PERFORMANCE

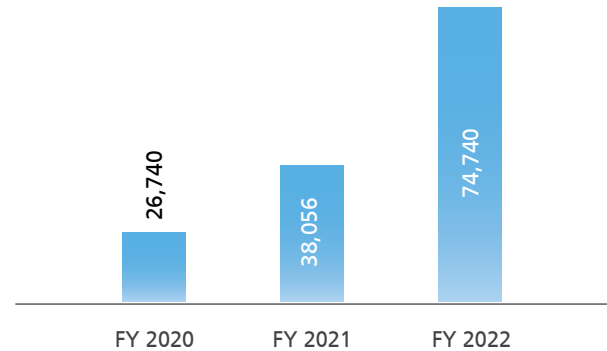
Green Business (₹ Bn Revenue)

Target: 40% of total revenue by FY 2026



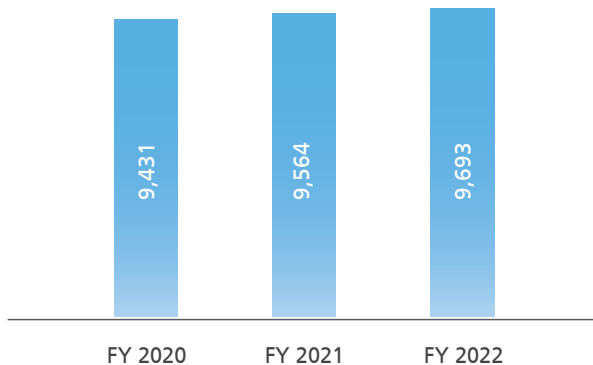
Electricity saved* (GJ)

We have cumulatively saved 149 million kWh since FY 2008



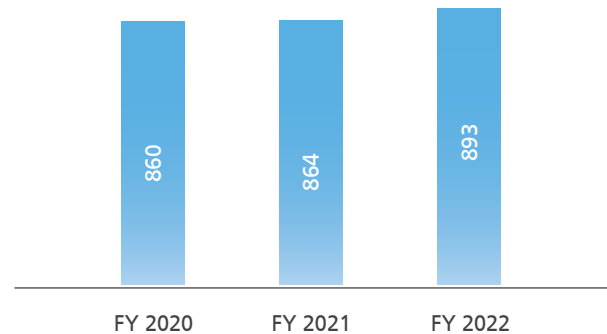
Energy Consumption Intensity (GJ / ₹Bn Revenue)

Target: Achieve 11% reduction in intensity by FY 2026 w.r.t FY 2021**



GHG Emission Intensity (tCO₂e / ₹Bn Revenue)

Target: Reduce GHG emission intensity by 25% by FY 2026 w.r.t FY 2021**



* Results of various initiatives undertaken at campuses and project sites

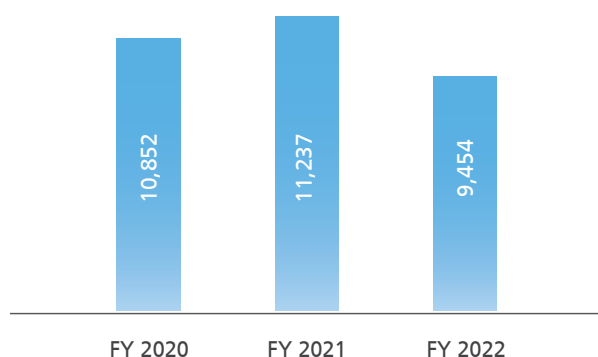
** Increase in Energy Consumption Intensity & GHG Emission intensity in FY 2022 due to:

- Ramping up of construction activity
- Revenue was not realised in FY 2022 for certain projects executed in the same FY

Water Consumption Intensity

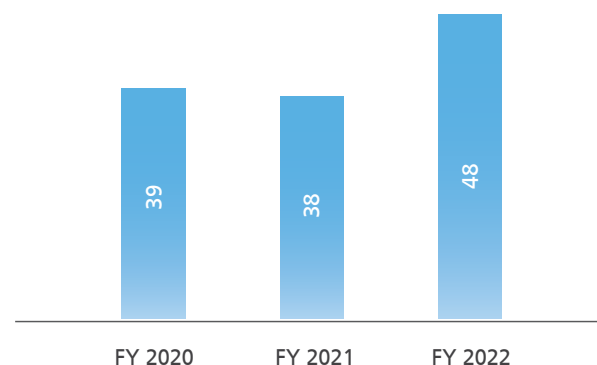
(kl / ₹ Bn Revenue)

Target: Reduce water consumption Intensity by 30% by FY 2026 w.r.t to FY 2021



% Wastewater Recycling Efficiency

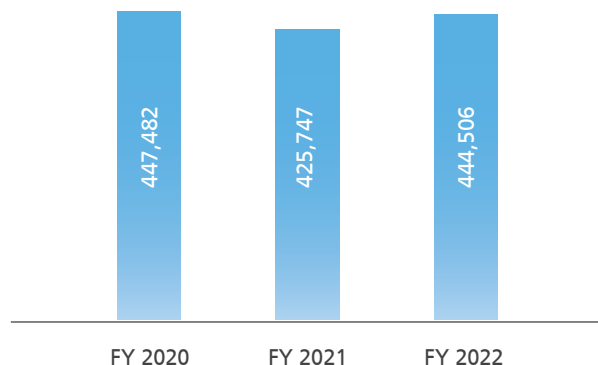
Target: Achieve 60% Wastewater recycling efficiency by FY 2026



Recycled Material used

(MT)

18% of recycled + eco-friendly materials used in FY 2022



Safety

TARGET

Zero Harm

STATUS

Our severity rate of accidents has reduced by 2.5% in FY 2021-22 compared to FY 2020-21. The number of fatalities were 25, remains same as last year

Corporate social initiatives

TARGET

Reach 1.53 million beneficiaries in FY 2025-26

STATUS

1.13 million beneficiaries in FY 2021-22

TARGET

Increase employee volunteering base to 5,000

STATUS

4,900 employees participated in the volunteering programmes and worked for various social causes in FY 2021-22

MANAGING CAPITAL TRADE-OFFS

Managing growth while minimising the impact on the environment

L&T is a growing company and present in multiple business verticals such as EPC projects, high-tech manufacturing services and others.

The pursuit of growth requires judicious allocation of various resources; with financial resources being one of the most important ones. We have devoted significant capital resources (both short and long term) to support the growth of our businesses. Some of these investments are being made in new businesses which have a positive impact on the environment e.g., green hydrogen and battery storage. We are also investing in digital businesses that aim to address the demand-supply gap for skilled personnel (through EduTech, an industry-led, application-based online learning platform) and address the hurdles in growth faced by MSMEs (through L&T-SuFin, a B2B e-commerce platform for industrial products and services). These businesses will have a positive impact on the lives of thousands of people.

Thus, the nature of investments, for some of our growth initiatives, obviates the trade-off between sustainability and growth by addressing both the issues.

While growth creates positive impact for the business, it also puts pressure on usage of natural resources. To reduce this impact on the environment, we also invest in our operations to increase resource efficiency and minimize waste. Increasing the efficiency of plant and machinery is one of the key focus areas. This is being driven by digitally connecting more than

11,000 pieces of equipment across more than 600 project sites and through IIoT for our manufacturing facilities. We aim to enhance the usage of renewable energy (target to reach 50% of electricity consumption by 2026) and clean fuels (biogas, renewable diesel) in our energy consumption. We are devoting resources to make our campuses green by minimising waste, increasing the use of renewable energy, and recycling wastewater. We are also working towards reducing water consumption and increasing water recycling at project sites and manufacturing facilities. Despite the constraints faced in some contracts, where clients insist on the use of natural materials, we try to maximise the use of recycled and alternative materials.

Furthermore, we continue to invest in improving our capabilities, in terms of facilities, equipment, engineering & design and technology to be the leader in creating environment-friendly assets for our clients i.e., renewable energy (solar, hydel), non-fossil fuel energy (nuclear), water treatment and reuse, green buildings, and clean mobility systems. Over a period of years, the share of business from these projects/contracts has grown steadily to reach ~38% of our revenues in FY 2021-2022 while helping our clients reduce their carbon/water footprint.

L&T has demonstrated that capital trade-offs can be turned into opportunities and endeavours to maintain the balance between growth and environment for years to come.

Capitals deployed:



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital

Capitals impacted:



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital

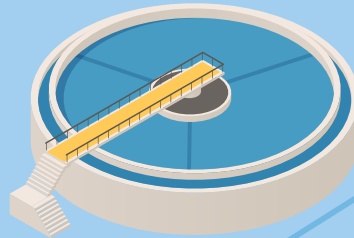


Natural Capital



NATURAL CAPITAL

At L&T, we understand that we have only one Earth and we need to optimise resources and synchronise all activities that further the cause of sustainability and business interests. We have been consistently working towards conservation of natural resources, building efficient infrastructure, reducing emissions, and more importantly, urging stakeholders towards behavioural change through consultation and partnership. Our sustainability reporting started in 2008 and is a testimony of our commitment towards a better planet.





KEY HIGHLIGHTS OF FY 2021-22

WATER NEUTRAL

BY 2035

CARBON NEUTRAL

BY 2040

1,499,989

SAPLINGS PLANTED

₹388.43 Bn

GREEN BUSINESS REVENUE

STRATEGIES IMPACTED

SO-I

SO-III

SO-V

SE-1

SE-2

SE-3

SDGs IMPACTED



KEY MATERIAL ISSUES IMPACTED

- Corporate Governance
- Business Ethics
- Sustainable Supply Chain
- Climate Action
- Brand Management
- Water, Waste and Hazardous Materials Management



TRANSLATING SUSTAINABILITY INITIATIVES INTO LASTING OUTCOMES

Our strategy is to adopt a low-carbon pathway for all our businesses and translate our sustainability initiatives into lasting outcomes.

Since 2016, we have been setting targets as a part of our sustainability programme and working to fulfill them. Our Company has a sustainability policy, systems and processes

in place to achieve our sustainability goals. The overall performance is monitored and reviewed by the Board on a quarterly basis. Our revised broad sustainability roadmap came into effect in 2022, with the target year of FY 2025-26. Currently, granular plans are being made.

LAKSHYA 2026 TARGETS ON NATURAL CAPITAL

We have set major targets and are in process of formulating comprehensive action plans on the following aspects:

Aspects	UOM	Actual		Target
		FY 2021 (Base year)	FY 2022	FY 2026
CO₂e impact - Post abatement	Mn tonne	0.75	0.81	1.11
Net water consumption (excl. conservation, recharge methods)	Mn kl	9.7	9.4	13.3
Green Business	% of revenue	33.2%	38.2%	40%

While overall GHG emissions will increase due to an increase in business activity, the intensity is expected to reduce by 25% by FY 2025-26, primarily due to various energy efficiency measures and greater use of renewables.

KEY HIGHLIGHTS OF FY 2021-22

Energy Conservation 149 Mn units Energy saved Cumulative (kWh) since FY 2007-08	0.32 Mn Fuel Saved (kl)	Materials Management 45,744 Recycled steel consumed cumulative (MT) since FY 2007-08	46,539 tCO₂e Emission avoided Mr. S. N. Subrahmanyam, CEO & MD, L&T has joined the CEO Forum as one of the nine founding members of Climate Finance Leadership Initiative (CFLI) India formed by Bloomberg.
Renewable Energy 35.31 Mn units Renewable Energy used in our campuses and project sites (kWh)	Expenditure on Environmental measures ₹ 294.8 Mn (against 85 Mn in FY 2020-21)	1,779 Recycled zinc consumed cumulative (MT) since FY 2007-08	
10% of total electricity mix	Green Business¹ 38.2% of total revenue (as compared to 33.2% in FY 2020-21 ¹)	Reduced use of hazardous chemicals by 32% (vs FY 2020-21) and 54% (vs FY 2019-20)	
Water Management 48% Wastewater recycling efficiency		Consumption of oil and lubricants is at par with FY 2020-21 and 17% reduction (vs FY 2019-20)	
3% Reduction in water consumption w.r.t FY 2020-21			

1. Previously called Green portfolio. Green Business revenue data of our Buildings & Factories and Smart World & Communication businesses has been revised for FY 2020-21

Our scope excludes transit houses, guest houses, holiday homes and company owned residential facilities for both FY 2021-22 and FY 2020-21

ENERGY

We are progressively ramping up the share of renewable energy in our total energy consumption. Across our businesses, all departments have Bureau of Energy Efficiency (BEE) certified energy managers and auditors. The primary objective of this team is to enable us to manage and optimise energy use at our manufacturing facilities. Energy audits on ISO 50001 are also conducted at regular intervals.

In FY 2021-22, our total energy consumption was 9,647,266 GJ, comprising direct energy consumption of 8,365,802 GJ and indirect energy consumption of 1,281,464 GJ. Direct energy intensity decreased by 0.18% with respect to FY 2020-21, while indirect energy intensity increased by 12.6% with respect to FY 2020-21. The increase in overall indirect energy intensity is due to the change in scope of work of Heavy Civil Infrastructure business wherein their direct energy has decreased and indirect energy has increased.

RENEWABLE ENERGY

We have utilised 23.67 Mn units from wind powered turbines and 11.63 Mn units of solar energy which constitutes 6.7% and 3.3% respectively of our total grid electricity mix.

Renewable energy generated in campuses: 8	Wind power sourced in campuses: 5	Solar electricity sourced in campuses: 5
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Electricity from Renewable energy sources has increased from 97,044 GJ in FY 2020-21 to 127,129 GJ in FY 2021-22 (an increase of 31%) and currently it is 10% of electricity consumption. Total electricity consumption has increased from 984,692 GJ in FY 2020-21 to 1,281,464 GJ in FY 2021-22.



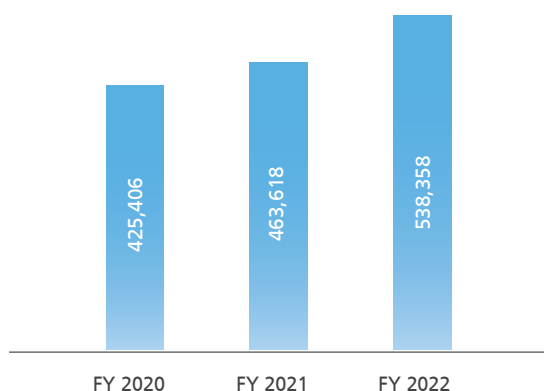
250MW Solar power plant at Rewa. Madhya Pradesh

ENERGY CONSERVATION

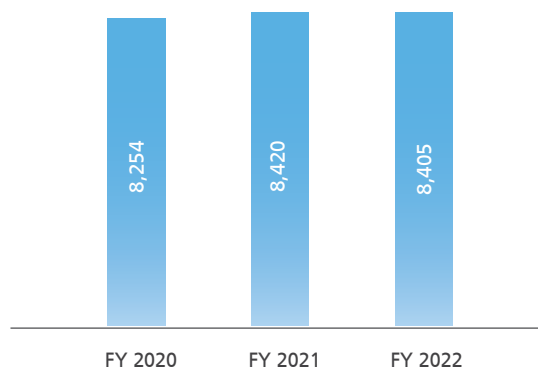
At L&T, our core objective is to achieve a significant increase in energy conservation measures every year. The energy conservation measures have increased by 96% compared to FY 2020-21. Since FY 2007-08, we have cumulatively saved energy equivalent to 149 Mn units, thereby avoiding 46,539 tCO₂e in FY 2021-22 through energy conservation interventions and renewable energy.

Energy conservation interventions	(GJ/year)
Process re-design	13,908
Optimisation and operational control efficiency	4,179
Conversion and retrofitting of equipment	21,888
Change to CFL and LED lamps	28,039
Change in personal behaviour and auto shutting of lights when not in use	2,543
Others	4,183
Total	74,740

Cumulative energy conserved
(GJ)

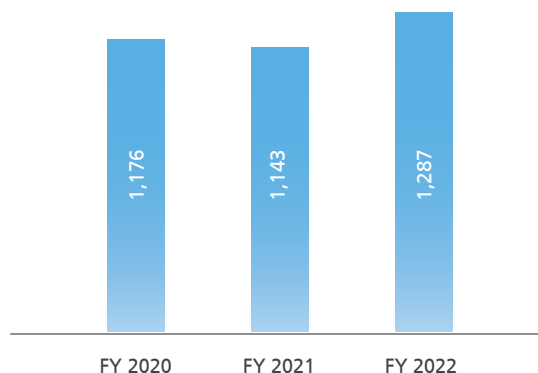


Direct energy intensity²
(GJ/₹ Bn Revenue)



400kV Kamudhi-Ottapidaram Transmission Line, Tamil Nadu

Indirect energy intensity²
(GJ/₹ Bn Revenue)



2. Intensity data for FY 2020-21 and FY 2019-20 has been revised. Total revenue has been considered for Intensity calculation; earlier, customer revenue was considered.

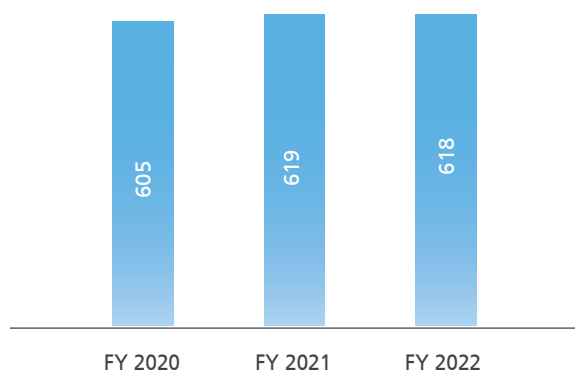
EMISSIONS

GHG

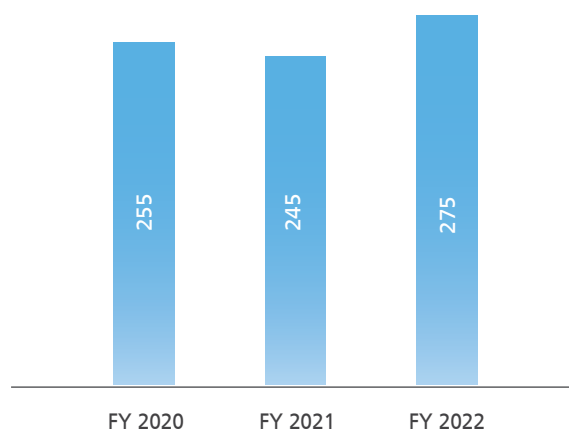
We are committed to become Carbon Neutral by 2040 from FY 2020-21 baseline, contributing meaningfully to combating climate change. Our focus is on realigning our processes and systems to reduce our GHG emissions.

SCOPE-1: Consumption of fuels such as petrol, high speed diesel, furnace oil, natural gas, LPG, CNG and acetylene.	SCOPE-2: Utilisation of grid electricity supplied by state electricity supply boards.	SCOPE-3: Purchased goods and services, waste generated in operations (solid waste), employee commute and business travel
615,035 tCO₂e	274,028 tCO₂e	4,976,909 tCO₂e

Direct GHG emission intensity-Scope 1³
(tCO₂e / ₹ Bn Revenue)



Indirect GHG emission intensity-Scope 2³
(tCO₂e / ₹ Bn Revenue)



AIR EMISSIONS

We monitor air emissions at our campuses and project sites and ensure that our emissions stay within permissible limits. Our principal sources of air emission are process stacks at a few campuses and diesel generator sets. We have been consistently striving to reduce emissions from different sources. The table below shows our performance over the last three years.

SO_x, NO_x, PM & ODS emissions (in tonnes)⁴

	SO _x	NO _x	PM	ODS
FY 2020	1.56	17.78	12.45	8.38
FY 2021	8.31	1.01	9.46	2.62
FY 2022	0.11	0.93	0.22	0.65

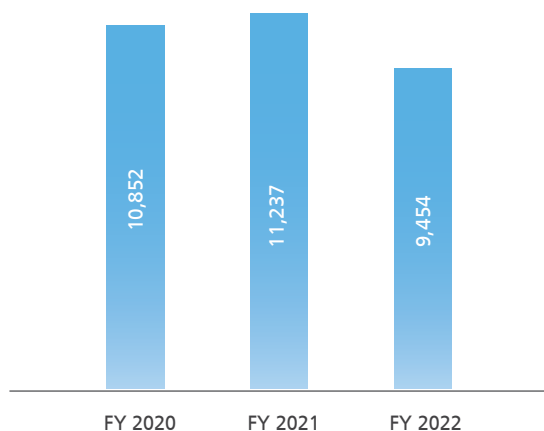
3. Intensity data for FY 2020-21 and FY 2019-20 has been revised. Total revenue has been considered for Intensity calculation; earlier, customer revenue was considered.

4. Excludes data from Minerals & Metals, Transportation Infrastructure, Buildings & Factories, Smart World & Communication, Heavy Civil Infrastructure, Realty businesses and our offices

WATER

We are continuously stepping up our water conservation initiatives as part of our overall commitment to sustainability. The construction business is a water-intensive sector, but we have been successful in reducing water consumption significantly. We are devoting resources to making our campuses green and one of the important components is recycling and reuse of wastewater. We are also working towards reducing water consumption and increasing water recycling at project sites and manufacturing facilities. Our groundwater withdrawal has been reduced by 11% since FY 2019-20. Water recycled is used for gardening and flushing. We undertake various measures to construct rainwater harvesting structures both at our premises and in areas where our projects are functional

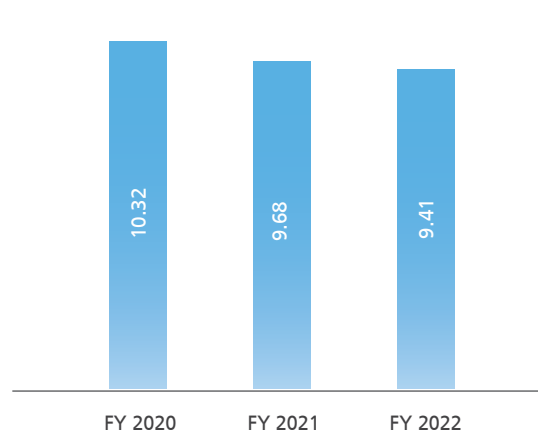
Water Intensity⁵ (kl/₹ Bn Revenue)



Water Withdrawal (kl/year)⁵

Source	FY 2020	FY 2021	FY 2022
River / Lake	2,174,162	1,637,695	2,001,310
Municipal	770,622	980,433	1,369,437
Rainwater	56,672	56,575	82,364
Groundwater	3,087,682	4,087,726	3,251,265
Others	4,722,684	3,235,055	2,897,996
Total	10,811,822	9,997,484	9,602,372

Total Water Consumption⁵ (Mn kl/year)



WASTE & CIRCULAR ECONOMY

During the process of disposal, all relevant norms and procedures applicable are appropriately observed and documented for further reference, should there be an emergency. For example, we handle oil spills with care and we continually report on waste and spills as mandated by ISO 14001 and OHSAS 18001. Periodic internal and external assessments are conducted to ensure compliance with applicable standards and regulations.

2,464 tonnes

Hazardous waste⁶
↑ 10.4%

w.r.t FY 2020-21

48,995 tonnes

Non-Hazardous waste⁶
↑ 6.9%

w.r.t FY 2020-21

Our waste management measures:

- Hazardous waste – such as used oil, oil-soaked cotton waste, used chemical / paint / oil containers, batteries, paint residues and ETP sludge – is disposed of through Government-approved recyclers / re-refiners / re-processors.
- Hazardous waste is transported as per the statutory requirements.
- Electronic waste (e-waste) is disposed of through authorised vendors as per the statutory requirements.
- Biomedical waste generated at dispensaries and health centres is disposed of as per statutory requirements, and responsible disposal is ensured.
- Non-hazardous wastes are either reused, recycled or scientifically managed.
- We do not import, export, transport or treat any hazardous waste covered under the Basel Convention.

5. Water withdrawal data revised for FY 2020-21 and FY 2019-20, data on dewatering and hydrostatic water consumption removed from FY 2019-20 and data corrected for FY 2020-21. (Note: 1 kl = 1 m³)

6. Data has been revised for FY 2020-21

COMPLIANCE

Our campuses and project sites have obtained necessary approvals with respect to the various statutes, rules and regulations from authorities before commencing their operations. There is a 'system compliance report', which is reviewed at all our units and regional offices on a quarterly basis. During the year, there were no incidents of non-compliance, and no fines were imposed on our campuses within the reporting period.

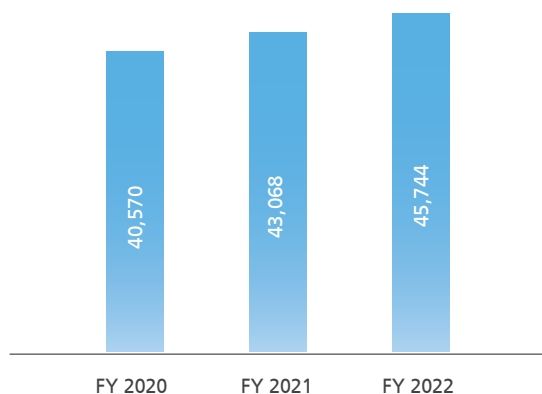
MATERIAL MANAGEMENT

The materials consumed primarily during our business activities are steel, cement and sand. We make sustained efforts to recycle our steel and zinc at our production facilities. But the scope of using recycled material is limited due to customer specifications. At our construction sites, we make judicious use of fly ash and granular blast furnace slag to blend cement.

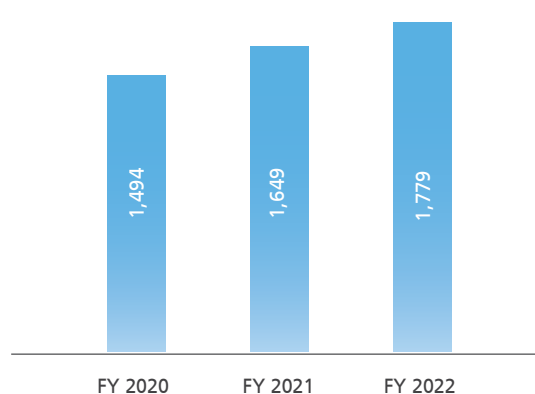
Material consumption (partially reported, MT)

Material	Consumption
Ferrous	1,657,640
Non-ferrous	7,692
Hazardous chemicals	58,531
Oils and lubricants	2,713
Cement and sand	6,442,614

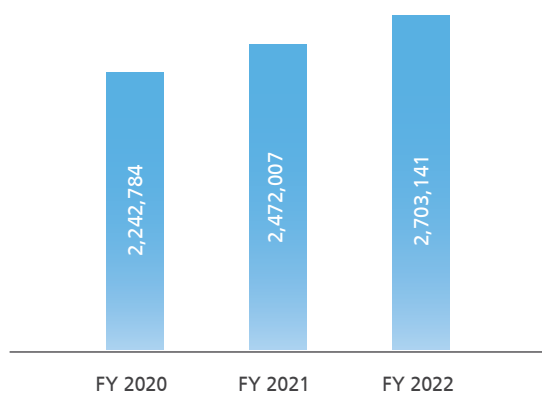
Recycled steel – cumulative since FY 2008 (tonnes)



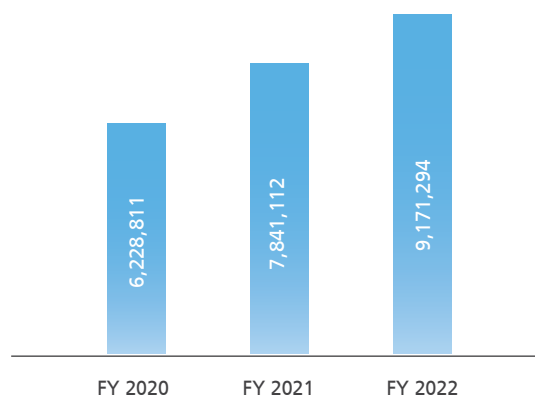
Recycled zinc – cumulative since FY 2008 (tonnes)



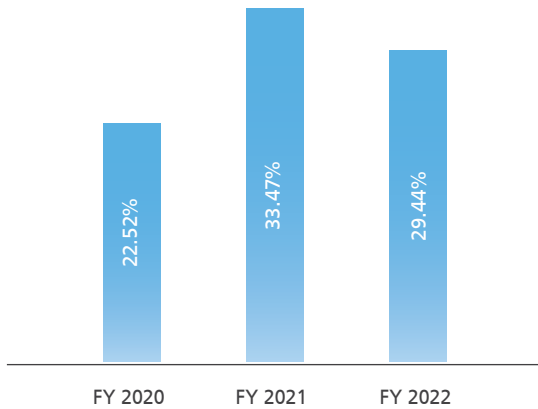
Fly ash – cumulative since FY 2008 (tonnes)



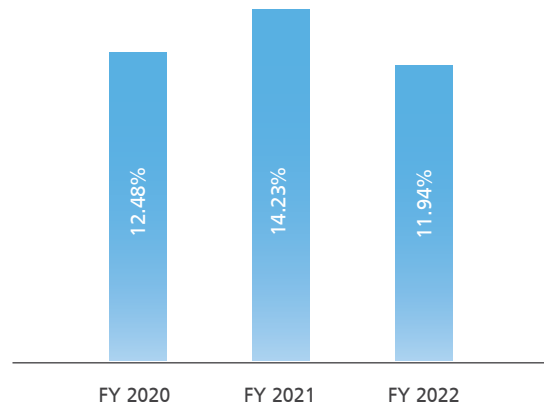
Crushed sand – cumulative since FY 2008 (tonnes)



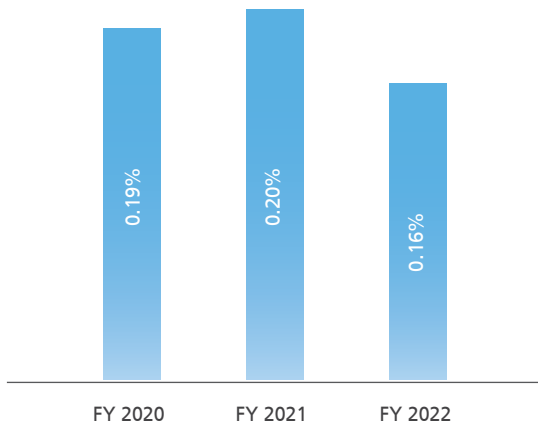
Percentage of crushed sand used in place of sand



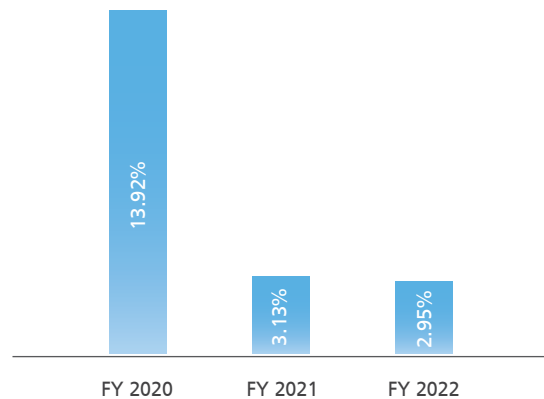
Percentage of fly ash and GGBS used in place of cement



Percentage of recycled steel used in place of ferrous



Percentage of recycled zinc used in place of zinc



LIFE CYCLE ASSESSMENT (LCA) OF DIAMOND GREEN DIESEL REACTOR

LCA is a method for assessing a product’s environmental impact considering its various life cycle stages. We undertook a cradle-to-gate LCA of a critical reactor manufactured by our Heavy Engineering business. These reactors process biomass (recycled animal fats, used cooking oil and inedible corn oil) to make green diesel and reduce greenhouse gas emissions by up to 80% compared with conventional diesel fuel. LCA results of the manufacturing process of the reactor show that the maximum impacts are due to the steel and energy consumption from the grid associated with the manufacturing process. Other than these, there are negligible impacts during the manufacturing process.

Note: Our product portfolio constitutes less than 10% of the standalone revenue of the Company

EXPANDING OUR GREEN BUSINESS

We are steadily developing our portfolio of sustainable engineering and design solutions. Our green portfolio comprises projects embedded with advanced technology, solutions centred around renewables, water and effluent treatment plants, efficient power distribution, mass transit systems and green buildings. Our green business offers infrastructure that has a low impact on the environment and focuses on public wellbeing. Our green business contributed ₹388.43 Bn (38.2%) to the revenue of the Company.

Our Green business includes:

- Renewables (Solar / Hydro)
- Non-fossil power generation (Nuclear)
- Water & effluent treatment
- Railway Network
- Flue Gas Desulphuriser (FGD)
- Process equipment for biodiesel / clean fuels
- Green buildings / facilities
- Surface miners / sand plants, etc. (except for coal)
- Mass Rapid Transit System (Metro & High-speed Rail)
- Solid waste Management – automated communication software for effective solid waste management in Smart Cities
- Natural-gas extraction facilities

Our Green Buildings and their Rating

Project Renewed in FY 2022	Leadership Development Academy, Lonavala	IGBC Platinum
Project completed in FY 2022	A M Naik Tower, Powai, Mumbai	LEED Platinum
Future Projects	LTI, Mahape	Certification in process
	Technology Centre 4, Chennai	
	L&T Innovation Tower – Phase I, Chennai	
	L&T Innovation Tower – Phase II, Chennai	
	L&T IT Park, Coimbatore	

14 of our campuses have been certified at different periods and we are working on their recertification processes.



BIODIVERSITY

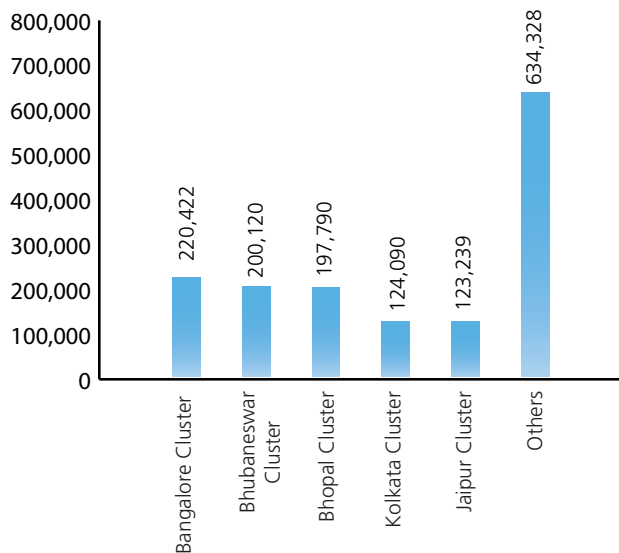
The urban forest is a unique methodology proven to work worldwide, irrespective of soil and climatic conditions. Our Defence Engineering business has been successfully undertaking urban forest development initiatives for the past few years. Here is a glimpse of the impact.

Location: Talegaon	Location: Coimbatore	Location: Bidkin	Location: Erode
3 patches of 400 square metres 3,600 saplings	800 square metres, 2,401 saplings	1 acre 12,500 saplings with 100% survival rate	8 acres 49,300 saplings with 95% survival rate

PLANTATION

L&T has planted 1,499,989 saplings in FY 2021-22, with over 99% having been planted by our Water & Effluent Treatment (WET) business. Over the years (2008-2022) L&T has planted over 4.8 Mn. trees.

Cluster wise plantation



We continue to explore opportunities both internally and externally in different aspects of Natural Capital. As stated in our Group Vision, we will pursue eco-friendly growth, thereby increasing our green portfolio y-o-y. We will continue to focus on promoting sustainability within the organisation and innovation will be a big enabler towards this objective. We will also continue to disclose our sustainability performance through international platforms such as Dow Jones Sustainability Indices (DJSI) and Carbon Disclosure Project (CDP) and we are committed to working on Task Force on Climate-Related Financial Disclosures (TCFD) disclosures as well.

CASE STUDIES

Plastic Waste Management

Waste collection and segregation are conducted daily to minimise waste generated at the site and keep workplaces clean and hazard-free. Our WET business has tied up with a third-party manufacturer and supplier – PGS Enterprises India Ltd. – to send its plastic waste to be recycled into plastic granules, polyfuel, etc

IMPACT

331.6 kg/annum plastic waste recycled

108 staff and 194 workmen participated and trained on plastic management

665 kgCO₂e/annum emissions avoided



Promoting sustainable construction

Sustainable construction means using renewable and recyclable materials when building new structures, as well as reducing energy consumption and waste. The primary goal of sustainable construction is to reduce the industry's impact on the environment. A project of our Heavy Civil Infrastructure business, the Mumbai–Ahmedabad High-Speed Rail Project's C4 Package, has been reducing its CO₂ impact by using supplementary cementitious materials in concrete, and reducing its water usage by replacing conventional water-curing with a curing compound.

IMPACT

Emissions avoided using Supplementary Cement Materials: **119,946 tCO₂**

Water savings by using

- ✓ Curing Compound: **2020.8 kl**
- ✓ Superplasticisers: **44,479.2 kl**

Savings through reduction in raw material usage:
₹1.6 Bn

- Smart campus with high-end digitisation: monitor and control of lighting, HVAC systems, meeting-room management
- IAQ sensors to monitor and control of CO₂ levels for employee wellness
- Anti-COVID-19 features: UVGI (Ultraviolet Germicidal Irradiation) in central AC system for health and safety of occupants
- Low water-flow fixtures in toilets

IMPACT

700 tCO₂e/annum emissions avoided

Water conservation through rainwater tanks:

60 Kl/annum

Wastewater recycled through Sewage Treatment Plant (STP): **96,000 Kl/annum**

Waste reduced by **135 tonnes/annum**

LEED Platinum Certification for A M Naik Tower, Powai, Mumbai

The US Green Building Council has awarded L&T's corporate office, A M Naik Tower, the prestigious LEED Platinum certification under LEED 2009 Core and Shell development.

The certification recognises the iconic structure as a showcase of sustainability, demonstrating L&T's leadership in transforming the building industry. A M Naik Tower scored high on multiple parameters – including overall energy savings, water efficiency, design innovation and indoor environmental quality.

The primary features are as follows:

- Concrete-filled tube technology in steel structure
- Significant energy savings over regular commercial buildings due to solar roof-top PV cells, high-performance glazing insulated roof and high-efficiency HVAC equipment and lifts with regen drive
- Sewage treatment plant generates water for flushing, irrigation and HVAC make-up
- Rainwater harvesting facility
- Organic waste composters treat kitchen waste, which is reused for landscaping
- E-waste segregation facility

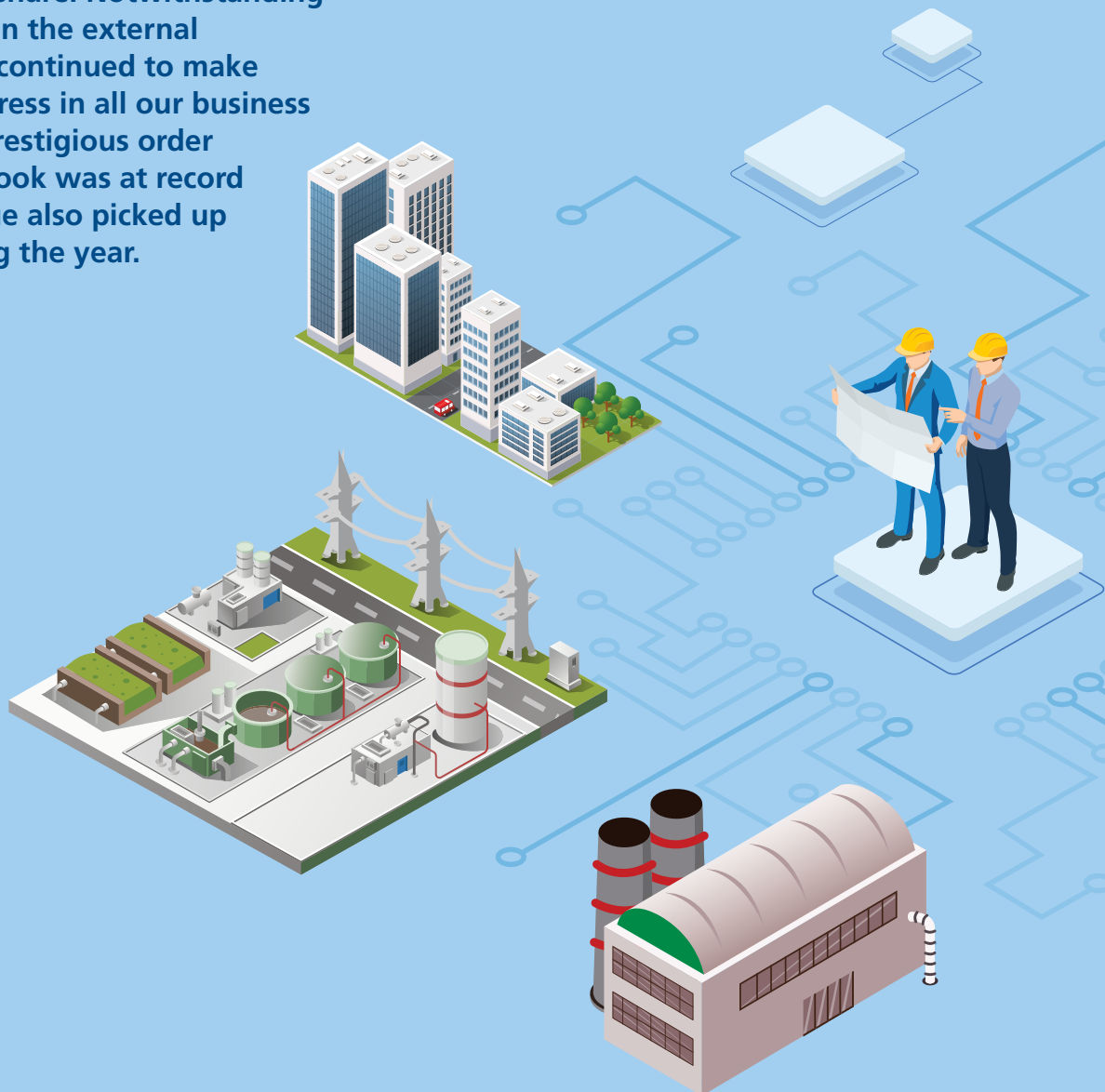


A M Naik Tower, Powai, Mumbai



MANUFACTURED CAPITAL

Our business segments across geographies, and our tech-enabled manufacturing capabilities give us a big competitive advantage globally. We implement global best practices at our manufacturing facilities and locations and invest in innovation to retain and grow our market share. Notwithstanding major challenges in the external environment, we continued to make encouraging progress in all our business segments. With prestigious order wins, our Order Book was at record levels. Our revenue also picked up momentum during the year.



KEY HIGHLIGHTS OF FY 2021-22

710

TOTAL PROJECT SITES

18

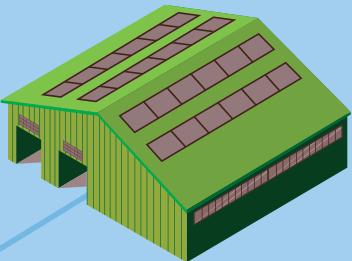
MANUFACTURING LOCATIONS

321,697 MT

FACTORY OUTPUT

₹388.43 Bn

GREEN BUSINESS REVENUE



STRATEGIES IMPACTED

SO-I

SO-III

SO-V

SE-1

SE-2

SE-3

SE-4

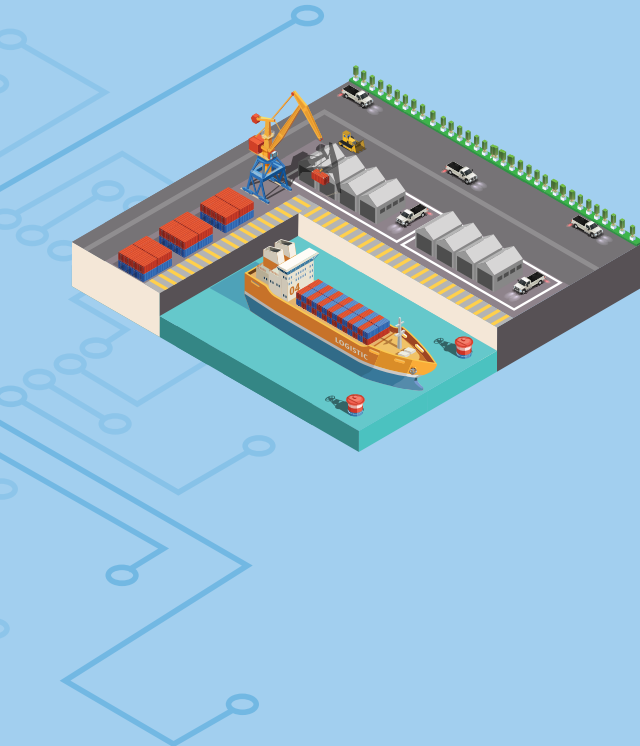
SE-5

SDGs IMPACTED



KEY MATERIAL ISSUES IMPACTED

- Customer Experience and Satisfaction
- Corporate Governance
- Business Ethics
- Human Rights and Labour Conditions
- Skilled Manpower
- Sustainable Supply Chain
- Talent Management-Attraction, Retention and Development
- Climate Action
- Data Security, Privacy, and Cyber Security
- Quality of Products and Project Delivery
- Brand Management
- Water, Waste & Hazardous Materials Management
- Social Engagement and Impact



BUILDINGS & FACTORIES

Setting us apart

- Turnkey solutions from 'concept-to-commissioning' across the entire spectrum of urban infrastructure, with in-house design expertise using advanced systems like Building Information Modelling (BIM) 4D, 5D and BIM 360 field and project management expertise.
- Track record of building tall, large, complex, and iconic structures across India and overseas. The Statue of Unity - the world's tallest statue, Shri Narendra Modi Cricket Stadium, Motera – the world's largest cricket stadium, the Ahmad bin Ali Stadium in Al Rayyan, Qatar, 11 national and international airports apart from many other landmark structures have been built by L&T.
- End-to-End EPC capability in multispecialty hospitals including specialised medical systems and equipment.
- Plug-and-play capability to design-and-build world-class IT infrastructure and data centres.
- Capability to offer integrated design and build solutions for light manufacturing plants and factories.
- Forerunner in offering modular and mechanised processes for advanced construction technologies such as Prefabricated Prefinished Volumetric Construction, Offsite Manufacturing, Structural Steel Construction, and 3D printing to fast-track projects.



OFFERINGS

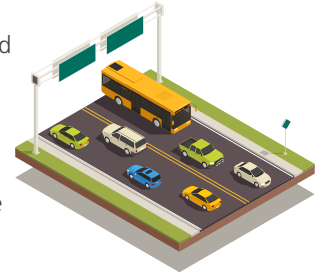
Design and Engineering, Procurement and Construction (EPC) of projects ranging from airports, hospitals, stadiums, retail spaces, educational institutions, IT parks, office buildings, data centres, high-rise structures, mass housing complexes, cement plants, industrial warehouses, test tracks and other factory structures.

Prestige Song of the South at Begur, Bangalore

TRANSPORTATION INFRASTRUCTURE

Setting us apart

- Engineering and construction company in India offering Design-to-Build or EPC solutions with single point responsibility for Integrated Railway and Mass Transit Projects.
 - Expertise to design and build a full spectrum of highways, bridges and elevated corridors including complex interchanges, both in India and abroad.
 - Pioneers in introducing mechanised construction techniques for faster execution with quality and safety.
- Well-equipped engineering centres which offer end-to-end design capabilities including consultancy and construction engineering for all our offerings.
 - First-of-its-kind training centre for rail construction in the country.



OFFERINGS

Solutions for all kinds of Transportation Infrastructure – roads, bridges, elevated corridors, runways, high speed rail, railway lines, dedicated freight corridors, mass transit systems (Metro/Light Rail Transit/Monorail).

A section of the Mauritius Metro Project

HEAVY CIVIL INFRASTRUCTURE

Setting us apart

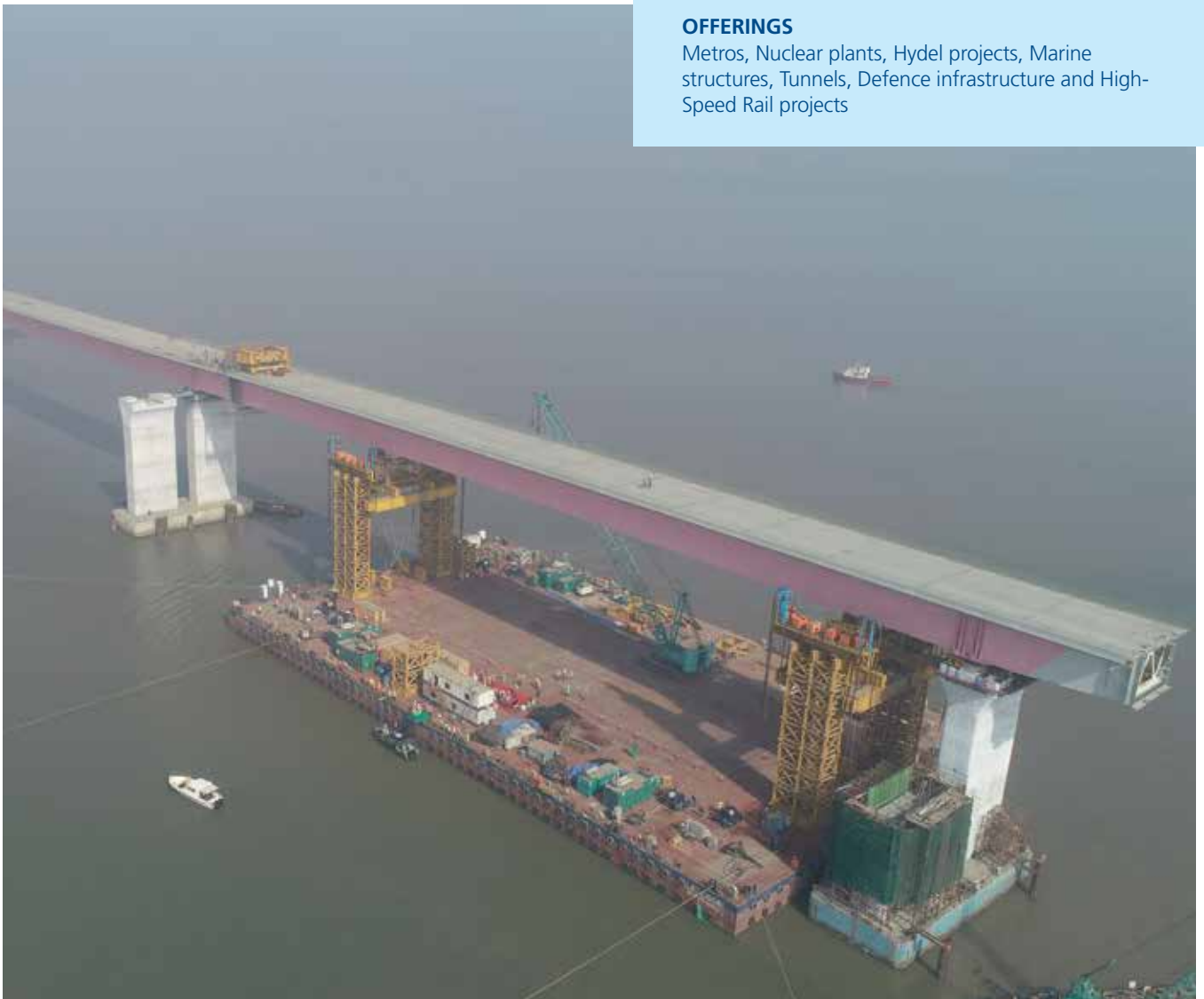
- Capability to execute complex infrastructure projects covering civil, structural, mechanical, and electrical works with international safety and quality standards.
- Expertise to build underground structures with various tunnelling technologies e.g., New Austrian Tunneling Method (NATM), Tunnel Boring Machine (TBM) and erecting super structures using innovative methods e.g., incremental launching and full span 'U' girders.
- End-to-End design and engineering capabilities for all offerings including feasibility, detailed project report, seismic qualification, geotech engineering, blast resistance, etc.

- Owner and operator of one of the largest fleets of critical machinery e.g. TBM, heavy lift cranes, shotcrete machines, etc.
- Global supply chain management cell to undertake competitive sourcing of materials.
- Temporary Works Competency Centre (TWCC) to manage enabling structures assuring effective utilization and asset management.



OFFERINGS

Metros, Nuclear plants, Hydel projects, Marine structures, Tunnels, Defence infrastructure and High-Speed Rail projects



The Mumbai Trans Harbour Link

POWER TRANSMISSION & DISTRIBUTION

Setting us apart

- Providing integrated solutions with in-house design, global sourcing and digitally enabled delivery excellence.
- Digitally driven, green tower manufacturing units with a capacity of more than 1.5 lakh tonnes of tower components per annum.
- One of the world's most renowned Tower Testing and Research stations.
- In-house Battery Energy Storage System containerisation facility to offer large-scale renewable integration solutions.
- Expertise in executing solar projects, micro-grid electrification projects.
- India's first 1200 kV and 765 kV Gas Insulated Substation.
- Strong reputation and significant market share in the India subcontinent.



OFFERINGS

Design, manufacture, supply, installation and commissioning of transmission lines, substations, underground cable networks, distribution networks, power quality improvement projects, infrastructure electrification, backbone for fibre optic infrastructure, solar PV plants including floating solar, battery energy storage systems, mini/micro grid projects and related digital solutions

Toshka 2 – Wadi Halfa 220 kV double circuit overhead transmission line, Egypt

WATER & EFFLUENT TREATMENT

Setting us apart

- Array of process technologies for water treatment covering conventional treatment and advanced treatment like ozonisation and granular activated carbon.
- Proven track record of offering total solutions spanning the entire spectrum of the value chain – right from tapping water through intake structures to tertiary treatment and safe disposal of the treated effluent through marine pipe.
- Developing and adopting sustainable and innovative execution methods e.g., horizontal directional drilling and micro-tunnelling for faster project execution.
- One-stop solution provider for digital and innovative technology driven solutions in water and wastewater management e.g., hydraulic modelling, leakage management, GIS asset mapping, billing and master data management etc.

OFFERINGS

Urban and Rural Water Supply, Industrial Water Supply, Water Treatment Plants, Sewage Treatment Plants, Effluent Treatment Plants, Wastewater Collection Network, Desalination, Micro and Lift Irrigation Projects, Water Management, Smart Water Infrastructure, Plant Water Systems 24x7 Pressurised Water Supply, Non-Revenue Water (NRW)/ Unaccounted For Water (UFW)



318 MLD Coronation Pillar Sewage Treatment Plant, Delhi

MINERALS & METALS

Setting us apart

- Provider of one-stop solutions in ferrous and non-ferrous sectors
- Dominant player in the country in EPC of metallurgical projects

OFFERINGS

Leading EPC solutions provider in the fields of minerals, metals and finishing for large industrial, steel, aluminium, copper, zinc and gold complexes, associated facilities, and the mining industry. The business offers integrated solutions for a wide range of systems and equipment for cement, mining and steel sectors, powered by in-house design, engineering, manufacturing, construction, and commissioning capabilities. Key offerings:

- Mineral Beneficiation
- Iron and Steel Making
- Aluminium, Zinc, Copper, Gold Smelters and Refiners
- Speciality Conveyors
- Equipment for Mining, Cement, Material Handling

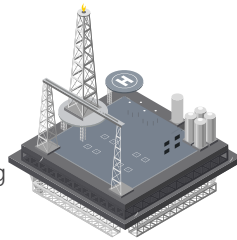


Laminar Cooling System for Rourkela Steel Plant

HYDROCARBON

Setting us apart

- Industry leading HSE performance
- Integrated design-to-build capabilities
- In-house engineering centres offering 'Fit to Purpose' engineering solutions with a focus on technology.
- Onshore construction and offshore installation capabilities.
- Project management resources with experience in executing large and complex projects.
- Strategically located state-of-the-art, all-weather waterfront Modular Fabrication Facilities at Hazira (India's west coast), Kattupalli (India's east coast) and Sohar (Oman), and an integrated manufacturing facility at Jubail in Saudi Arabia



OFFERINGS

Full spectrum engineering services (including FEED), EPCIC, turnkey construction, fabrication and asset management services for oil and gas extraction and processing, petroleum refining, chemicals and petrochemicals, fertilisers projects; cross-country pipeline and terminals (including for LNG regasification) as well as offshore wind farm projects

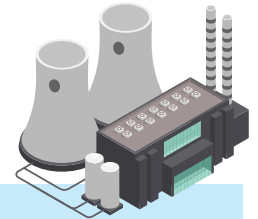


Ammonia-Urea Plant for HURL at Sindri, India

POWER

Setting us apart

- In-house engineering, state-of-the-art integrated manufacturing facilities.
- Technology collaborations with global leaders like Mitsubishi Power- Japan, Sargent & Lundy - USA, Howden UK, Chiyoda Corp - Japan, John Cockerill – Belgium.
- Competency in executing large and complex projects within and outside India.
- Major player in new emission-control technologies such as Flue Gas Desulphurisation (FGD).



OFFERINGS

Turnkey solutions for coal-based and gas-based power plants, ultra-supercritical and supercritical boilers, ultra-supercritical and supercritical turbines, Generators, power block auxiliaries, heat recovery steam generators, other critical system, Enviro solutions - FGD, electrostatic precipitators (ESP) and selective catalytic reduction (SCR) total plant design and engineering, construction



400 MW Bibiyana-III Combined Cycle Power Plant, Bangladesh

HEAVY ENGINEERING

Setting us apart

- Providing engineered-to-order equipment, solutions and critical piping to various industries
- Technology-driven, quick turnaround solutions for Process Plants offered by Modification, Revamp and Upgrade (MRU) business
- World-class manufacturing complex with cutting edge technology adopting Industry 4.0 for Engineered-To-Order (ETO) critical equipment.



OFFERINGS

Hydrocracker and Clean Fuel Reactors, Renewable Diesel Reactors, Fluid Catalytic Cracking (FCC) Reactor and Regenerator Package, Coke Drums, Ethylene and Propylene Oxide Reactors, VAM Reactors, Molten Salt Bath Reactors, Ammonia and Methanol Converters, Key Gasification Equipment, Urea Stripper and Reactor, Carbamate Condenser, Waste Heat Boiler Package, HP Heat Exchanger, Ti and Exotic Material Heat Exchangers, Nuclear Power Equipment - Steam Generators, End Shields, Spent Fuel Canisters and Casks, Modification, Revamp and Upgrade (MRU) and Critical Piping Spools

DEFENCE ENGINEERING

Setting us apart

- Proven command and competence for more than three decades
- Offers specialised turnkey defence construction solutions
- Seamless integration of solutions through our IT business
- Leveraging the digitalisation trends achieving higher degree of welding automation, enhancing IoT application through deployment of smart devices on various machinery to increase consistency of output, and reduction of cycle times in a sustained manner.

OFFERINGS

Tactical and Assault Bridging Systems, Akash Airforce Launchers, Medical Oxygen Plants Infantry Combat Vehicle, Productive Welding Processes, Army Bridging Systems, BrahMos Systems (Naval), Naval Platforms

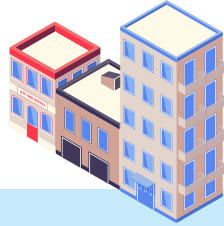


Propylene Oxide (PO) Reactors

REALTY

Setting us apart

- Total portfolio of ~ 60 mn sq. ft. across residential, commercial, and retail segments in Mumbai, Bengaluru, NCR, and Chennai.
- India's first Transit Oriented Development (TOD), Seawoods Grand Central, offering a unique combination of commercial and retail business.



OFFERINGS

Real estate development offering mixed-use integrated developments, residential complexes, commercial and retail spaces



Elixir Reserve, Mumbai

SMART WORLD & COMMUNICATION

Setting us apart

- Focused on solutions to make world smart and safe, providing secured robust state of the art digital infrastructure with latest of communication technology, connecting millions of operational assets.
- Implemented 27 Safe and Smart Cities with Integrated Command Control Centre (ICCCs), 2mn+ Smart Utility end points by leveraging its expertise in IOT platforms, OT Data Analytics & AI/ML.
- Multiple Data Centres & Cyber Security solutions, Mega Communications Projects connecting 30,000+ Gram Panchayats, 5 Metro Telecommunication projects and next gen connectivity for Indian Armed forces.
- L&T's Smart World & Communication business has developed it's own Platforms - Fusion-IOT, NOC and SOC to provide customised and scalable solutions to clients and have also developed expertise on several industry platforms.
- Created a unique ecosystem of technology partners across the world to be able to stitch problem-specific solutions.

OFFERINGS

Safe & Smart Cities across India, Fusion: Indigenous Command Control Centre for City Operations, End to End IOT Implementation and Analytics, Smart Utilities: Advanced Metering Solutions for Utilities & Pioneering Pre Paid Electricity, Defence Communication, Data Center and Network Operations Services, Cyber Security for Operational Assets & Security Operation Centre, Telecom Services including 5G, Network Connectivity, Tactical Communication Systems, SatCom Ground Stations, Radio Communication & Software Defined Radios, High Capacity Radio Relays & Helo Deck Communication Systems



GVMC City Operations Center

INTELLECTUAL CAPITAL

For the business to progress, it is imperative to continue the innovation journey to stay relevant. L&T's innovation efforts are backed by advanced technology, helping it deliver projects which set new benchmarks within their space. With a continuous focus on innovation, design and development, the future is taking shape in L&T's Technology and Innovation centres across India. These breakthroughs are deployed across all businesses of L&T, ensuring added value to our customers.





KEY HIGHLIGHTS OF FY 2021-22

29
TOTAL PATENTS OWNED

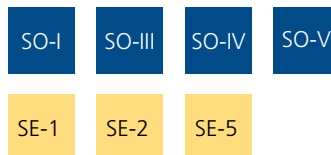
₹837 Mn
TOTAL R&D SPENT

56
AWARDS WON FOR INNOVATION

37
NEW PRODUCTS AND SERVICES DEVELOPED
THROUGH R&D

187
R&D¹ DESIGN ENGINEERS

STRATEGIES IMPACTED



SDGs IMPACTED



KEY MATERIAL ISSUES IMPACTED

- Corporate Governance
- Business Ethics
- Talent Management-Attraction, Retention & Development
- Data Security, Privacy, and Cyber Security
- Quality of Products and Project Delivery
- Brand Management

¹Includes our core R&D engineers

RESEARCH AND DEVELOPMENT PROJECTS

1. Artificial Aggregate – An alternative to natural stone aggregates

Due to growing investments in the infrastructure sector, the demand for various construction materials like cement, steel, aggregates and others is increasing exponentially. To conserve natural resources like aggregates, research is being conducted on the development of artificial coarse aggregates, using industrial by-products such as fly ash and GGBFS (Ground Granulated Blast Furnace Slag) with suitable chemical activators to form a solid rock mass. This research has been taken up at L&T's Construction Research and Testing Centre. Initial results are encouraging and further research is in progress to improve durability and other qualities. This green and sustainable product has a wide scope for usage across the construction value stream and will help enable significant energy savings.

2. Shredded waste plastic modified asphalt mixes for eco-friendly and durable pavements

Disposal of used plastics has been a major cause of concern for many developed and emerging nations.

Plastics are usually non-biodegradable and burning of waste plastic emits harmful gases like sulphur dioxide. Utilisation of used waste plastic as a modifier in asphalt roads is an emerging technology to mitigate environmental hazards. Plastic-modified asphalt mixes can be produced by two methods - dry process, and wet process. L&T's Construction Research and Testing Centre had taken up a detailed study to evaluate the effect of shredded waste plastic on the mechanical properties of mixes prepared by the dry mixing process. The study revealed that the addition of shredded waste plastic has the potential to reduce the optimum binder content of the bituminous mixes. A 500m trial stretch was constructed with shredded waste plastic modified bituminous mix at the Kancheepuram campus in 2021. Preliminary investigations showed that the modified mix performed better than the conventional mix, especially during the monsoons, and further studies are planned to help push the usage of this mix in future road projects.




R&D Centre for Mumbai-Ahmedabad High Speed Rail Project

Digital Initiatives

There are 50+ digital solutions that are in production and widely used by thousands of L&T's operating staff at hundreds of project sites. Over 11,000 construction equipment are connected, providing real-time visibility into operations of these machines at remote project sites. This visibility enables improvement in productivity and utilisation of these machines, better maintenance and uptime, and better fuel efficiency leading to faster work completion and cost savings.

The initiatives highlighted in the subsequent section have been started in FY 2021-22.

Digital Initiatives across our businesses:

- Smart Glass and Help Lightning:** AR-Enabled Remote Assistance Software, including video collaboration services, that enables experts to work virtually side-by-side with anyone needing help, anywhere in the world.
 - Smart Cameras and Image analytics:** Cloud-based smart cameras help to monitor project site from a single dashboard. Smart cameras provide live feeds which are interpreted by AI Models to detect Safety and non-compliance of COVID appropriate behaviour, e.g Vision+
 - Workforce Induction and Skills Application (WISA):** End-to-end digital solution for all workmen related functions encompassing worker profiles, wage modules, experience records, trade validation, certifications and accreditations, skill database, health profile, safety training module, attendance management and workmen camp management.
 - PROCUBE (Project, Progress & Productivity):** Tool to monitor multiple aspects of a project. It captures the real time day-to-day progress while helping to gauge workmen's productivity levels, analysing the project and speeding up progress.
 - TORQ (Tying, Operation, Revenue, Quality):** Quality control tool developed to raise NC Observation, RFI inspection, Quality Audit and Laboratory Management. It helps to monitor and ensure maintenance of quality standards across the lifecycle of the project.
 - SHEILD - EHS Platform (Safety Health Environment for Industrial Landscape through Digital):** Platform to evaluate a project's EHS status, manage EHS processes from inspection checklists to approvals, observations and audits, PTP, DWP, shut down operation and managing safety observations with checklists, and workflows to ensure planning, communication and action.
 - Conquer – Quality Inspection Application:** Web and mobile-based application to conduct quality inspection prior to final commissioning. It generates quality observations, pour cards, quality walkdown, and customer and executive feedback.
 - Digital Stores:** Solution to handle material from issue to consumption with proper reconciliation across the project sites. All material transactions are digitally captured using a mobile application, supported by layers of authentication and workflow.
- 
- VR Training for Safety:** Immersive Safety training modules for workmen and staff using virtual reality.
 - Connected Asset:** Remote monitoring of P&M equipment for utilisation and conditional monitoring.
 - POMS (Post Order Management System):** Collaborative supply-chain accelerator used for enhancing visibility and tracking of critical vendor milestones from PO to delivery at sites.
 - Surveys using advanced technologies:** Advanced technologies e.g LIDAR, drones, 3D layer scanning, Ground Penetrating Radar etc., are used to conduct surveys to provide accurate project information, enabling efficient design and mitigating risks at an earlier stage.
 - eMtrack (Material Tracking):** Digital solution that facilitates material return and material transfer between stores, and aids in the reconciliation of materials issued to various subcontractors in one line and being consumed against activities.
 - Automation of manual processes:** Digital technologies e.g. Robotic Process Automation (RPA), Machine Learning etc., have been used to design solutions to automate manual processes and improve productivity.

BUILDINGS & FACTORIES



- **HR Skill Inventory System:** Man-management solutions like mySkill, Resource Assessment Management & Planning (RAMP), and Resource Upskilling through Competency assessment (RUCA), working in tandem to drive staff skill profiling, competency assessment, resource allocation and skill enhancement capabilities.
- **FORM FIT:** A solution to track formwork panel utilisation and productivity.

Transportation Infrastructure

- **Machine Control:** 3D GNSS based Machine Control System deployed for Motor Graders and Excavators, enabling the equipment to run on auto mode for level control, with the operator only driving the equipment, thereby improving the productivity and safety at workplace.
- **3D Volumetric Measurements:** Bulk material like aggregate stocks are measured digitally using drone-based scanning and volumetric analysis, enabling easy reconciliation and material planning.



Konkan Railway

HEAVY CIVIL INFRASTRUCTURE

- **Pre-Cast Segment Management System (PCSMS):** Application for tracking the status of viaduct segments using bar codes. It enables real-time tracking of production and better traceability of finished segments at the stacking yard.
- **ConPro:** Application for end-to-end tracking of concrete supply chain. It enables auto dispatching of orders from batching plants and live tracking of transit mixers.
- **Enabling Structures Tracking Application (ETAP):** Digital application to track utilisation of all Enabling Structures across project sites by using QR codes. This has helped to increase the reusability of fabricated items and improve tracking of the same.
- **RebarPro:** Application that provides end-to-end tracking of rebar (full length, offcuts, scrap) from store-to-site. This enables faster MIS dashboards creation, waste minimisation and productivity improvement.



Mumbai - Ahmedabad High-Speed Rail Project

POWER TRANSMISSION & DISTRIBUTION

- **Exposure Declaration:** Digitalised system to track commodity and currency exposure.
- **Pronto:** Centralised digital system that takes care of site invoicing activities by enabling resource optimisation and prompt delivery of services.
- **Engineering Optimisation & Calculation Automation**
Web-based solution using Python Programming with an optimiser engine for migrating structural logic from spreadsheets to backend services.
- **Time Lapse Camera:** Capturing timestamped photos for documentation, visualisation, and monitoring purposes.
- **Prapti Bodhi:** Scientific planning for businesses based on historical data, volume, productivity and sequencing done by the system, based on the project variables. Predicting schedule variances based on progress and trade off analysis for course corrections.
- **T-TRAX:** RFID-based solution for tracking tower bundles across factories and site locations to improve tower-wise visibility, traceability, and lot completion.
- **Factory IOT:** Monitoring of OEE (overall equipment effectiveness) at transmission line tower plants through IoT data.



400 kV Ibri Izki Transmission Line, Oman

- **Fibertrack:** Application for tracking and monitoring of patrollers and Operation & Maintenance of around 16,300 km of fibre network.
- **AI For contracts and engineering:** Contract comprehension includes key clause identification, risk quantification, document, and datasheet extraction.

WATER & EFFLUENT TREATMENT

- **SPRINT:** Geospatial solution that helps project teams to visualize and track pipe laying activity, including theft identification and material reconciliation.

MINERALS & METALS

- **Wrench:** Centralized platform across EPC with automated live S-Curves and progress dashboards that also enables document management, and communication control across all stakeholders.
- **iIMPACT:** Comprehensive item-wise material and progress management tool applicable across structural fabrication, piping and equipment. Material management is controlled through GPS enabled QR codes at different stages of fabrication, storage and erection.
- **eALPS:** Centralised web-based portal for quality vendor inspection call management system for vendors to raise inspection call requests along with its documents.
- **Super Procure:** Application to raise logistics' requests from project sites. The system enables float bids among 67 registered transporters and helps to prepare comparison statements online while expediting release orders to L1 vendors.



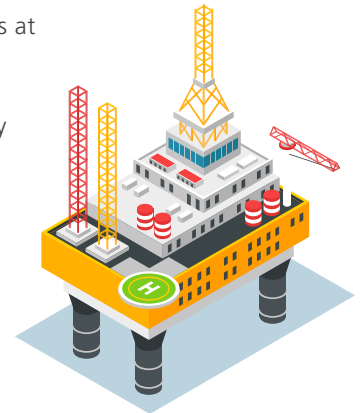
48 MLD Water Treatment Plant, Gadag, Karanataka

HYDROCARBON

- **Drishti (Enterprise Level KMS):** Enterprise level knowledge management system to provide situational guidance and capture, store, and extract the information required for efficient knowledge transfer across the organisation.
- **mCode (Unified Material codification):** Unified material codification system for parametric comparisons, benchmarking, data mining and analytics of various material categories to drive procurement cost optimisation.

- **EPSILON (Integrated Project Management System):** Decision support system for effective project management and control, applying advanced analytics at the enterprise level.

- **Virtual Reality Immersive Walkthrough:** Virtual reality immersive walkthrough for engineering 3D models offering efficient constructability and maintainability review for Operation & Management teams.



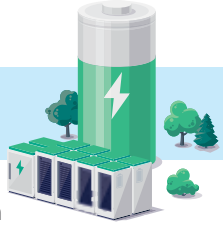
Gas Production Modules fabricated at LTHE's Oman Facility for Hasbah II



3-D model of Farabi Petrochemicals at Yanbu, Saudi Arabia

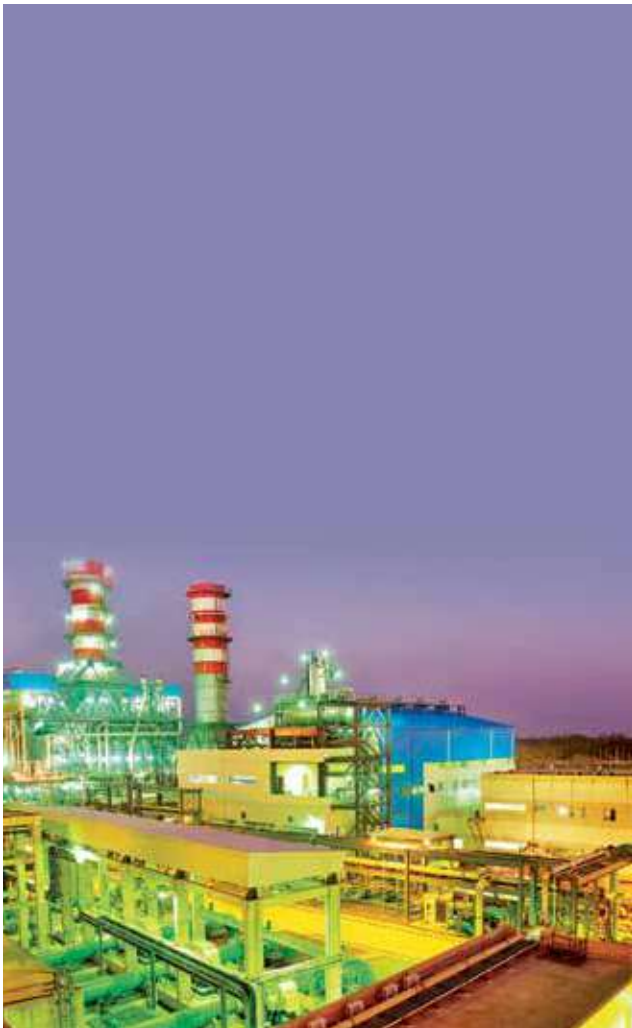
POWER

- **Metal Deck Profile Selection:** Application to help select the optimal metal deck profile
- **Digital Radiographs Inspection using AI:** Auto AI-enabled radiograph interpretation in the weld joints.
- **Price benchmarking:** Smarter supply chain system using ML based parametric price discovery model for commodity items like cables, cable trays, valves, and pipes.



HEAVY ENGINEERING

- **One-man multiple stations:** One man operating multiple smart welding stations has been successfully implemented at AMN Heavy Engineering Complex, leveraging wireless technology as part of the Autonomous Welding Project.
- **PDM (Predictive maintenance) application module:** Implemented for first time by the business on TITAN DHD (deep hole drilling) machine, this application delivers capabilities like early failure reduction, reduced spares consumption and improved OEE (Over Equipment Efficiency).
- **Additive manufacturing:** The business has leveraged 3D printing technology to make prototypes for development projects, thereby significantly reducing development cost



225 MW Sikalbaha Combined Cycle Power Plant, Bangladesh



Heavy Engineering's digital initiatives

DEFENCE ENGINEERING

- **IoT of Welding Robots with Digital Report book:** Planned / unplanned downtime and calculating OEE (Over Equipment Efficiency) with the help of an IoT data logger for descriptive analysis.
- **Monitoring Execution:** Work Allocation System enabling QC engineer to track First Person Responsible (FPR, viz fitter, welder and electrician) while undertaking inspection and develop person-wise First Time Right (FTR) data.
- **GST Auto-reconciliation:** RPA BOT along with ERP customisation provides automated GST reconciliation capability to avoid IDT losses.
- **3D PDF for design information:** Area-wise cabling information shifted from 2D based AutoCAD files to 3D embedded PDF files which facilitates viewing the cable routing with its complete inventory in a 3D environment from a desktop computer instead of a high-end workstation.
- **Artificial Intelligence-Machine Learning:** Database of pipe spools created using content extraction from queries of projects executed previously through natural language processing and text analysis. This enables a project planner to visualise the entire pipe spool lifecycle in a timeline sheet with all the queries and inspection data and assists the execution team to predict the cycle time for future projects.
- **Digital Twin:** Laser scanning and digitalisation concepts extended to create digital twin models of the platform where onboard inventory is being scanned for generating 3D models and integrating them in the composite model. This helps to

proactively identify interferences through dynamic motion analysis of ship-in route and generate digital templates of pipe spools thereby avoiding physical templating.

- **PLM CAD Integration:** Integration of PLM platform with native CAD software improves the efficiency in D&E functions and brings better change management.
- **Armoury:** Provides the interface to search surplus material lying in closed projects with different attributes such as make, size, grade, vendor, etc thus improving the possibility of alternate use of inventory.
- **Smart Quality Management System:** ERP based Smart Quality Management System assists in integrated way of planning in design, material, production and quality functions.
- **RPA Load Balancer:** In house developed BOT-based load balancing system to distribute RPA tasks to various virtual machines.

REALTY

- **MY LTR App for Brokers:** Enhanced dynamic interaction with brokers for complete life cycle, resulting in reduction in broker registration and payment TAT, improved transparency with leads and bookings sourced, improved collaboration for new project launches.
- **LTR Konnect:** Centralised HR portal for smooth interaction with employees. The portal provides learning and training opportunities in digitisation, analytics, data driven decision making and process excellence.



L&T Tech Park, Bengaluru

SMART WORLD & COMMUNICATION

- **i-Survey:** End-to-end point of presence survey management solution with mobile app capturing survey data, latitude & longitude, photographs and online approval system leading to improved productivity and performance in SCM.
- **i-Attend:** Mobile-Based attendance punching and monitoring solution for Linear Projects with scattered project locations.
- **SmartPro-Planning:** Customised and smart project monitoring tool providing integrated view of project progress status (Financial and Physical Progress) with dashboard and reports in terms of scope vs progress on design, procurement (po + delivery), installation, integration, commissioning and go live.
- **SmartPM Solution:** End-to-end Smart Meter Project Management Solution with mobile App & QR Code Scanner for Consumer Indexing, Smart Meter installation.

1,000+

cases registered via emergency call box; emergency calls response time- 10 seconds and resolution time – 10 minutes for incidents recorded (accidents, police and medical emergencies)

187,410 citizens

using free monthly Wi-Fi facility

Case study

Ease of living of citizens through Pune Smart Elements project

Brief description

- Flagship technology infrastructure and a pan-city project consisting of Integrated Command and Control Centre (ICCC) along with 732 smart elements across Pune.
- Enables the city administration and its stakeholders to make informed decisions with real-time data and deliver effective governance.
- Institutionalise data driven decision making across levels of city functionaries for regular operations and during crises.
- Enhancing collaboration across multiple departments within and outside urban local and government bodies.
- ICCC provide insights using data for civic officials across urban functions through the deployment of sensors across the city.
- Smart elements installed across Pune: *City Wi-Fi, Emergency Call Box, Public Address System, Environmental sensors, Flood Sensors, COVID Management through ICCC*

Impact

- Total Data consumed: 19.81 TB per month
- Critical Zones with average AQI > 200 observed and reported with Environment Monitoring Sensors deployed in 50 locations
- 100 + Incidents recorded using flood sensors deployed at 50 locations
- PA system - audio message related to COVID-19 broadcasted live every 30 minutes using PA systems between 7 am to 10 pm daily



Moradabad Command Control Centre



HUMAN CAPITAL

Our human assets play a key role in seamless driving of operations in today's ever-evolving business environment. They deliver projects and business solutions effectively on time, every time. At L&T, we have always strived to create an enabling work environment that encourages continuous learning, promotes inclusivity and equality, while ensuring a healthy and safe workplace.



KEY HIGHLIGHTS OF FY 2021-22

52,155

TOTAL EMPLOYEE STRENGTH

37,966

ENGINEERS

33 YEARS

MEDIAN AGE OF EMPLOYEES

8.37

AVERAGE TRAINING HOURS PER EMPLOYEE

4.96 Mn

SAFETY TRAINING HOURS

STRATEGIES IMPACTED

SO-I

SO-II

SO-III

SO-IV

SO-V

SE-2

SE-4

SDGs IMPACTED



KEY MATERIAL ISSUES IMPACTED

- Corporate Governance
- Business Ethics
- Employee and Workforce Engagement, Wellbeing, Health & Safety
- Human Rights and Labour Conditions
- Skilled Manpower
- Talent Management-Attraction, Retention and Development
- Diversity, Inclusion and Equal Opportunity
- Brand Management

LEARNING & DEVELOPMENT

Corporate Learning & Development (L&D)

L&T is an 80+ years old Indian multinational conglomerate. It carries a workforce that is multi-generational, drawn from diverse ethnic and cultural backgrounds, and brings with it a rich mix of educational and professional experience.

Continuous learning is one of the highly treasured values of L&T. This gets addressed through a well laid out L&D Strategy. Building a leadership pipeline to enable growth and business continuity is one of the strategic enablers of the Company. This includes attracting and retaining top talent, but more importantly, it emphasises L&T's deep-seated culture of 'home-grown' talent. Over the years, L&T has prospered manifold in terms of executing green-field, mega/complex projects including Smart Cities, Mumbai Trans Harbour Link, Airports under the Government's UDAAN scheme, the landmark construction of the Statue of Unity and the most recent – India's first Mega Bullet Train Project valued at ₹25,000 crore. This extraordinary feat requires a sound foundation of well-honed internal talent.

L&T's L&D Strategy is centred on three pillars:

- **Anchored to Dynamic Business Needs:** L&D offerings are strongly aligned to the needs of the business over three major career archetypes – Business Leadership, Technical Leadership, and Project Leadership:

Leadership Archetypes



Business Leadership



Technical Leadership



Projects Leadership

- **Leadership Commitment:** From addressing the sessions, conducting training, to spending one-on-one time for mentoring, the leadership's commitment and investment towards talent development is visible at multiple levels.
- **Strong Learning Ecosystem – People, Processes, Infrastructure:** We have a well-established Learning & Development Team, that focuses on Technical Training (CTEA), Project Management (IPM), Leadership and Behavioral Training, Centre of Excellence (CoE) for Process Improvement, Digital Learning (ATLNext), Leadership Development Academy (LDA), etc.

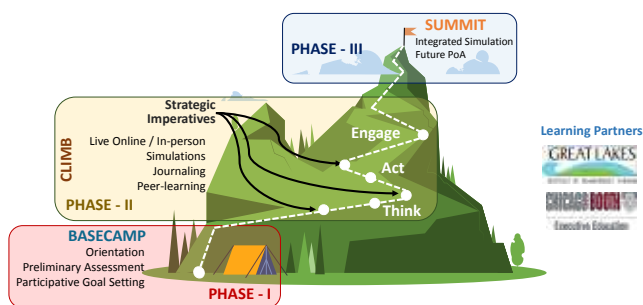


Built on the foundation of these three pillars, the L&D strategy has multiple facets like:

1. **Grow Within** – Focus on grooming and developing talent internally.
2. **Built to Last** – Design deep-rooted interventions, adaptable to changing needs, that can sustain over long periods of time.
3. **Best Practices + Next Practices** – We position our interventions on time-tested design principles. At the same time the pedagogy we use, keeps pace with the latest approaches in Project, Technical and Behavioural Education, e.g., blended learning is a big part of our offerings in all career archetypes.
4. **Partnering for Growth** - It is said "If you want to go far, go together.". We operate with a very strong internal and external network. Internally, we are well supported by Business Leaders, HR Leaders, Business Talent Partners, and many Subject Matter Experts (SMEs). Externally, we collaborate with the best in the world, be it academic institutes like INSEAD, Michigan Ross, IIMs, XLRI or faculty members / consultants such as Prof. Krishna Palepu - the Ross Graham Walker Professor of Business Administration at Harvard Business School, and Prof Das Narayandas - the Edsel Bryant Ford Professor of Business Administration at Harvard Business School.
5. **Crafting Leadership Journeys** – We encourage long-term growth journeys for our employees. This ensures holistic development guided by learning through training, peers, and on-the-job conditioning, supplemented by structured inputs through one-on-one coaching and strategic action learning projects, e.g., Ascent (Competency Leadership Development Program for Tier-3 employees)

L&D Practices to meet Short & Medium-Term Needs	L&D Practices to meet Long-Term Plans
Classroom Training (In-Person or Virtual) for Competency Development	7-Step Leadership Pipeline Programmes
Webinars	Journey-Based Competency Development Programmes
Experiential Learning – Hands-on Training, Simulations, AR / VR	Action Learning Projects
Digital Learning – ATLNext (Technical & Behavioural Modules)	Management Development Programmes Mentorship
RapL (micro-learning platform)	Qualification/ Accreditation/ Certification Programmes

Ascent – Competency Development Journey



Apart from these established processes, there are additional measures taken to ensure People Development Needs are identified and addressed regularly. The following forums viz. Talent Partners Meet, CoE Partners Meet, ATL Partners Meet, HR Council, DC – i-LEAD keep the interaction on People Development alive and updated. We also participate in external industry forums for benchmarking, gaining knowledge and networking. We get outside-in perspectives on current and future talent development trends from such forums.

Corporate Technology & Engineering Academy (CTEA) Madh and Mysuru

CTEAs have state-of-the-art infrastructure and learner friendly environments, with robust processes to design and deliver technical, functional, and business specific training programmes in a healthy and pollution-free environment. In addition to excellent classroom facilities, both the academies lay emphasis on providing hands-on training to the participants through various labs / hands-on areas, like manufacturing excellence lab, CAD & Safety lab, Digitalisation lab, Prestress Technology, IoT, PLC, Robotics, 3D printing, GD&T, etc. CTEA provides Training & Competency Building services to many L&T businesses including Construction ICs, Defence Engineering, Hydrocarbon, Power, Heavy Engineering, L&T Technology Services, Nabha Power, MHI, L&T Infotech, Valves & Process etc.

Employee development at these academies is focused on various levels:

- **Level 1** includes young recruits such as GETs, DETs and FLS (Frontline Supervisors). It focuses on skill enrichment of freshers, wherein technical orientation and hands-on experience are offered to Graduate Engineers Trainees (GETs) from various L&T businesses to make them industry ready. As a part of their orientation, CTEA organized online sessions with a blended approach for latest batch of GETs. Some of the key highlights include virtual labs, mini projects, videos and effective presentations. Another focus area in Level 1 is the transformation journey of fresh Industrial Training Institute (ITIs) to be converted into responsible FLS. CTEA also design and deliver domain-specific survey and quality modules and impart technical and functional modules, to meet the current business needs.
- **Level 2** training is aimed at Competency Development needed by employees to hone their knowledge and skills at their workplaces. CTEA conducted 162 virtual programmes, covering 12,540 working professionals, which include niche programmes like Behaviour Based Quality, Advanced Hydraulics, 5G Architecture, DMEA & Certification programmes on topics like Riggers, Scaffolding, Stores Management, etc.

198,975
Courses conducted in FY 2021-22
against 187,575 in FY 2020-21

4.36 lakh hours
of courses conducted in FY 2021-22

3,276 hours
of training on Human Rights provided
in FY 2021-22

~20,000
L&T executives trained in Project
Management at L&T IPM



CTEA has also customised some key programmes to meet changing business requirements, these include the Vendor Development Initiative, which involves formation of taskforces comprising CTEA and Project Heads across ICs to identify Entrepreneurial functions required for construction works, so that vendors can start and build their own successful business. A one-of-its-kind, six-day programme was designed and executed at Mumbai and Delhi, covering 40 sub-contractors.

CTEA also organises several technical professional engagements and motivational annual events like the CAD Fest, Technology Conclave, Virtual Technical Summit, and Technology Day Celebrations. An innovative engagement activity named 'Learner Premier League' was organised to motivate L&T-ites to hone their existing skills or acquire new skills the 'IPL WAY.' It was a two-month online engagement activity as part of the calendar programme to enhance learner experience, which helped leverage group activity across multi-disciplinary teams, increased engagement with the learners during the COVID-19 period and brought a fun element by breaking the monotony.

CTEA also organised a virtual event 'Engineering Through my window' on Engineers Day, to recognise innovations in engineering across the organisation. The event provided

a platform to nurture and encourage innovators, where engineers had to pen-down their ideas to resolve any challenge at work.

Digitalisation & Process: AR-based mobile application on Wall & Column System module - an immersive self-paced learning mobile application for detailed visualisation of the concept created with completely gamified outputs on mobiles to create an enriching interactive experience.

Any Time Learning (ATL): L&T 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 to meet the unique needs of the learners.

In FY 2022, we have tied up with globally renowned content providers such as Skillsoft and Coursera to provide training content to employees, while continuing with many existing content providers like Harvard Manage Mentor (HMM) and EBSCO. We have also implemented a unique AI/ML technology-based communication fitness coaching programme to improve work-related communication skills of target employee groups. All the offerings of ATLNext culminated into 2.7 lakh hours of learning clocked by L&T employees through digital learning.



L&T's Leadership Development Academy. Lonavala

Leadership Development Academy

Our Leadership Development Academy (LDA) is situated in the tranquil environs of the popular hill station, Lonavala. Established in 1997, it offers an appropriate ambience for learning and development. It was born out of the vision to fulfill the constant demand of L&T-ites for a holistic learning centre that will help manage their training programmes better. Even after 25 years, the Academy continues to be the preferred training destination for the L&T group.

The residential academy is equipped with great infrastructure to conduct various types of training programmes. It can accommodate multiple levels of leadership programmes at the same time. This campus is one of the few places in the country that have been designed exclusively to meet our growing demand and training. Green design with energy-efficient outfits and water-efficient measures are some of the important features of this world-class Academy. The IGBC Platinum Certification and CII Award winning energy efficient campus is a testimony of our conscious attempt towards sustainability. We have also introduced ESG training at LDA this year. LDA recognises that learning happens through discussions/debates in classrooms, in the privacy of a library, or in the relaxed atmosphere of a recreation room. This integrated facility provides all these advantages to nurture thought leaders and entrepreneurs of the future.

DIVERSITY & INCLUSION

L&T continues to be an organisation where diverse workgroups come together to contribute towards creating a better world. The multi-generational and multi-cultural workforce works in harmony to achieve the organisation's results. The Company has employees from 46 nationalities, including Indians and more than 80 languages are spoken across project sites and offices. Within India, L&T has employees from 28 states and 8 UTs.

Ref: The short film Symphony <https://www.youtube.com/watch?v=Grb-4czOWzA>

To further enhance inclusion of diverse workgroups, we have launched a special initiative WINSPIRE. In the first year, the focus was to induct, engage and develop more women. 24% of Graduate and Post Graduate Engineer trainees hired in 2021 are women. Various interview sessions and panel discussions were organised to engage the women workforce. Leadership Development Programmes for Women Employees 'WINSPIRE RISE' and 'WINSPIRE PROPEL' were launched, covering 110 participants across L&T. This will help to build a steady pipeline of women leaders going forward.

3.16% Share of women in senior management

27.46% of personnel with 10+ years in L&T



Institute of Project Management, Vadodara

**Non - unionised workforce number
(age-wise and gender-wise)**

Data as at March 31, 2022

Gender	AGE			Total
	<30yrs	30-50yrs	>50yrs	
Female	1,540	1,549	149	3,238
Male	15,341	29,356	4,220	48,917
Grand Total	16,881	30,905	4,369	52,155

New Joinees (age-wise and gender-wise)

Data as at March 31, 2022

Gender	AGE			Total
	<30yrs	30-50yrs	>50yrs	
Female	540	141	2	683
Male	3,275	1,686	107	5,068
Grand Total	3,815	1,827	109	5,751

Attrition (age-wise and gender-wise)*

Data as at March 31, 2022

Gender	AGE			Total	Attrition %
	<30yrs	30-50yrs	>50yrs		
Female	310	190	3	503	15% ¹
Male	1,738	2,306	172	4,216	8%
Grand Total	2,048	2,496	175	4,719	9%

*Excludes superannuated staff

1. Personal reasons (including family related, marriage & relocation), further studies and career prospects account for higher attrition rate in female employees.

Employees covered under Leadership Development Programmes (does not cover Leadership Development programmes done by the businesses)

Consolidated training break up			
Programme types	Total programmes	By internal faculty	By external faculty
Leadership Development	6	0	6
Core Development	53	2	51
Competency Development	66	12	54
Calendar	177	50	127
Accreditation	2	0	2
HR for HR	1	1	0
Business Requirements	76	2	74
Webinar	65	1	64
Operational Excellence	41	41	0
Safety	10	10	0
TOTAL	497	119	378

Leadership Development Programmes

310
participants

3,584
training man days

We have been undertaking numerous awareness sessions on issues pertaining to Human rights across the Company; viz part of employee induction, EHS training and so on. In FY 2022, we initiated specific Train the trainer programme on Human Rights.

HEALTH & SAFETY

This section complements with BRSR Principle 3 i.e. Businesses should respect and promote the well-being of all employees, including those in their value chains



Our Goal

Mission Zero Harm is to ensure all L&T workplaces, offices and premises are safe and without hazards. This commitment extends to all our contractors and suppliers working on our behalf at our project sites or premises. L&T's Corporate EHS Policy defines the commitment to Health & Safety and Mission Zero Harm through a structured Corporate EHS framework supporting our EHS procedures and guidelines.

Top-Down and Bottom-Up approach for Contractors and Suppliers

Our contractors and suppliers are evaluated on their safety infrastructure and assessment through auditing at our projects. A comprehensive understanding of safety requirements is imparted to contract workers at our construction sites through initial health and safety induction training. This is followed with specific activity training on risks with refresher sessions supported by skills enhancement-building programmes.

The importance of workmen safety and wellbeing on all our contracts is crucial to the culture of our 'Mission Zero Harm' goal. At our manufacturing locations and project sites', safety committees are constituted comprising senior management

representatives, as well as union members. These committees facilitate specific safety objectives, in line with the Company's 'Mission Zero Harm' goal. In the collective bargaining agreement, specific clauses related to health and safety are incorporated as well. In addition, workers have a Safety Ambassador at sites who helps them to raise safety issues directly and in turn, the Ambassador communicates good health and safety practices to workers.

Safety dashboard	FY 2020	FY 2021	FY 2022
Severity Rate	204.29	143.60	140.23
Frequency rate	0.11	0.10	0.11
Fatality	41	25	25

Accredited Safety Management Systems

Regular auditing is conducted for our safety management systems through accredited external and internal lead auditors to maintain the standards for continued accreditation of ISO 45001:2018. Internally accredited lead auditors ensure that all operations maintain the standard, adopt, and share best practices and innovation across our ICs. Our EHS Council monitors and measures compliance with corporate procedures. Major supply chain contractors and subcontractors are audited before awarding any contracts to ensure that safety standards are maintained throughout the contract duration. In addition to this, the EHS Council audits each IC on the implementation of procedures. L&T's safety management systems across the business are also supported by internally developed Safe Operating Procedures (SOPs), which are fully endorsed by the L&T EHS Council. It is important that every business, through their Safety Management Systems (SMSs) sets targets and objectives to achieve the Zero Harm goal. The business undertakes a risk-based approach to all activities auditors, ensuring that the standards are being maintained, and identification and sharing of best practices and innovation, particularly in digitalisation is implemented across all L&T businesses.





Emergence from COVID-19 Pandemic

L&T provided full vaccination cover for all workers and optionally extended the same to their families. Continued monitoring of workers across the business ensured the spread of the virus was controlled. L&T's Crisis Management Team (CMT) proactively continues to monitor and manage health and safety initiatives across businesses, facilities, and projects.

Apart from putting processes in place to maintain real-time communication, the continued use of AI to monitor our projects 24/7 to detect and prevent unsafe situations and behaviour has enabled real time reactions to risk analysis. Further, use of mobile safety apps are ensuring this type of real-time reaction and compliance, further improving our compliance without the need for delayed direct interaction. Search engines provide direct access to doctors and medical facilities through mobiles.

Digitalisation in Health and Safety

Artificial Intelligence (AI) is being used as a prominent solution for the identification and prevention of unsafe acts and conditions, while further enhancing our Building Information Modeling (BIM) in Safety. We plan to increase the use of 3D models in more construction sites for scaffold erection and dismantling and introduce more VR modules. In remote places, the use of drones has been applied to identify safety hazards, without the necessity of putting people at risk. Continued focus on digitalisation allows us to move further to the 'Connected EHS Manager' and the 'Connected Workman' as we continue to push boundaries and standards in safety to significantly improve our safety performance. We continue to develop VR-based training modules with digitalisation playing a critical role in the identification and reporting of unsafe acts/conditions. Specific training incident investigation allows us to fully understand the underlying causes and implement necessary steps to prevent re-occurrence. Further details of digital initiatives undertaken in health and safety have been covered in Intellectual Capital.

Behavioural-Based Safety & Well-being

The EHS Council has developed a Behavioural-Based Safety (BBS) Programme that is implemented across all businesses. External BBS providers such as DuPont continue to assist in further developing an integral safety culture in all our businesses at all levels and their understanding of risk. Introduction of the Safety Task Analysis Risk Reduction Talk (STARRT) Card and Hazard Identification Tool (HIT) Card have encouraged all employees to report hazards observed and ensure that action is taken.

L&T recognised the importance of mental wellbeing and undertook awareness campaigns and programmes for the same. Projects progressed to having counselling availability and personal wellbeing initiatives when working away from home.

Furthermore, climate change is not only affecting projects and their timely delivery but workers are also facing higher fatigue due to rising temperatures. Fatigue Mitigation Plans are implemented and enhanced with medical awareness and medical checks to lessen the impact on workers.

Safety and Organisational Culture

Every business organises several initiatives and campaigns to spread awareness of safety among our employees, workforce, and suppliers. L&T dedicates the first month of the year to Safety. Every year, a theme is agreed at the corporate level which supports the drive to Mission Zero harm. The theme for 2022 was **"Do it Right, Do it Safely, Do it every Day"**.

- The CEO & MD and the Executive Directors communicate the overall direction and priorities
- Fire Service Week: Prevent fires, prepare yourself, promote safety

- National Safety Week: Reinforce positive behaviour at the workplace to achieve safety and health goals
- Developing innovative programmes: Groom fresh Diploma Engineers to perform the role of EHS professionals
- Safety Awareness Programmes in specialised areas of tunnel, marine and launching girders in our metro, transportation, and special bridges business units

During the Safety Month, cross-functional safety audits, along with 'train-the-trainer' programmes are conducted. The objective is to progressively ramp up site-based safety capabilities. We recognise the efforts of individuals for their contributions to safety across projects through various rewards and recognition schemes.

Safety training

In line with L&T's progressive safety initiatives and innovations, a comprehensive safety training programme has been developed to enhance safety awareness for all employees. Training modules have been developed into online sessions, with both internal and external faculty.

Projects undertake specific training and apply the 'Lifetime Learning' approach where specific workers can undertake and be trained in a specific area. Virtual Reality training modules for our workmen across the board give a new dynamic to safety training. To overcome any disabilities or language difficulties, our training includes interactive tests and sessions where a 3D screen and AI provide attendees with the opportunity to apply and test their learnings from the interactions.



On-site safety training through 'Induction Vans'



SOCIAL AND RELATIONSHIP CAPITAL

L&T strives to promote initiatives that enhance the quality of life for communities in and around the areas where the Company operates. L&T has been working towards the social and economic development of communities around its premises and at various locations across the country long before the CSR section was introduced in the Companies Act 2013. Building on over eight decades of social responsibility activities, the Company has a well-entrenched CSR programme that contributes to inclusive growth by empowering communities and accelerating development through interventions in water and sanitation, health, education, and skill development.



KEY HIGHLIGHTS OF FY 2021-22

1.13 Mn

LIVES BENEFITED THROUGH OUR COMMUNITY DEVELOPMENT PROGRAMMES

STRATEGIES IMPACTED

SO-II

SO-V

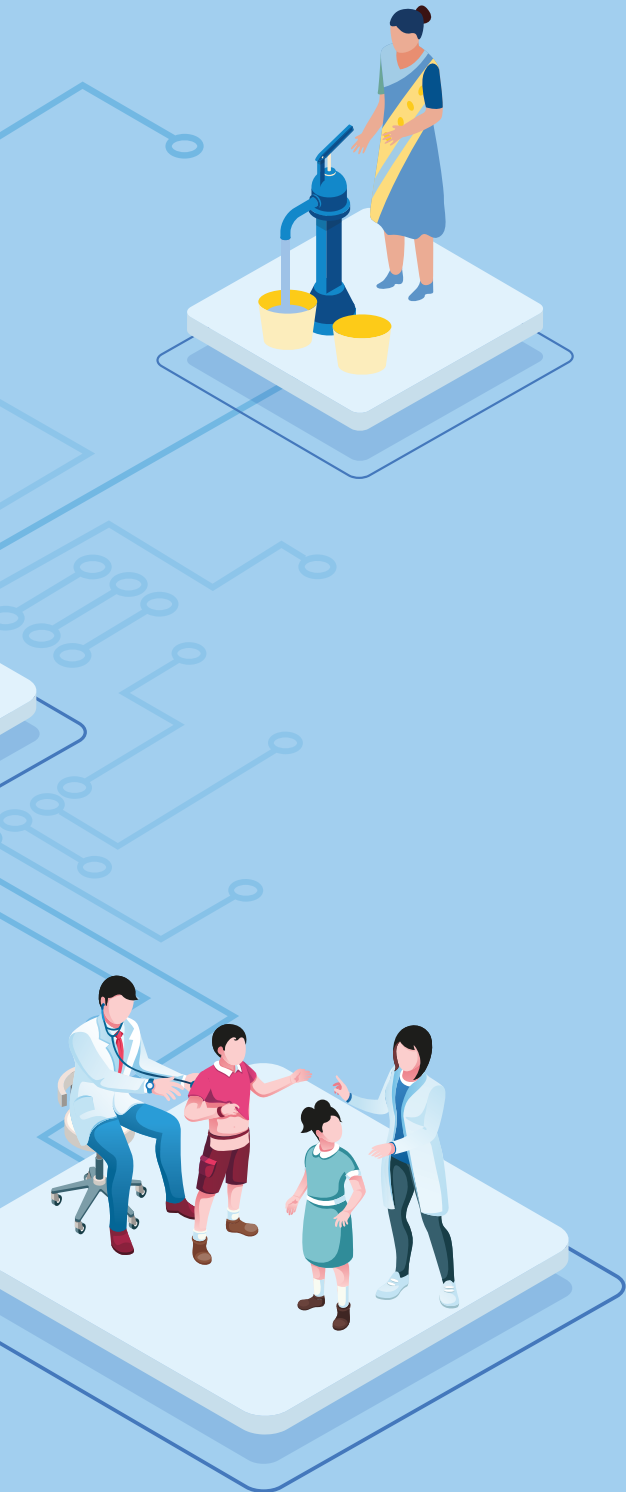
SE-2

SDGs IMPACTED



KEY MATERIAL ISSUES IMPACTED

- Customer Experience and Satisfaction
- Corporate Governance
- Business Ethics
- Employee & Workforce Engagement, Wellbeing, Health & Safety
- Human Rights and Labour Conditions
- Sustainable Supply Chain
- Diversity, Inclusion & Equal Opportunity
- Brand Management
- Social Engagement and Impact



SOCIAL CAPITAL

Input Metrics

₹1.36 Bn
CSR Spend

45
CSR Partners

48,168
New suppliers and contractors

2,615
MSME suppliers

Output Metrics

1.13 Mn
CSR beneficiaries

510,781
Vendors, subcontractors and workers trained

₹54.4 Bn
Contribution to exchequer



The activities are brought under the CSR theme 'Building India's Social Infrastructure' to bring about impactful and long-lasting social change.

Building India's Social Infrastructure

L&T aims to improve the quality of life, mitigate social inequalities, build self-sufficiency, and help individuals achieve their true potential in the identified communities.

Water and Sanitation



162,341
Lives Impacted

Education



260,295
Lives Impacted

Health



690,321
Lives Impacted

Skill Development



14,587
Lives Impacted

Drivers of CSR Interventions

- 1. Corporate CSR Team:** L&T has dedicated CSR teams at the Corporate level, committed to maximising social impact. The Corporate CSR team acts under the guidance and framework approved by the CSR committee of the Board. They devise, execute, and monitor CSR programmes, either directly or in partnership with NGOs.
- 2. CSR coordinator and teams at campuses, area offices, and sites:** Area offices and campus teams perform need-assessment, identify local projects and NGO partners, implement and monitor the projects – providing support in achieving stated CSR goals.
- 3. L&T's Health Centres:** L&T's multi-specialty Health Centres and their professional staff are equipped to provide outpatient and tertiary health services by reaching out to the underprivileged communities and making health care accessible and affordable to them.
- 4. Prayas Trust:** Run by the female spouses of employees and women employees to provide services to the underprivileged sections of society located around various L&T facilities.
- 5. Volunteers:** L&T-eeering, the Company's structured employee volunteering programme enables and encourages employees to participate in community development activities. Volunteers invest their time in programmes that benefit underprivileged communities.

6. L&T Public Charitable Trust (LTPCT): Established in 2004, LTPCT has been undertaking projects to facilitate sustainable development of society through initiatives in the realms of vocational training, water management, holistic development of children and healthcare in the marginalised communities. Employees' contribution and management grant from L&T have made the institution a not-for-profit entity within the conglomerate. LTPCT benefits from the support and in-house expertise of various L&T companies to design and deliver its programmes for the community.

L&T's COVID-19 Care

L&T was at the forefront of responding to the COVID-19 threat, with prevention and treatment related initiatives for affected individuals. The Company supported the Government's efforts during the pandemic by strengthening health infrastructure, providing preventive gear and supplies for frontline workers, as well as donating testing, diagnostic, and treatment equipment.

L&T reached out to 10 states in India and contributed around ₹ 337.7 Mn for COVID-19 Relief.

Personal Protective Equipment

PPE Kits, Ply Masks

Hospital Equipment

32 oxygen generators, over 1,750 bedside ventilators, mobile x-ray units, ambulances, portable laboratories, thermal scanners, pulse oximeters, High Flow Heated Respiratory Humidifier and Cannula, Fowler beds, and CPAP machines

Integrated Community Development Programme

The Integrated Community Development Programme (ICDP) of L&T started in FY 2014-15 to improve the availability of water. Two projects in Tamil Nadu have been handed over to people's institutions for sustaining the work initiated by the project.

Rajasthan, Maharashtra and Tamil Nadu

States covered

23,907

Households covered

36,181 ha

Area covered

The ICDP starts from need assessment of the location and follows a systematic community organisation strategy. These include mobilising people around the problem, forming village development and monitoring committees, creating awareness about saving water, building civil infrastructure to help water and soil conservation, ensuring its maintenance by the community, providing sanitation facilities with people's contribution in terms of labour, encouraging climate resilient and sustainable agricultural practices and building capabilities of the local people to use the resources judiciously.



Infrastructure

As a part of the intervention, structures like check dams, anicuts, contour trenches, farm bunds and farm ponds were constructed with participation from the community. These structures, along with other sustainable agricultural practices, helped increase the water level in water bodies, and retained soil moisture.

Water Resource Development through Farm Ponds

Interventions: Construction of farm ponds, Well cleaning, lining and parapet construction

Area: Nagzari and Chambharwadi village in Jalana district of Maharashtra

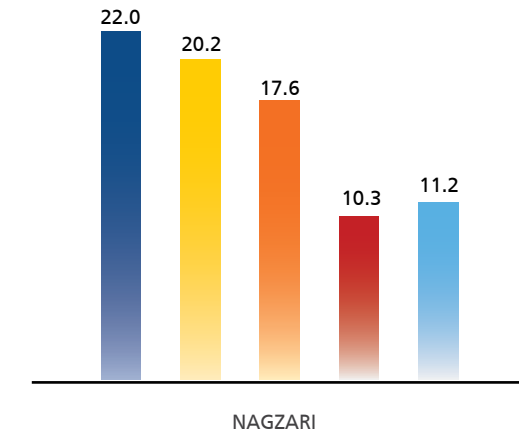
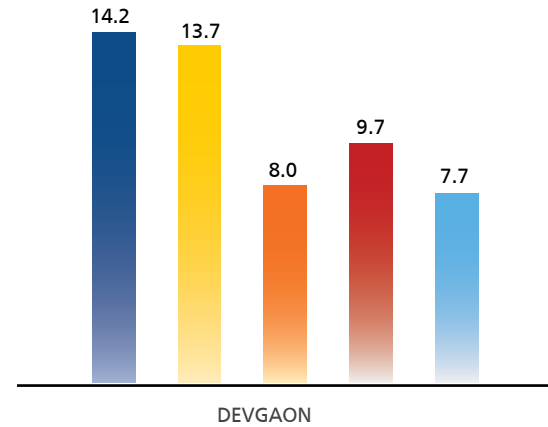
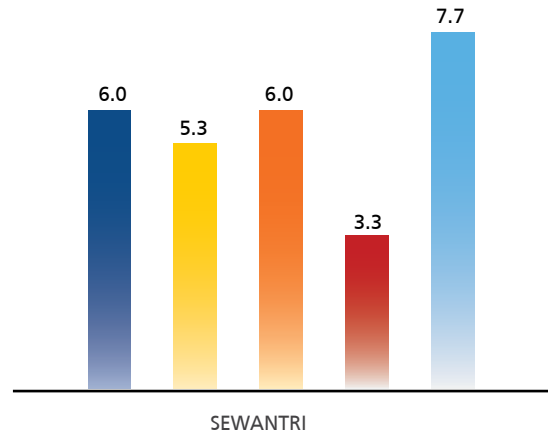
487 households in Sewantri benefitted

Storage capacity: 46.19 lac litres

The depth of water from land surface has increased in Sewantri due to 43% less than average rainfall in FY 2021-22, as indicated in the graphs alongside.

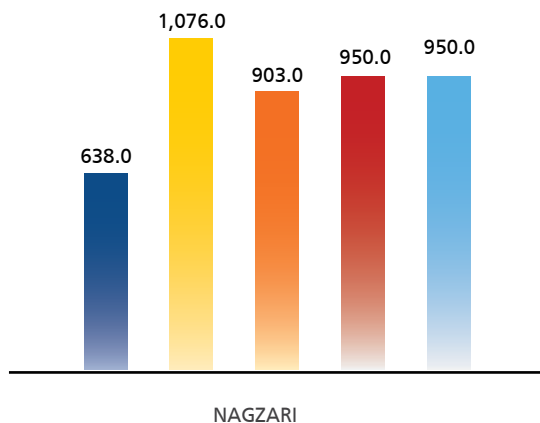
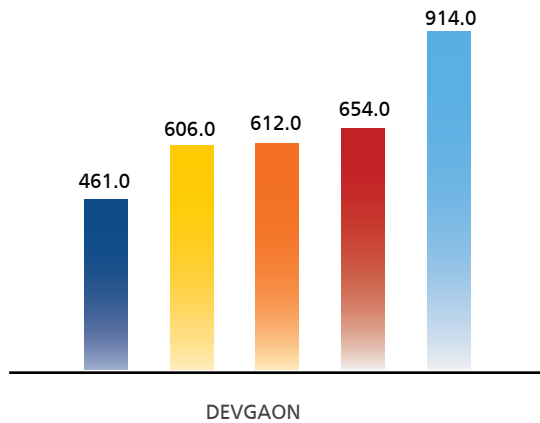
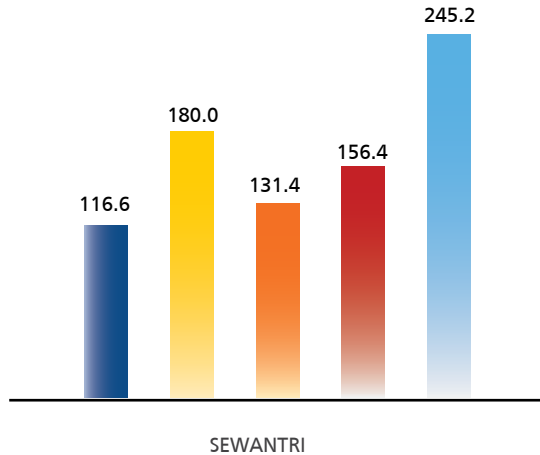


Depth of water from land surface (metre)



■ Baseline ■ Target ■ FY 2019-20
 ■ FY 2020-21 ■ FY 2021-22

Increase in Irrigated Area (ha)



■ Baseline ■ Target ■ FY 2019-20
 ■ FY 2020-21 ■ FY 2021-22

Changing the financial landscape of a village

Name: Hassan Pathan

Location: Georai Marda village, Devgaon, Aurangabad, Maharashtra

Demography: 473 individuals with 90 households

Problem: Dependent on rain-fed farming, and irrigation from open wells, allowing the farmers to cultivate a single crop every year

Intervention: Civil interventions like farm bunding, farm ponds, ravine deepening

Impact: Groundwater recharge, improved crop yield, annual income of ₹ 54,250 cultivation of 2 crops

500+ farmers

Overall beneficiaries in the region

Water Distribution System

To provide water security to all beneficiary families, water distribution schemes are introduced. The households are provided with adequate piped water supply within or nearby the household premises to relieve women and girls from the drudgery of fetching water.

Capacity Building

In all the ICDP locations, the communities were trained to facilitate optimum, equitable, and efficient water use and implement other agricultural methods and technology to increase the yield. Farmers were trained in agricultural practices that required minimum use of water along with techniques to prepare low-cost organic manures that retain the land's fertility.



Promoting sustainable and climate resilient agriculture: This intervention is aimed at reducing the input cost of crops and increasing the yield by promoting organic methods of cultivation.

Region: Devgaon, Jalna District, Maharashtra

Overall impact in the region:

Savings on cost of fertilizers by 30-35%

120 Farmers benefitted

Savings of ₹300-400 a week through the sale of organic vegetables



Cultivating rewarding agricultural practices

Name: Jaydeep Ramrao Rathod

Location: Devgaon Tanda, Maharashtra

Challenge: Usage of chemical fertilisers, huge cost, adverse effect on land fertility

Intervention: Promotion of multilayer farming, farmer training and demonstration of organic farming under the guidance of Project Agronomists

Impact: Increase in harvest and income of the family, 13 quintals of wheat, priced at ₹ 4,000/quintal



Enhancing Nutrition

Under this component, women were given good quality seeds of indigenous species of vegetables. They were encouraged to grow a kitchen garden that provided fresh, nutritious, and organic food to the household to meet their daily nutritional needs. During FY 2021-2022, 150 households benefitted through kitchen gardens.

Sowing the seeds of positive change

Location: Sewantri, Rajasthan

Challenge: Low-Income generation due to bad quality of seeds

Intervention: Social interventions like providing good quality indigenous seeds

Impact: In FY 2021-22, 150 households benefitted, the yield increased from 4.4 quintals/ha to 6.74 quintals/ha and the average household income has increased from ₹6,006 to ₹19,808



Institution Building and Sustainability

Community groups like Village Development Committees (VDCs) with 50% participation from women, Farmers' groups, and Self-Help Groups (SHGs) were created.

COVID-19 Vaccination: Awareness generation and vaccination through SHGs using audio/ video messages on social media.

Result: Vaccination of 1,347 people

Making hay whether the Sun shines or not

Location: Alamgaon Village, Nagzari, Maharashtra

Demography: 272 households, Population: 1,558

Intervention: Training and awareness on climate resilient agricultural practices

Impact: The formation and capacity building of Village Development Committees (VDCs) and other village institutes for governance. Federation of SHGs led to the process of forming Farmer Producer Group and selling of farm produce at fair prices with the support of Government schemes. Farmer Producer Group [Swarajya Shetkari] initiated on September 30, 2020 with a membership of 300 people.

Paradigm shift in gender perspective through women leadership

Selection of a woman candidate as President in Village Development Committee. This paradigm shift brought confidence among women and empowered them to make decisions.

Empowering women through SHGs and capacity Building

Region: Sewantri, Rajasthan

No of SHGs: 78

No of participants: 1,254 women

Role of SHGs: Better access to savings and credit facilities for income generation, provide loans to their members for health, education, and livelihood, provide women with a firm base for dialogue with credit institutes and banks.

Intervention: Training in financial and digital literacy, SHG processes and functioning, menstrual hygiene, maternal care and reproductive health; 208 community meetings conducted

Gross Savings: ₹1,895,125

Impact:

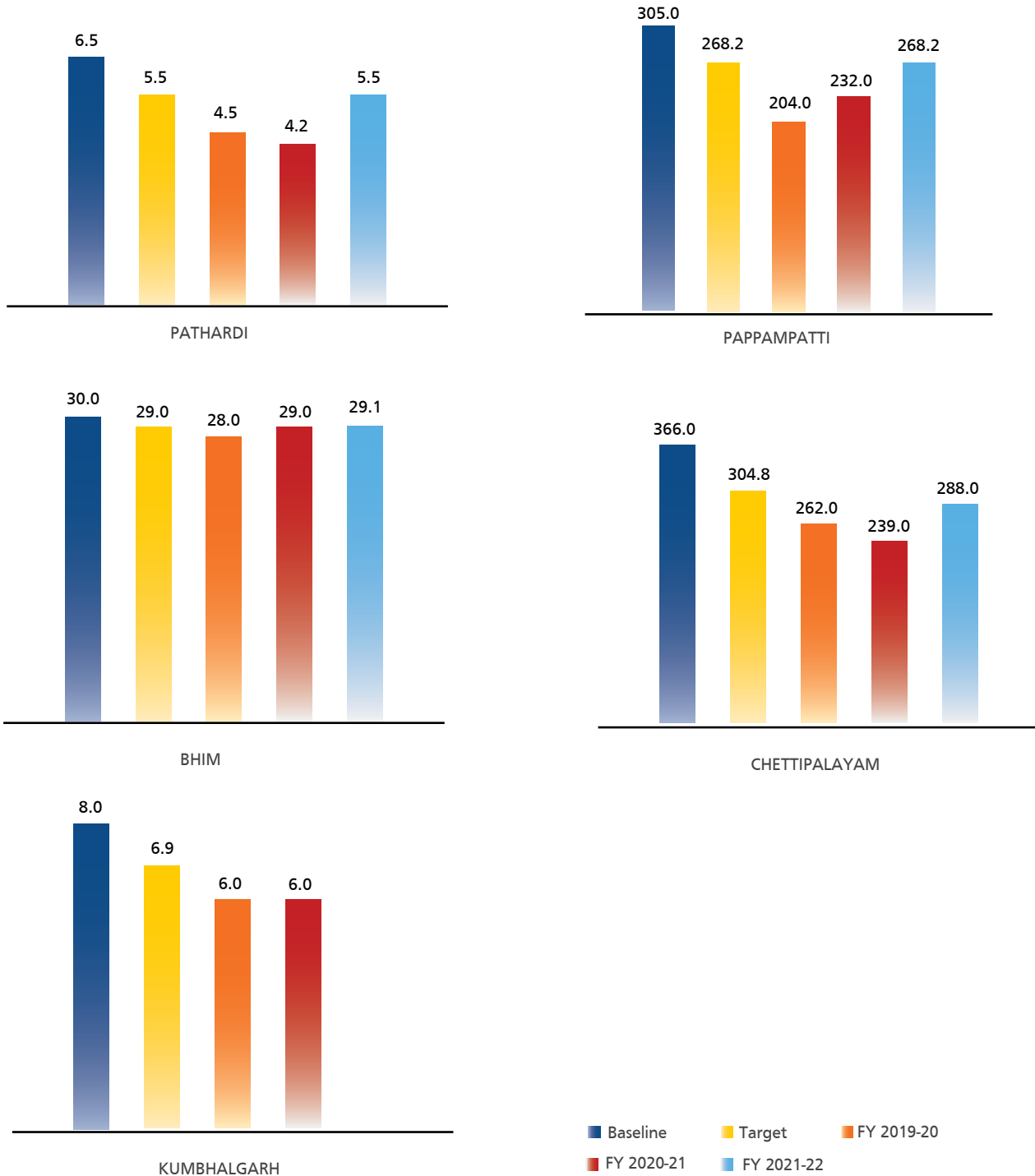
- 46 SHGs linked with banks and total of ₹7.6 Mn worth loans mobilised by the SHGs
- 15 Pashu Sakhis developed to cater to the health of goats
- 435 women engaged in vegetable cultivation, packaging and selling in local markets; 678 engaged in goatry; 27 women earning through purchase of buffaloes and sale of milk
- 78 micro enterprises set up for individual or small groups of women like grocery stores, flour mills, beauty parlours, sewing and tailoring, etc.
- 70 SHGs have more than ₹3.5 Mn as total savings



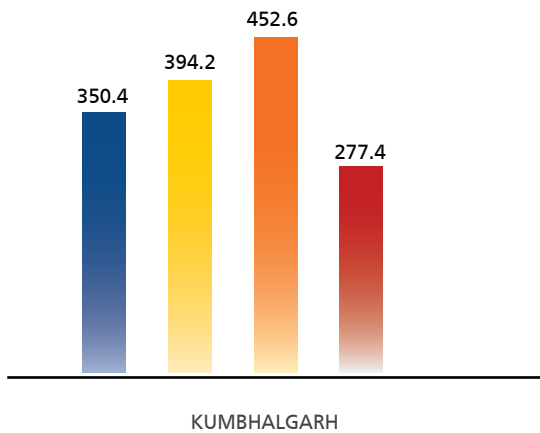
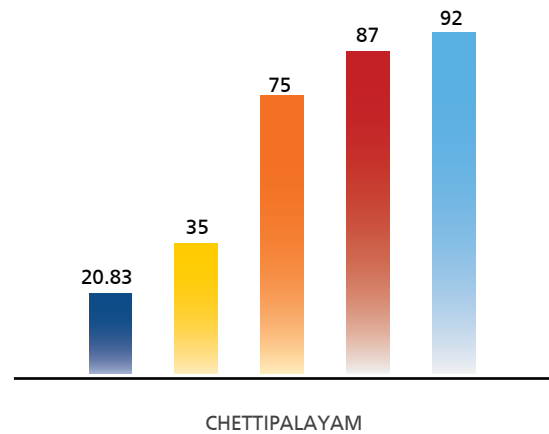
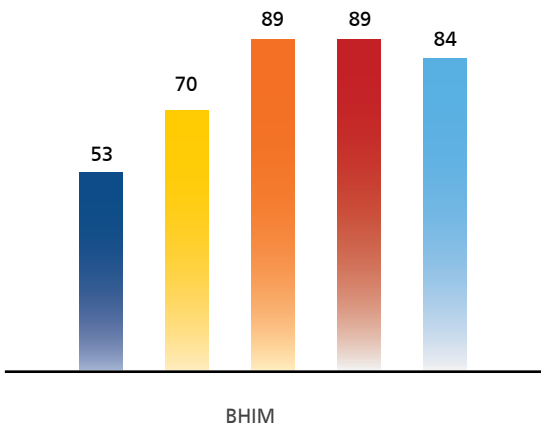
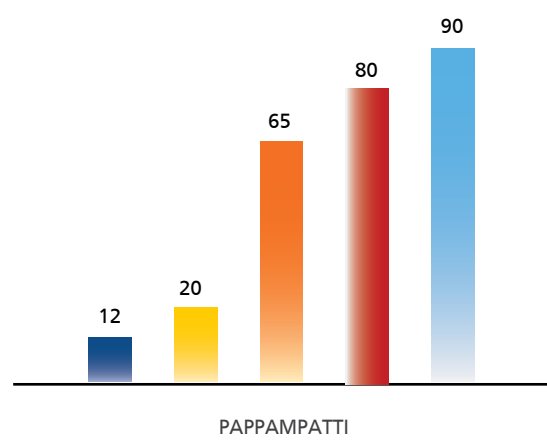
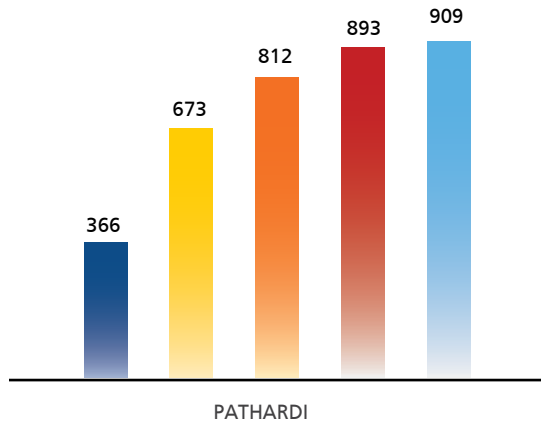
Impact Indicators

The impact of the ICDP projects that were initiated in 2014 and completed in 2020 is sustained and visible this year by either the same/increased level of water in the wells, and area of irrigated land; which is shown in the following ICDP sustainable graphs.

Depth of water from land surface (metre)



Increase in Irrigated Area (ha)



■ Baseline
 ■ Target
 ■ FY 2019-20
■ FY 2020-21
 ■ FY 2021-22

Highlights of ICDP programme in three new locations as follows:

Coverage under ICDP in three new locations: Devgaon, Nagzari and Sewantri	
Households covered	5,345
Area of land under the project area	10,074 ha
Population	25,208
FY 2022	
Water Availability	
Increase in water table level	8.88 m
Percentage of household with drinking water	77%
Agriculture	
No. of crop demonstrations	65
Area protected from Direct Run-off	3471.54 ha
Increase in area under cultivation / irrigation	53%
Fallow land converted to agriculture land	190.51 ha
Area under horticulture	43%
Health and Nutrition	
No. of kitchen gardens	539
No. of children in Balwadis supported	241
Livestock Livelihood	
No. of veterinary camps	26
Pastureland area under protection	19 ha
Institution Building	
No. of self-help groups (SHGs) active	213
SHG Savings fund created for inter-lending	₹6.57 Mn
No. of farmers groups formed	26
Capacity Building	
No. of farmers attended farm-field trainings	408
Training on subjects	<ul style="list-style-type: none"> • Water budgeting • Improved Kharif and Rabi cropping • Horticulture wadi development • Zero-budget natural farming • Best practices on grains, pulse, vegetable nursery and fruit orchards. • Seed treatment • Formation and strengthening of community organisation

162,413

Lives touched through our water and sanitation interventions



Enhancing quality of life

L&T continued to support interventions that aimed at enhancement of education and health services in the same locations to further improve the quality of people's lives.

Institutionalising Community Learning Resource centres

Opening a Community Learning Resource centre has been one of the key interventions of Saajhi Shikshas' after COVID-19. The project, in collaboration with the Rajasthan State Commission for Protection of Child Rights, launched a helpline number in the name of 'UMEED' to provide psycho-social care to the children and parents of the community. With the aim of reducing mental stress and providing proper psychological care, the project team linked children and parents on the UMEED helpline platform. In the initial six months of FY 2022, about 300+ parents and children have been able to connect and benefit from the UMEED helpline.



Restoring health of children

Under Nutrition and Health care, the project has initiated work with 10 balwadis at Sewantri in Rajasthan. Through these Balwadis, 241 (121 girls, 120 boys) children were able to get effective care, nutrition, and pre-school education. Due to access to quality nutrition, all severely malnourished children have recovered, and their health has improved.

EDUCATION

L&T's education programmes are the key to promoting social upliftment and inclusive development in the country. The Company has undertaken a variety of initiatives to provide infrastructure to schools that lack adequate resources. It also strives to improve the quality of instruction and learning for the children.

Saajhi Shiksha

Aim: Inclusive and quality education for marginalised children aged between 3-18 years

Location: Bhim Block, Rajsamand, Rajasthan,

Impact: Implemented in 19 schools and six Anganwadi Centres.

Intervention: Establish Learning Resource Centres to support the learning continuity of children

Impact: Engagement with 263 children through a team of community volunteers, three new Learning Resource Centres launched, 105 children were freshly enrolled, 16,384 library books checked out from these centres

During and after COVID-19 pandemic

Once the schools reopened, most of our education projects initiated a blended approach of teaching and learning, where both offline and online classes were conducted. With this approach, children coming to school and those who preferred to stay at home, were both covered.

'Engineering Futures'- L&T's STEM Education Programme

Since 2019, L&T has introduced a STEM (Science Technology Engineering Math) Education Project called 'Engineering Futures' (EF). Operating in resource-poor Government schools around four campus areas in Vadodara, Hazira, Chennai and Faridabad. This programme helps teach Science and Math through hands-on models and digital content for better comprehension, while encouraging curiosity and scientific rigour among the students of these schools. Each school is equipped with a computer centre as a dynamic educational laboratory that builds the capacity of teachers to utilise technology and empowers students with practical digital literacy skills.

Community-level STEM Model-making sessions: The project team carried resources on field and conducted STEM model-making sessions with students. 2,294 students from four locations who did not have proper internet connection/smartphones were reached out. All the models were aligned with the online classes going on in Science and Math.

The Library Programme was implemented in the community to ensure that the children get access to quality reading material in various languages namely, Marathi, Hindi, and English. During the pandemic, e-books were distributed, followed with the physical distribution of books in the community and creating library groups, containing 5-6 children. The staff also conducted learning activities to improve the learning outcomes of children.



260,295

beneficiaries through our education interventions this year



HEALTH

The Company set up its first Health Centre at Andheri in Mumbai in 1967. At present, L&T has ten Community Health Centres operational at Chennai, Kattupalli, Coimbatore, Thane, Lonavala, Surat, Vadodara, and three Centres in Mumbai. Additionally, L&T also runs artificial kidney dialysis clinics for the underprivileged at its Health Centres in Mumbai, Thane, Vadodara, Surat, and Chennai. L&T Mumbai's Anti-Retroviral Therapy (ART) centre conducts HIV/AIDS awareness camps, provides medical support along with therapy, counselling, and testing. Comprehensive TB related treatment is provided in Mumbai including individualised treatment OPD, check-up, diagnostics, medicines and nutrition support, home visits and counselling. The Health Centre in Mumbai provides infertility treatment services free of cost for the underprivileged communities. The Company also has a well-equipped child guidance clinic in Mumbai in addition to parent counselling. Major services offered are:

Community Health Centre	Mobile Medical Unit
✓ Consultation services; OPD care	✓ Primary health / medical care at the doorstep
✓ Low risk and specialised surgical services	✓ Health education and promotion
✓ Intensive Care Unit	✓ Geriatric care
✓ Day care and inter-patient department	✓ Counselling
✓ Diagnostic services	✓ Reaching out to unreached population /linking them to other health services
✓ Dialysis services	
✓ Health promotion and camps	

Case Study

Breast Cancer Brigade Project (BCB) in Kannur, Kerala

- Initiated in the year 2016-17 by Malabar Cancer Care Society
- Provided intensive training to 300 women volunteers this year in comprehensive Breast Cancer Control
- Model for moulding a healthy community of women population

- Specialised free breast examination clinics organised at three locations at Kannur
- Conducted 183 free specialised clinics for women reported to have symptoms based on BSE (Breast Self-Examination) and recommended necessary cases for Mammography test
- Conducted four village-level specialised camps involving Mobile Tele-Medicine unit with facilities of Mammogram, USG, X-ray, Laboratory, etc.
- **5,515** women benefitted



Health camps held at remand homes and orphanages



Through Blood donation camps, 18,474 blood units were donated to various blood banks across L&T locations.



Covid Vaccination camps were also held at three health centres with public private partnership model benefitting 47,910 beneficiaries

SKILL DEVELOPMENT

In L&T's endeavour to achieve inclusive growth, it provides vocational training courses and other skill building activities to provide uneducated youth with wage-earning skills. L&T's Construction Skills Training Institutes (CSTIs) in different parts of the country, provide free-of-cost training in skills like bar bending, formwork carpentry, masonry, scaffolding, welding, and electrical wiring, etc., to rural and urban youth. With an emphasis on technology and innovation, new technology-based skill-training courses are introduced in Solar PV Technician skills, OFC & CCTV installation and maintenance. Training programmes are conducted at nine CSTIs operational at Kancheepuram and Pulicat in Tamil Nadu, Panvel in Maharashtra, Pilkhuwa in Uttar Pradesh, Jadcherla in Telangana, Cuttack in Orissa, Attibelle in Karnataka, Chacharwadi in Gujarat and Serampore in West Bengal.

Industry-oriented training: L&T has collaborated with 27 Industrial Training Institutes (ITIs) across the country.

Empowering the differently-abled: L&T's 'Project Neev' initiative enriches the lives of the differently-abled by offering specially-designed training programmes.



6,897

youth completed various courses at L&T's CSTIs

63%

of enrollees were employed

Vocational training for women: L&T introduced vocational training programmes in the areas of tailoring, beautician skills, home-nursing and food processing for women from underprivileged communities.

14,587

rural and urban youth, along with women and physically challenged persons from underprivileged communities, are being imparted skills that will improve their employability

Farmer's son to Site Supervisor

Name: Mr. Somnath

Challenge: Could not pursue higher education due to financial difficulties

Intervention: Introduced to CSTI for 3 Months

Impact: Presently appointed as Site Supervisor of rebars with a salary of ₹18,000+



L&T-eering: Employee volunteering initiative

L&T-eers continued to engage with children and youth through virtual means – teaching, mentoring, reading out stories, building life skills, conducting educational quizzes, support with sessions on psycho-social care and awareness sessions on environment, sanitation, safety and other issues. L&T-eers worked towards mentoring 6th-8th grade children in rural schools to create Science Technology Engineering Math (STEM) models for state level competitions. Several environment related activities included tree plantations, cleanliness drives and creation of artificial nest boxes installed at public gardens and parks were undertaken. Blood donation is part of the L&T heritage and this year **18,474** units of blood was donated.

4,900

L&T-ites volunteered to reach more than 12,800 people, clocking more than 37,119 volunteering hours.

Multi Skilling Training Centre (MSTC) at Vizag

MSTC is a skill-building Centre established by L&T under its CSR initiatives for actively bridging the gap between vocational education and industry needs. The centre helps in improving the employability of fresh ITI technicians, by providing structured skill training by L&T qualified trainers.

In FY 2021-22, the centre has had 125 students and successfully provided basic training to 74 unique beneficiaries of which 34 are women (46%). While out of the 51 advance batch trainees, 23 (45%) got placed with various employers.

Case Study

Self-employment thought Self-development

Name: Initiative DAWN

Location: Kolkata

Impact: Encouraging self-employment among women by introducing various skill development programmes like tailoring, embroidery etc.

RELATIONSHIP CAPITAL

We have always laid emphasis on building enduring bonds of trust with our stakeholders. These include customers, shareholders, employees, bankers, business partners, Central and State Governments and the communities we interact with. We believe that enduring relationships with all stakeholders provide us with insights that help us review and progressively refine our strategies to create long-term value for all.



Shareholders and investors

We follow a policy of engaging with all stakeholders regularly and keep them informed of evolving developments in the organisation. Our objective is to gain insights into their perspectives, get clarity on ‘pain points’ and craft the way forward collaboratively. Our institutional investors include:

Investors	Sum of % Equity
LIC	11.9
GIC Singapore	2.5
HDFC Mutual Fund	2.3
NPS Trust (India)	1.8
ICICI Prudential Mutual Fund	1.8
Fidelity Investments	1.8
GIC India	1.7
SBI Mutual Fund	1.6
ICICI Prudential Life Insurance	1.3
Kotak Mutual Fund	1.2
Franklin Mutual Fund	1.0
SBI Life Insurance	1.0
Nippon Mutual Fund	1.0

₹1,019 Bn

Value distributed in FY 2021-22

Customers

Our constant endeavour is to provide our customers with a superior experience at every stage of their association with us. Innovation – across products, projects, processes and customer servicing – enables us to create value that can set a benchmark for the industry to emulate. Some of our major clients include State and Central Government departments, ministries, and local municipal bodies as well. We engage with our customers regularly through various modes of communication to get their feedback and suggestions and understand their requirements. Our Customer Satisfaction Score is 89% during FY 2021-2022. Further details have also been provided in BRSR Principle 4-Q2 and Principle 9.

Suppliers and contractors

At L&T, our focus is on maintaining and enhancing our relationships with suppliers, contractors and service providers to drive mutual growth. These include raw material vendors, machine suppliers and contract workers. We engage with them regularly through partner meets. We have established an e-procurement model for paperless buying and an e-tendering system is used for information flow and reverse auctioning. We trained more than 5 lakh vendors, dealers, sub-contractors and workers in FY 2021-2022.

Our Code of Conduct has been revamped and includes compliance with environmental regulations, health and safety, labour practices, human rights, ethical behaviour and transparency in business processes. As at March 31, 2022, around 65,000 vendors have signed the Code of Conduct (CoC). Suppliers are assessed based on their environment and social performance during vendor registration and on-boarding. Further details have also been covered in BRSR Principle 5 and 6.

Government

We work closely with the Government of India as well as local governments during the regular course of our operations. We abide by the laws of the land and compliance is non-negotiable. With several international associations, we participate in national and international policy formulation and economic forums. We also participate in several Government schemes to help enhance the lives of the communities we work with.

Major Government programmes we are associated with:

Make in India	Swachh Bharat Abhiyan	National Health Mission	National Skill Development Mission
<ul style="list-style-type: none"> Local sourcing of products and services Our Defence Engineering business collaborates extensively with the Government In FY 2022, we have sourced materials from 2,615 MSME suppliers 	<ul style="list-style-type: none"> 3,611 household toilets constructed under ICDP from 2017-18 using local skills and materials 855 school toilets constructed from 2015-16 27,000+ children trained in using toilets, cleanliness and hygiene from 2015-16 Community-based monitoring committees ensured that these villages became open defecation free Swajal Yojana under Rural Development Ministry: Water shed development programme under ICDP National Rural Livelihood Mission (NRLM): SHG programme under ICDP Pradhan Mantri Krishi Sinchayee Yojana: Accelerated Irrigation Benefit Programme- Drip irrigation in ICDP 	<ul style="list-style-type: none"> National AIDS Control Programme (NACP), L&T ART centre at Andheri Revised National TB Control Programme (RNTCP) at L&T TB Centre at Andheri National Family planning Programme: Contraceptive services made available at L&T Health Centres Integrated Child Development scheme: Improving quality of services at Anganwadi and capacity building of anganwadi workers 	<ul style="list-style-type: none"> National Skill Development Mission- L&T CSTI and Skill Development Academy (SDA) at Madh Sarva Shiksha Abhiyan(SSA) – Community pre school programmes and community learning centres preventing dropouts and ensuring enrolment STEM Initiative of National Science and Technology Communication Council and the Department of Science and Technology, Government of India- STEM Education Programme-Engineering Futures

Interventions during the year include:

National Smart Cities Mission	Aerospace
<p>The Smart World & Communication business leverages its technical prowess to solve problems through smart, scalable solutions for security, urban services, traffic, transportation, utilities and digital connectivity.</p> <ol style="list-style-type: none"> Hyderabad City Surveillance and ITMS project Vizag Smart City Prayagraj Smart City Mumbai City Surveillance Raipur Smart City Moradabad Smart City Patna Smart City Jhansi Smart City BBNL (Bharat Broadband Network) Bharat Net Project [High speed internet connectivity in rural Maharashtra] JHARNET 2.0 (Government of Jharkhand) Early Warning Dissemination System (EWDS) helped Odisha and Andhra Pradesh Governments during Cyclone Yaas 	<p>Manufacturing shops for space launch vehicles at Powai and Coimbatore</p>

FINANCIAL CAPITAL

L&T's financial capital helps it create a solid foundation. The Company has created a strong balance sheet with strong linkages to economic growth that can help India reduce external dependencies and enhance self-reliance. L&T has judiciously managed its capital structure, helping the Company to counter risks effectively. Despite the size of its business, L&T has been able to maintain growth. Financial prudence has helped the Company navigate its way through the challenging period of the COVID-19 pandemic.



KEY HIGHLIGHTS OF FY 2021-22

28%¹
PAT GROWTH

62%
INTERNATIONAL ORDER INFLOW GROWTH

STRATEGIES IMPACTED

SO-I

SO-II

SO-III

SO-IV

SO-V

SE-3

SDGs IMPACTED



KEY MATERIAL ISSUES IMPACTED

- Customer Experience and Satisfaction
- Corporate Governance
- Business Ethics
- Talent Management-Attraction, Retention & Development
- Climate Action
- Data Security, Privacy, and Cyber Security
- Quality of Products and Project Delivery
- Brand Management
- Social Engagement & Impact

¹ Excluding Exceptional items and Discontinued operations

Input Metrics

₹3,155.67 Bn

Order Book

₹344.50 Bn

Net Current Assets

₹96.96 Bn

Net Fixed Assets³

0.3x

Gross Debt to Equity ratio

Output Metrics

₹1,010.00 Bn

Turnover

₹78.79 Bn

PAT²

₹30.91 Bn

Dividend⁴

12.23%

Return on Net worth



L&T's standalone financials reflect the performance of businesses like Infrastructure, Hydrocarbon, Power, Heavy Engineering, Defence Engineering and others. The 'others' segment consists of Realty, Construction & Mining Machinery, Rubber Processing Machinery, Smart World & Communication and Digital Businesses. During the financial year, L&T Hydrocarbon Engineering Limited, a wholly-owned subsidiary company was merged with the Company pursuant to approval of the Scheme of Arrangement from National Company Law Tribunal, Mumbai Bench (NCLT) with the appointed date of April 1, 2021. Financials for FY 2021-22 are consequent to the merger and previous year's figures have accordingly been regrouped.



Key highlights of FY 2021-22:

- Order Inflow achieved, basis robust growth in international orders ~62%.
- Revenue growth of 16% reflects progress achieved on execution of robust Order Book.
- PAT from continuing operations (excluding exceptional items) registered a substantial growth of 28%. Besides revenue growth, higher dividend from Subsidiaries coupled with lower interest cost on reduced borrowings, facilitated the growth.
- The margin remains stable notwithstanding the headwinds faced from increasing commodity prices.
- The Board of Directors has recommended a final dividend of ₹22 per equity share for the approval of shareholders - an increase of 22% per share over the previous year.

² Including Exceptional item

³ Including ROU assets

⁴ For FY 2021-22

Economic value generated and distributed⁵ [in ₹ Bn]

Value Generated



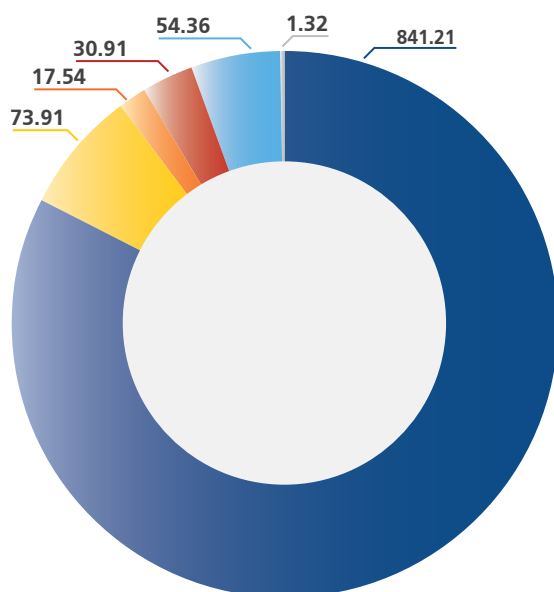
FY 2021-22
1,061.71



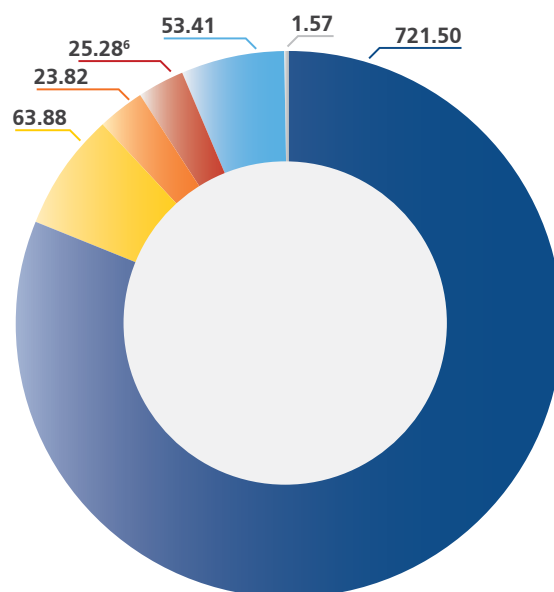
FY 2020-21
927.09

Value Distributed

FY 2021-22



FY 2020-21



■ Manufacturing, construction and operating expenses
■ Dividend

■ Employee wages and benefits
■ Payments to exchequer

■ Interest
■ Community investments (CSR spend)

Value Generated - Value Distributed = Value Retained



FY 2021-22
42.45



FY 2020-21
37.61

Description	2021-22	2020-21
Economic Value Generated	1061.71	927.09
Manufacturing, construction and operating expenses	841.21	721.50
Employee wages and benefits	73.91	63.88
Payments to providers of capital		
Interest	17.54	23.82
Dividend	30.91	25.28 ⁶
Payments to exchequer	54.36	53.41
Community investments (CSR spend)	1.32	1.57
Economic Value Retained	42.45	37.61




⁵ Excluding Exceptional items and Discontinued operations





⁶ FY 2020-21 excludes special dividend






SUSTAINABLE DEVELOPMENT GOALS (SDGs)






SDGs define global priorities and aspirations for 2030, with objectives to achieve conservation and ecological balance.

The following demonstrate our alignment with SDGs and our initiatives towards climate change mitigation, environmental conservation and corporate social responsibility.

Goals	Initiatives	Page number(s)
 <p>End poverty in all its forms</p>	<ul style="list-style-type: none"> – Skilling programmes for youth and migrant labour enables higher wage-earning capacity – Vocational, life skills training and job placements for skilled youth, women and differently-abled – Encouraging entrepreneurship among youth, women and differently-abled through training and promoting Self Help Groups (SHGs) – Increased agricultural income and multi-cropping due to water adequacy – Created agro-based livelihood, increasing household incomes – Formation of farmer’s groups and market linkages for better crop prices 	<p>148-157, 158-167, 168-177, 178-195</p>
 <p>End hunger, achieve food security, improve nutrition and sustainable agriculture</p>	<ul style="list-style-type: none"> – Training communities in better nutrition practices – Encouraging sustainable agricultural practices by use of zero budget natural farming, drip irrigation, indigenous pesticides, seed treatment, balanced dose of fertilisers, discouraging plantation of water-intensive crops, and introducing horticulture through farm field schools and demonstrations. – Nutrition awareness campaign and counselling for women, pre-school teachers and school children from the community – Addressing malnutrition among children by providing services related to education of mothers, prevention, early detection and treatment – Promoting low-cost backyard nutrition gardens and recipe demonstration in rural communities; training households in incorporating traditional millets and locally-available low-cost nutritive foods in everyday meals – Supplementary multi-vitamins / milk at Anganwadis / schools – Livestock management and training in dairy and poultry business – Provide food and ration in disasters and crisis situations 	<p>136-147, 178-195</p>
 <p>Ensure healthy lives and promote wellbeing of people of all ages</p>	<ul style="list-style-type: none"> – Multi-specialty community health centres providing access to maternal, family welfare, paediatric and general healthcare – Health centres offering mental health services, child- guidance clinic and counselling – Mobile health vans and camps for school children, women and elderly from underprivileged communities – Health awareness for adolescents – Care and counselling programmes for differently-abled children – Blood donation camps – Training of frontline healthcare workers – Infrastructure support to Anganwadis, PHCs and Hospitals – Integration with national health programmes – Health infrastructure strengthening during the COVID-19 pandemic – Welfare teams at the workplace 	<p>168-177, 178-195</p>

Goals	Initiatives	Page number(s)
 <p>Ensure inclusive and quality education, and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> – School infrastructure development for creating a conducive learning environment, including construction of school sanitation facilities – Making Government schools accessible by providing technology-enabled education (e-learning facilities) – Mini science centres and laboratories to develop interest in science subjects – Introducing and strengthening STEM (Science, Technology, Engineering and Math) Education programme in Government schools to unlock scientific and technological potential of children and encourage their curiosity, scientific vigour and creativity. – Teacher training programme to impart effective pedagogy – Enhancing curriculum and impacting classroom learning through nurturing talent – Promoting girl child education – Life skills and extra-curricular activities for overall development of students – Community-based learning centres with parental involvement to prevent dropouts and prepare children for Board exams – Specific interventions to integrate children at risk of dropping-out and out-of-school children into school – Prepare indigenous students for admission to various public schools – Mitigating digital divide by providing digitally-enabled devices to the underprivileged children or visiting students at their homes to provide study material in print form 	178-195
 <p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> – Making water available to doorstep and drudgery reduction initiatives – Awareness on women's health and menstrual hygiene – Toilet facilities in schools for girls – Motivate parents to encourage girls to participate in STEM activities and exposure visits – Creating livelihood opportunities and encouraging entrepreneurship among women through skill development, vocational training programmes and market linkages – Formation of women's Self-help Groups (SHGs), ensuring participation and decision making in village development and school management committees across villages 	168-177, 178-195
 <p>Ensure availability and sustainable water management and sanitation for all</p>	<ul style="list-style-type: none"> – Achieving water adequacy for drinking, sanitation and agriculture through watershed projects, as part of Integrated Community Development Programmes (ICDP) – Supplementing water bodies to increase ground water level with participation from communities – Constructing water harvesting structures with contribution from the community and ensuring their maintenance – Developing community-based groups like Village Development Committees and Farmers' Groups for maintaining the water structures, judicious use of common water resources and ensuring the villages remain open defecation-free – Demonstration of rainwater harvesting system in schools and households – Training Farmers' Groups in water estimation and budgeting, and to measure water levels and in GIS- based water management – Sanitation awareness campaigns followed with construction of household toilets and school toilets, to make rural India 'open-defecation-free' – Supporting Swachh Bharat Abhiyan 	136-147, 178-195
 <p>Ensure access to affordable, reliable, sustainable energy for all</p>	<ul style="list-style-type: none"> – Providing solar lamps to the underprivileged communities and with back-up for communities and schools – Increasing renewable energy use within campuses and project sites – Green products and services portfolio for customers – Promoting solar agricultural fences in villages – Promoting bio-gas plants 	136-147, 148-157

Goals	Initiatives	Page number(s)
 <p>Promote inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> – Employable skill training and placements for youth from underprivileged communities, physically and mentally-challenged persons – Construction Skills Training Institutes for skilling youth – Transform fresh ITI candidates to multi-skilled workers – Skilling youth through training institutes – Certified computer courses for students – Television and digital media workshops for youth empowerment – Empowering workforce through learning, development and welfare initiatives – Training rural youth in ethno-veterinary care and Natural Resource Management 	168-177, 178-195, 196-199
 <p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p>	<ul style="list-style-type: none"> – Embolden automation with focus on application for patents/Intellectual Property Rights (IPR) to inspire innovation – Resilient infrastructure creation and sustainable industrialisation for our clients, through our offerings – i.e. green product and service portfolio – Focus on ‘Make in India’ initiatives to create employment opportunities and import substitution 	148-157, 158-167, 196-199
 <p>Reduce inequality within and among countries</p>	<ul style="list-style-type: none"> – Merit-based hiring with emphasis on equal opportunities – Established policies to empower employees irrespective of gender, age, disability, race and religion – Encouraging participation of vulnerable groups like women and the deprived in rural development committees of developmental projects supported by the Company – Fairness in distribution of resources within villages under ICDP to circulate the benefit to vulnerable communities – Prioritise needs of marginal and poor farmers in rural development programmes 	168-177, 178-195
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<ul style="list-style-type: none"> – Create comprehensive and smart technology solutions for critical infrastructure, spanning airports, power plants, metro rail and IT parks – Offer specialised turnkey GIS-based network management solutions for city surveillance, traffic monitoring and analysis – Road barricades and guards to control traffic areas around project sites, especially busy junctions in the city, along with road safety awareness campaigns – Garden maintenance in cities and flood relief interventions – Sustainable ICD Programme for water-stressed rural settlements – Promoting climate resilient and sustainable agricultural practices, reducing the input cost of crops and increasing the yield by promoting organic methods of cultivation. 	136-147, 158-167
 <p>Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> – Implement material conservation initiatives, energy efficiency advancement projects and sustainable production practices – Our cumulative energy conservation over the years is more than 400,000 GJ. – We proactively utilise flash granular blast furnace slag and crushed sand in our construction projects and recycled steel wherever permissible. – Discouraging plantation of water-intensive crops, use of indigenous pesticides, seed treatment, balanced dose of fertilisers – Multi-cropping among farmers on increase 	136-147, 148-157

Goals	Initiatives	Page number(s)
 <p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> – Climate change mitigation and adaptation initiatives: GHG intensity reduction projects, promoting the use of renewable energy, green buildings and tree plantation – Measurable targets for reducing energy and carbon intensity at campuses and project sites – Carbon footprint mapping at the organisational level – Discourage over-exploitation of ground water – Minimising or avoiding use of chemical fertilisers and preventing degradation of soil quality – Building capacity of communities to address climate change and its impact – Alignment with National Action Plan on Climate Change (NAPCC), Government of India 	136-147, 148-157
 <p>Conserve the oceans, seas and marine resources for sustainable development</p>	<ul style="list-style-type: none"> – Evaluate business process risk to ensure that negative impacts are avoided / minimised /controlled 	136-147
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, manage forests, combat desertification, and halt land degradation and biodiversity loss</p>	<ul style="list-style-type: none"> – Building soil conservation to prevent soil erosion in the ICD programme – Village level committee to regulate the use of common resources – Rainwater harvesting in schools and households – Lake clean-up and reserve forest clean-up drives alongside de-silting of water bodies – Planted 700,000+ saplings in last five years and 150,000+ fully-grown trees are nurtured across major campuses – In-house guidelines on scientific tree plantation and maintenance – Felicitation of guests with a Tree Certificate, instead of a floral bouquet – planting a tree for each certificate – Optimising the use of natural resources – Afforestation by creating fast-growing sustainable forest 	136-147, 158-167
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective as well as accountable institutions at all levels</p>	<ul style="list-style-type: none"> – Village level committee and democratic process formulated for maintenance, usage and monitoring the sustainability of ICDP interventions – Encourage democratic functioning and financial transparency in conduct of SHG business – Associating with industry forums and Government bodies for promoting sustainable development 	136-147, 178-195
 <p>Strengthen the means of implementation and revitalize global associations for sustainable development</p>	<ul style="list-style-type: none"> – Collaboration and partnership with state and national Governments, NGOs and ITIs – Sharing best practices with stakeholders 	178-195

GRI CONTENT INDEX

This Integrated Report is aligned to the GRI Standards and the mapping is as follows:

GRI Standard	Disclosure	Page No
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	196-199
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	180-193
	203-2 Significant indirect economic impacts	196-199
GRI 301: Materials 2016	301-1 Materials used by weight or volume	138, 139, 143
	301-2 Recycled input materials used	138, 139, 143, 144
GRI 302: Energy 2016	302-1 Energy consumption within the organization	138, 139, 140
	302-3 Energy intensity	140
	302-4 Reduction of energy consumption	138, 139, 140
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	142
	303-3 Water withdrawal	142
	303-5 Water consumption	138,142
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	141
	305-2 Energy indirect (Scope 2) GHG emissions	141
	305-3 Other indirect (Scope 3) GHG emissions	141
	305-4 GHG emissions intensity	141
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	305-6 Emissions of ozone-depleting substances (ODS)	141
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	141
GRI 306: Waste 2020	306-3 Waste generated	142
	306-4 Waste diverted from disposal	142
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	174
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	175-177
	403-2 Hazard identification, risk assessment, and incident investigation	175-177
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	175-177
	403-9 Work-related injuries	175
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	169
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	174
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	180-193

ASSURANCE STATEMENT

Independent Verification Statement

Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of L&T Limited ('L&T' or the 'Company', Corporate Identity Number: L99999MH1946PLC004768) to carry out an independent customised verification of selected sustainability performance data related to Energy and Greenhouse Gas Emissions, Water, Waste, Occupational Health and Safety, Employees, and Corporate Social Responsibility. These performance datasets have been prepared by L&T using topic-specific Standards from the Global Reporting Initiative ('GRI') Standards ('GRI Standards'), that is,

- 302-1 - Energy consumption within the organization from GRI 302: Energy 2016;
- 305-1 - Direct (Scope 1) GHG emissions, 305-2 - Energy indirect (Scope 2) GHG emissions, and GRI 305-3; Other indirect (Scope 3) GHG emissions from GRI 305: Emissions 2016;
- 303-3 - Water withdrawal and 303-5 - Water consumption from GRI 303: Water and Effluents 2018;
- 306-3 - Waste generated from GRI 306: Waste 2020;
- 307-1 Non-compliance with environmental laws and regulations from GRI 307: Environmental Compliance 2016;
- 403-9 - Work-related injuries from GRI 403: Occupational Health and Safety 2018, and number of safety training hours;
- Number of permanent employees (male and female); and,
- number of corporate social responsibility (CSR) beneficiaries, and CSR expenditure.

for disclosure in the Business Responsibility and Sustainability Report of its Annual Integrated Report of FY 2021-22.

Our engagement has been carried out based on DNV's assurance methodology VeriSustain^{TM1}, (customised verification procedure) as mutually agreed with L&T for the performance data detailed in Annexure - 1 and provides a limited level of verification while applying a $\pm 5\%$ materiality threshold for errors and omissions.

The intended user of this Verification Statement is the management of the Company (the 'Management'). The team is responsible for all data as well as related assumptions and calculation methodologies as information provided to us for verification, as well as the processes for collecting, analysing and reporting the sustainability performance data in its BRSR as part of its Annual Integrated Report. Our verification engagement is based on the assumption that the data and information provided to us is complete and true and free from material misstatement. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this verification statement. This exercise was carried out during April 2022 – July 2022 by a team of sustainability professionals of DNV.

Scope, Boundary and Limitations of Verification

The scope of the verification includes the identified sustainability performance data (detailed in Annexure - 1) for the selected boundary of L&T and its twelve (12) Independent Companies ('ICs') in India for the period 1st April 2021 to 31st March 2022 as indicated in the BRSR, in

¹ The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from www.dnv.com

accordance with the scope of work agreed upon with the management of the Company including the sampling plan to arrive at our conclusion.

During the verification process, we did not come across limitations to the scope of the agreed verification engagement. This verification engagement did not involve any engagement with external stakeholders. The verification was conducted based on desk reviews, site visits to sample ICs, interactions with data owners and other publicly available data made available to us. The review of management approach and other qualitative disclosures was not carried out as part of this engagement. The verification of reported data on expenditure towards CSR activities is not within the scope of our verification exercise as a separate audit is carried out by L&T's statutory financial auditors and reported in L&T's Annual Integrated Report.

Verification Methodology

During the verification, we adopted a risk-based approach, and a sample-based verification was carried out for a limited level of verification as per DNV VeriSustain and as agreed with L&T. We undertook the following activities:

- Review of the data management processes that L&T has in place to report the identified sustainability data. We examined and reviewed supporting evidence such as supporting documents, secondary data and other information made available by L&T to us.
- Carried out online and on-site verification for sample ICs of the Company - (i) Buildings and Factories, (ii) Transportation Infrastructure, (iii) Heavy Civil Infrastructure (iv) Power Transmission and Distribution, (v) Water and Effluent Treatment, (vi) Minerals and Metals, (vii) Energy Hydrocarbon, (viii) Energy Power, (ix) Heavy Engineering, (x) Defence, (xi) L&T Realty, and, (xii) Smart World and Communication and offices (Chennai Office Campus, Leadership Development Academy at Lonavala, AMN Tower, L&T House, and Knowledge City) to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy. DNV was free to choose sites for conducting our sustainability performance data verification.
- Review of systems and procedures for data collection and aggregation, that is, the calculation methodology, assumptions of the selected consolidated sustainability performance data (Annexure-1) prepared for the Company's internal reporting purposes and to be included in the BRSR which forms part of its Annual Integrated Report.
- Assessed the robustness of the data management systems, data accuracy, data flow and controls for the reported sustainability performance data, as well as the processes for data consolidation in context to the principle of Completeness as per DNV's VeriSustain.
- Verification of sample data to check accuracy and reliability for a limited level of customised verification through interaction with data owners.

Conclusions

In our opinion, on the basis of limited level of verification undertaken and mutually agreed scope of work, nothing has come to our attention that would cause us not to believe that the data verified as listed in Annexure - 1, is not a reliable and accurate representation of L&T's selected performance data. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors, and the errors have been communicated for correction and corrected.

Our Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct² during the assurance engagement and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We were not involved in the preparation of any statements or data included in the BRSR except for this Assurance Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. We did not provide any services to L&T and its subsidiaries in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

<p>Radhakrishnan, Kiran Digitally signed by Radhakrishnan, Kiran Date: 2022.07.08 13:32:56 +05'30'</p> <p>Kiran Radhakrishnan Lead Verifier DNV Business Assurance India Private Limited, India.</p>	<p>Vadakepatth, Nandkumar Digitally signed by Vadakepatth, Nandkumar Date: 2022.07.08 13:36:39 +05'30'</p> <p>Vadakepatth Nandkumar Technical Reviewer DNV Business Assurance India Private Limited, India.</p>
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8th July 2022, Bengaluru, India

 DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

² The DNV Code of Conduct is available on request from www.dnv.com (<https://www.dnv.com/about/in-brief/corporate-governance.html>)

Annexure 1: Verified Performance Data - 2021 – 22

Environmental Compliance		
Environmental Regulatory Non-Compliances Resulting in Fines or Prosecutions	No. of cases	2 (Transportation Infrastructure IC)
Energy (Renewable)		
Indirect energy consumption	GJ	127,129
Energy (Non Renewable)		
Direct energy consumption ⁽¹⁾	GJ	8,365,802
Indirect energy consumption ⁽²⁾	GJ	1,281,464
Greenhouse Gases⁽³⁾		
CO ₂ e - Total	KT	889.063
CO ₂ e - Scope 1	T	615,035
CO ₂ - Scope 2	T	274,028
N ₂ O - Scope 1	T	0.93
CO ₂ e - Scope 3 (Cat-1: Purchased goods and services, Cat-5: Waste generated in operations {solid waste}, Cat-6: Business travel and Cat-7: Employee commute)	T	4,976,909
Water		
Water Withdrawal - Total	M ³	9,602,372
Water Withdrawal - From river / lakes	M ³	2,001,310
Water Withdrawal - From municipal sources	M ³	1,369,437
Water Withdrawal - From rain water	M ³	82,364
Water Withdrawal - From ground water	M ³	3,251,265
Water Withdrawal - From other sources (Tankers)	M ³	2,897,996
Water (fresh) consumed - Total	M ³	9,410,093
Waste⁽⁴⁾		
Hazardous waste - Generated	T	2,464
Non-hazardous waste - Generated	T	48,995
Occupational Health and Safety⁽⁵⁾		
Number of reportable accidents	No. of cases	132
Number of fatalities	No. of cases	25
Number of man days worked	Days	1,154,859,499
Number of man days lost	Days	161,946
Number of first aid cases	No. of cases	8,769
Number of near miss accidents	No. of cases	37,674
Number of safety training hours	Hours	4,969,092
Employees		
Number of permanent male employees	Number	42,618
Number of permanent female employees	Number	2,997
CSR⁽⁶⁾		
Number of beneficiaries impacted	Number	1,127,544
CSR Expenditure	Core INR	136

Note 1: Direct energy: Consumption is reported based on amount of fuel procured and not consumed as required under GRI topic-specific standard 302-1. L&T assumes that procurement = consumption.

Note 2: Indirect energy: In case of certain ICs (Smart World and Communications, and Building and Factories) amount of indirect energy consumed is calculated by the cost of total grid electricity consumed divided by an average unit cost decided by each IC.

Note 3: Emissions due to SF₆ and CH₄ are not monitored and reported. Types of Ozone Depleting Substances have not been reported by type (HFC, CFC).

Note 4: Hazardous and non-hazardous waste classification are not carried out based on types (solid and liquid) as required under GRI topic-specific Standard 306-3.

Note 5: Reporting on Occupational Health and Safety covers entire workforce covering permanent employees and on-contract workers.

Note 6: CSR amount spent is not within the scope of our verification exercise as a separate verification is carried out by L&T's statutory financial auditors and reported in the Annual Integrated Report.

Note 7: Detailed comments on assumptions, methodologies and estimations reviewed as part of DNV's verification are provided in DNV's Management Report.

UNITED NATIONS GLOBAL COMPACT

Communication on progress

Principle	Category	Description	Page
1	Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights.	128-129, 225, 237, 238, 239
2	Human Rights	Businesses should make sure that they are not complicit in human rights abuses.	128-129, 225, 237, 238, 239
3	Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	239, 248
4	Labour	Businesses should uphold the elimination of all forms of forced and compulsory labour.	128-129, 225, 237, 238, 239
5	Labour	Businesses should uphold the effective abolition of child labour.	128-129, 225, 237, 238, 239
6	Labour	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	128, 130, 228
7	Environment	Businesses should support a precautionary approach to environmental challenges.	136-147, 240-248
8	Environment	Businesses should undertake initiatives to promote greater environmental responsibility.	136-147, 240-248
9	Environment	Businesses should encourage the development and diffusion of environmentally friendly technologies.	145
10	Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	128, 129, 224



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity- **L99999MH1946PLC004768**
2. Name of the Listed Entity- **Larsen & Toubro Limited**
3. Year of Incorporation- **1946**
4. Registered office address- **L&T House, Ballard Estate, Mumbai, 400 001, India**
5. Corporate address- **L&T House, Ballard Estate, Mumbai, 400 001, India**
6. E-mail- **infodesk@larsentoubro.com**
7. Telephone- **+91 22 67525656**
8. Website- **www.larsentoubro.com**
9. Financial year for which reporting is being done 1st April 2021 - 31st March 2022
10. Name of the Stock Exchange(s) where shares are listed
 - a. National Stock Exchange of India Limited (NSE)
 - b. BSE Limited (BSE)
11. Paid-up Capital- ₹ 281.01 crore
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

S. No	Particulars	Details
1.	Name	Dr. Pradeep Panigrahi
2.	Designation	Head-Corporate Sustainability
3.	Telephone Number	+91 22 61238504
4.	Email ID	sustainability-ehs@Larsentoubro.com

13. 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).

The Business Responsibility and Sustainability (BRS) initiatives of the Company are extended to the Subsidiary/Associate Companies, and they are also encouraged to participate in these initiatives of the parent organisation. In addition, companies like L&T Finance Holdings Limited, Larsen & Toubro Infotech Limited, L&T Technology Services Limited, Mindtree Limited (Listed entities) have their separate Business Responsibility Report (BRR)/ Business Responsibility & Sustainability Report (BRSR) as a part of the Annual Report. This report is for Larsen & Toubro Limited (L&T) and the reporting scope encompasses L&T's manufacturing locations, project sites & offices across India and overseas.

II. Products/Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Infrastructure	Engineering, Procurement & Construction of Residential Buildings, Factories, Public spaces, Airports, IT Parks, Hospitals, Roads, Railways, Metros, Elevated Corridors, Transmission lines, Renewable projects, Water Supply & Distribution, Industrial Desalination, Sewage treatment plants, Irrigation projects, Hydel power, Nuclear plants, Marine projects, Minerals & Metals process plants and related customized equipment etc.	68.5%
2	Hydrocarbon	Engineering, Procurement & Construction for Hydrocarbon Upstream, Midstream and Downstream projects	17.2%
3	Power	Engineering, Procurement, Construction for Coal and Gas based power plants	4.4%

15. 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	282	2824	28246	Manufacture of parts and accessories for machinery / equipment used by construction and mining industries	4.8%
2	410	4100	41001	Construction of buildings carried out on own-account basis or on a fee or contract basis	10.8%
3	421	4210	42101	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	28.5%
			42102	Construction and maintenance of railways and rail-bridges	
4	422	4220	42201	Construction and maintenance of power plants	4.4%
			42202	Construction / erection and maintenance of power, telecommunication and transmission lines	11.9%
			42204	Construction and maintenance of water main and line connection, water reservoirs including irrigation system (canal)	12.8%
			42205	Construction and repair of sewer systems including sewage disposal plants and pumping stations	
5	429	4290	42901	Construction and maintenance of industrial facilities such as refineries, chemical plants, etc.	17.2%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	19	19	38
International	3	50	53

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	33*
International (No. of Countries)	53

* Includes 25 states and 8 UTs (excluding Mizoram, Manipur, Nagaland and Lakshadweep)

b. What is the contribution of exports as a percentage of the total turnover of the entity?

19.9 %

c. A brief on types of customers

The Company's business is construction of infrastructure and manufacturing of products for industrial uses. Some of its major clients include State and Central Government departments, Ministries, and local municipal bodies as well.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	45,615	42,618	93%	2,997	7%
2.	Other than Permanent (E)	6,540	6,299	96%	241	4%
3.	Total employees (D + E)	52,155	48,917	94%	3,238	6%
WORKERS						
4.	Permanent (F)	3,307	3,304	99.9%	3	0.1%
5.	Other than Permanent (G)	196,755	194,376	99%	2,379	1%
6.	Total workers (F + G)	200,062	197,680	99%	2,382	1%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	37	33	89%	4	11%
2	Other than Permanent (E)	11	10	91%	1	9%
3	Total differently abled employees (D + E)	48	43	90%	5	10%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	15	15	100%	0	0%
5	Other than permanent (G)	9	9	100%	0	0%
6	Total differently abled workers (F + G)	24	24	100%	0	0%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	17	1	5.8%
Key Management Personnel	1	0	0%

*The CFO and CEO are included in the Board of Directors.

20. Turnover rate for permanent employees and workers

	FY21-22 (Turnover rate in current FY) %			FY20-21 (Turnover rate in previous FY) %			FY19-20 (Turnover rate in the year prior to the previous FY) %		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.3%	20.6% **	14.7%	12.0%	13.7%	12.1%	–	–	11.1%
Permanent Workers*	NA	NA	NA	NA	NA	NA	NA	NA	NA

* Turnover rate of permanent workers is not calculated

** Personal reasons (including family related, marriage & relocation), further studies and career prospects account for higher attrition rate in female employees.

NA: Data not available

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the subsidiary/ associate companies (A)	Indicate whether Subsidiary/ Associate	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Bhilai Power Supply Company Limited	Subsidiary	99.9	No
2	Chennai Vision Developers Private Limited	Subsidiary	100.0	No
3	Kesun Iron and Steel Company Private Limited #	Subsidiary	95.0	No
4	Esencia Technologies India Private Limited	Subsidiary	73.9	No
5	Graphene Semiconductors Services Private Limited	Subsidiary	73.9	No
6	Graphene Solutions Sdn. Bhd	Subsidiary	73.9	No
7	Graphene Solutions Pte Ltd	Subsidiary	73.9	No
8	Graphene Solutions Taiwan Ltd.	Subsidiary	73.9	No
9	Hi-Tech Rock Products & Aggregates Limited	Subsidiary	100.0	No
10	Kudgi Transmission Limited	Subsidiary	51.0	No
11	L & T Hydrocarbon Caspian LLC	Subsidiary	50.0	No
12	Ahmedabad-Maliya Tollway Limited	Subsidiary	51.0	No
13	L&T Arunachal Hydropower Limited	Subsidiary	100.0	No
14	L&T Aviation Services Private Limited	Subsidiary	100.0	No
15	L&T Capital Company Limited	Subsidiary	100.0	No
16	L&T Chennai-Tada Tollway Limited	Subsidiary	51.0	No
17	L&T Realty Developers Limited	Subsidiary	100.0	No
18	L&T Construction Equipment Limited	Subsidiary	100.0	No
19	L&T Deccan Tollways Limited	Subsidiary	52.8	No
20	L&T Innovation Campus (Chennai) Limited	Subsidiary	100.0	No
21	L&T Finance Holdings Limited	Subsidiary	66.2	No*
22	L&T Finance Limited	Subsidiary	66.2	No
23	L&T Financial Consultants Limited	Subsidiary	66.2	No
24	L&T Global Holdings Limited	Subsidiary	100.0	No
25	L&T Himachal Hydropower Limited	Subsidiary	100.0	No

S. No.	Name of the subsidiary/ associate companies (A)	Indicate whether Subsidiary/ Associate	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
26	L&T Howden Private Limited	Subsidiary	50.1	No
27	L&T Information Technology Services (Shanghai) Co., Ltd.	Subsidiary	74.0	No
28	L&T Information Technology Spain SL	Subsidiary	74.0	No
29	L&T Infotech Financial Services Technologies Inc	Subsidiary	74.0	No
30	L&T Infotech S. DE. RL. DE. CV.	Subsidiary	74.0	No
31	L&T Infra Credit Limited	Subsidiary	66.2	No
32	L&T Infra Investment Partners Advisory Private Limited	Subsidiary	66.2	No
33	L&T Infra Investment Partners Trustee Private Limited	Subsidiary	66.2	No
34	L&T Infrastructure Development Projects Limited	Subsidiary	51.0	No
35	L&T Infrastructure Engineering Limited	Subsidiary	100.0	No
36	L&T Interstate Road Corridor Limited	Subsidiary	51.0	No
37	L&T Investment Management Limited	Subsidiary	66.2	No
38	L&T MBDA Missile Systems Limited	Subsidiary	51.0	No
39	L&T Metro Rail (Hyderabad) Limited	Subsidiary	100.0	No
40	L&T Modular Fabrication Yard LLC	Subsidiary	70.0	No
41	L&T Mutual Fund Trustee Limited	Subsidiary	66.2	No
42	Panipat Elevated Corridor Limited	Subsidiary	51.0	No
43	L&T Power Development Limited	Subsidiary	100.0	No
44	L&T Power Limited	Subsidiary	99.9	No
45	L&T Rajkot-Vadinar Tollway Limited	Subsidiary	51.0	No
46	L&T Samakhiali Gandhidham Tollway Limited	Subsidiary	51.0	No
47	L&T Sambalpur - Rourkela Tollway Limited	Subsidiary	51.0	No
48	L&T Sapura Offshore Private Limited	Subsidiary	60.0	No
49	L&T Sapura Shipping Private Limited	Subsidiary	60.0	No
50	L&T Seawoods Limited	Subsidiary	100.0	No
51	L&T Special Steels and Heavy Forgings Private Limited	Subsidiary	74.0	No
52	L&T Technology Services Limited	Subsidiary	73.9	No*
53	L&T Technology Services LLC	Subsidiary	73.9	No
54	L&T Technology Services (Shanghai) Co. Ltd.	Subsidiary	73.9	No
55	L&T Technology Services (Canada) Limited	Subsidiary	73.9	No
56	L&T Thales Technology Services Private Limited	Subsidiary	54.6	No
57	L&T Transportation Infrastructure Limited	Subsidiary	63.8	No
58	L&T Valves Limited	Subsidiary	100.0	No
59	L&T-MHI Power Boilers Private Limited	Subsidiary	51.0	No
60	L&T-MHI Power Turbine Generators Private Limited	Subsidiary	51.0	No
61	L&T-Sargent & Lundy Limited	Subsidiary	50.0	No
62	Larsen & Toubro (East Asia) Sdn. Bhd.	Subsidiary	30.0	No
63	L&T Hydrocarbon Saudi Company LLC	Subsidiary	100.0	No

S. No.	Name of the subsidiary/ associate companies (A)	Indicate whether Subsidiary/ Associate	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
64	Larsen & Toubro Electromech LLC	Subsidiary	70.0	No
65	Larsen & Toubro Heavy Engineering LLC	Subsidiary	70.0	No
66	Larsen & Toubro Infotech Canada Limited	Subsidiary	74.0	No
67	Larsen & Toubro Infotech GmbH	Subsidiary	74.0	No
68	Larsen & Toubro Infotech Limited	Subsidiary	74.0	No*
69	Larsen & Toubro Infotech LLC	Subsidiary	74.0	No
70	Larsen & Toubro Infotech Norge AS	Subsidiary	74.0	No
71	Larsen & Toubro International FZE	Subsidiary	100.0	No
72	Larsen & Toubro Kuwait Construction General Contracting Company, With Limited Liability	Subsidiary	49.0	No
73	Larsen & Toubro LLC	Subsidiary	98.7	No
74	Larsen & Toubro Oman LLC	Subsidiary	65.0	No
75	Larsen & Toubro Saudi Arabia LLC	Subsidiary	100.0	No
76	Larsen & Toubro T&D SA (Pty) Limited	Subsidiary	72.5	No
77	Larsen And Toubro Infotech South Africa (Pty) Limited	Subsidiary	51.5	No
78	Larsen Toubro Arabia LLC	Subsidiary	75.0	No
79	LTH Milcom Private Limited	Subsidiary	56.6	No
80	LTIDPL INDVIT Services Limited	Subsidiary	51.0	No
81	Mudit Cement Private Limited	Subsidiary	66.2	No
82	Nabha Power Limited	Subsidiary	100.0	No
83	Nielsen+Partner Unternehmensberater GmbH	Subsidiary	74.0	No
84	Nielsen&Partner Pty Ltd	Subsidiary	74.0	No
85	Nielsen+Partner Pte Ltd.	Subsidiary	74.0	No
86	Nielsen+Partner Unternehmensberater AG	Subsidiary	74.0	No
87	Nielsen&Partner Co. Ltd.	Subsidiary	74.0	No
88	PNG Tollway Limited	Subsidiary	37.7	No
89	PT. Larsen & Toubro Hydrocarbon Engineering Indonesia	Subsidiary	95.0	No
90	Raykal Aluminium Company Private Limited	Subsidiary	75.5	No
91	Ruletronics Limited, UK	Subsidiary	74.0	No
92	Ruletronics Systems Inc	Subsidiary	74.0	No
93	Seastar Labs Private Limited	Subsidiary	73.9	No
94	Syncordis Limited, UK	Subsidiary	74.0	No
95	Syncordis S.A. Luxembourg	Subsidiary	74.0	No
96	Syncordis SARL, France	Subsidiary	74.0	No
97	Syncordis PSF S.A.	Subsidiary	74.0	No
98	Vadodara Bharuch Tollway Limited	Subsidiary	51.0	No
99	L&T Valves USA LLC	Subsidiary	100.0	No
100	L&T Valves Arabia Manufacturing LLC	Subsidiary	100.0	No
101	Mindtree Limited	Subsidiary	60.9	No*
102	Mindtree Software (Shanghai) Company Limited	Subsidiary	60.9	No

S. No.	Name of the subsidiary/ associate companies (A)	Indicate whether Subsidiary/ Associate	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
103	Bluefin Solutions Sdn. Bhd.	Subsidiary	60.9	No
104	Lymbyc Solutions Private Limited	Subsidiary	74.0	No
105	Lymbyc Solutions Inc	Subsidiary	74.0	No
106	Powerup Cloud Technologies Private Limited	Subsidiary	74.0	No
107	Larsen & Toubro Infotech UK Limited	Subsidiary	74.0	No
108	Larsen & Toubro Qatar LLC @	Subsidiary	49.0	No
109	L&T Geostructure Private Limited	Subsidiary	100.0	No
110	L&T Parel Project Private Limited	Subsidiary	100.0	No
111	LTR SSM Private Limited	Subsidiary	99.0	No
112	Orchestra Technology Inc.	Subsidiary	73.9	No
113	LTI Middle East FZ-LLC	Subsidiary	74.0	No
114	Cuelogic Technologies Private Limited	Subsidiary	74.0	No
115	Cuelogic Technologies Inc.	Subsidiary	74.0	No
116	Watrak Infrastructure Private Limited	Subsidiary	51.0	No
117	Grameen Capital India Private Limited	Associate	17.2	No
118	Indiran Engineering Projects and Systems Kish (LLC)	Associate	50.0	No
119	International Seaports (Haldia) Private Limited	Associate	14.2	No
120	L&T Camp Facilities LLC	Associate	49.0	No
121	L&T-Chiyoda Limited	Associate	50.0	No
122	Larsen & Toubro Qatar & HBK Contracting LLC	Associate	50.0	No
123	Magtorq Private Limited	Associate	42.8	No
124	Magtorq Engineering Solutions Private Limited	Associate	39.2	No
125	Gujarat Leather Industries Limited @	Associate	50.0	No

Notes: * they have separate BRR/BRSR

under strike-off process

@ under liquidation

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 101,000 crore

(iii) Net worth (in ₹): 67,114 crore

VII. Transparency and Disclosures Compliances

23. 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)	FY21-22 Current Financial Year			FY20-21 Previous Financial Year		
	(If Yes, then provide web-link for grievance redress policy)#	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	–	3	–	–	9	3	–
Investors (other than shareholders)	Yes	–	–	–	–	–	–
Shareholders	Yes	–	–	–	–	–	–
Employees and workers*	Yes	13	3	–	26	6	–
Customers*	Yes	50	22	–	303	–	–
Value Chain Partners (supply chain partners)	Yes	6	1	–	7	2	–
Other (Anonymous email / letters)	Yes	4	–	–	6	1	–

* Data for employees, workers and customers is partially reported. The Company will strengthen its systems for complete coverage in FY23

The policies guiding L&T's conduct with all its stakeholders including grievance mechanism are available on the company's website. The link to the policies: <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>

Customer satisfaction score of 89% in FY22.

24. 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.

S. No.	Material issue identified*	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Customer Experience & Satisfaction	O	–	–	Positive
2.	Corporate Governance	R	–	Policy revision/ upgradation/ Board review (Refer to Principle-1)	Negative

S. No.	Material issue identified*	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Business Ethics	R	–	Whistle blower policy and its deployment. The Company has a whistle blower policy for its employees, vendors and channel partners, for further details refer to Principle–1	Negative
4.	Employee & Workforce Engagement, Wellbeing	O	–	–	Positive
5.	Health & Safety	R	–	Training/ awareness/ technological upgradation/ review at senior level and Board committee. L&T is committed to its Zero Harm to life. For more details refer to Principle–3	Negative
6.	Human Rights & Labour Conditions	R	–	L&T has always been committed to foster a culture of caring and trust. This is embedded in its various corporate policies like Environment, Health & Safety (EHS) Policy, Whistle–Blower policy, Protection of Women’s Rights at Workplace Policy and the Code of Conduct. Training on various issues related to human rights are covered under new employee induction, EHS training, POSH, code of conduct etc. For more details, refer to Principle 3.	Negative
7.	Skilled Manpower	O/R	–	Skill based trainings (Nine CSTIs spread across the country train over 10,000 youth in construction and allied skills per year. For further details refer to Principle 3.8 on training given to employees for skill upgradation. Also, refer to chapter on Social & Relationship Capital)	Positive/ negative
8.	Sustainable Supply Chain	O/R	–	Supplier/vendor Code of Conduct (COC) covers EHS and Human Rights parameters to be adhered and supply chain partners must sign the COC as a part of the contract documents.	Positive/ negative

S. No.	Material issue identified*	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Talent Management, Attraction, Retention and Development	O/R	–	For details, refer to chapter on Human Capital in the Integrated Report section.	Positive/Negative
10.	Climate Action	O	–	–	Positive
11.	Diversity, Inclusion & Equal Opportunity	O	–	–	Positive
12.	Data Security, Privacy, and Cybersecurity	R	–	Policy and deployment, audits/ Cyber Security Assurance Framework (L&T has developed a robust 5-year cyber security & resiliency roadmap and made investments in state of art security platforms. The Company has implemented a groupwide Cyber Risk Assurance Framework and operationalised one of the most advanced Security Operations Centre to monitor 24X7 & respond to any cyber incidents.)	Negative
13.	Quality of Products and Project delivery	O/R	–	For details, refer to chapter on Manufactured Capital in the Integrated Report section.	Positive
14.	Brand Management	O	–	–	Positive
15.	Water, Waste & Hazardous Materials Management	O/R	–	For details, refer to chapter on Natural Capital in the Integrated Report section.	Positive/ Negative
16.	Social engagement & Impact	O	–	–	Positive

*For more details, refer to chapter on Materiality Assessment in the Integrated Report section.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

- P 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
- P 2 Businesses should provide goods and services in a manner that is sustainable and safe.
- P 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P 4 Businesses should respect the interests of and be responsive to all its stakeholders.
- P 5 Businesses should respect and promote human rights.
- P 6 Businesses should respect and make efforts to protect and restore the environment.
- P 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P 8 Businesses should promote inclusive growth and equitable development.
- P 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015	ISO 14001 and ISO 45001	ISO 45001	IIRC IR Principle	Indian labour codes	ISO14001	-	IIRC IR Principle	IIRC IR Principle	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.		(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)	(b)			(c)		(d)	(e)

- a) 40% Green Business by FY26, achieved 38.2% for FY22.
- b) Zero Harm Vision to life, environment and property.
- c) Emission reduction intensity up to 25% by FY26.
- d) Achieve carbon neutrality by 2040 and water neutrality by 2035.
- e) Number of lives to be impacted by CSR projects: 1.5 million by FY26, achieved 1.13 million in FY22.

Governance, leadership, and oversight

- 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

L&T is a conglomerate with dominant presence in EPC, High Tech manufacturing, IT Services, and Financial Services. These businesses, the EPC and manufacturing in particular, have a significant impact on the environment in terms of GHG emission, energy and water consumption. Given the strong growth aspiration of the Company, the challenge is to balance the growth pursued while minimising its impact on the environment, and also achieve net zero position for both water consumption and carbon footprint by 2035 and 2040 respectively.

In the short term, the Company's aim, even as it grows, is to flatten the emission curve in the next five years, through improved efficiency in the use of energy and increased use of renewable energy across its operations. This apart, the Company also aims to improve its share of green business offerings over the years, which currently stands at around 38%.

Energy transition from fossil fuels to green energy is an established mega trend globally and some of the businesses of the Company like thermal power has already felt the impact of this over the last few years. Another business which could experience an impact over the next 5-10 years is the hydrocarbon business. The Company is therefore evaluating its prospects in green energy areas including green hydrogen, battery storage and offshore wind among others. Overall, the Company intends to reduce its presence across the fossil fuel space and build new businesses around green energy.

The EPC business is very labour intensive, and post-Covid the availability of skilled labour has become a challenge. This constraint could magnify over time as India increases its thrust on infrastructure development, an area that the Company seeks to grow in. Recognizing this, the Company has increased its off-site fabrication and its thrust on pre-cast technology. In addition, the Company is augmenting its mechanization and automation capabilities for on-site work. These initiatives are intended to reduce manual component of work, increase worker productivity, reduce wastages and thereby, improve the cost competitiveness of the business.

In an economy facing shortage of skilled workforce, the Construction Skills Training Institutes (CSTIs) run by the Company's CSR department in India are worthy of mention. Setup in 1995 and currently with a network of 9 CSTIs spread across the country, CSTIs trains over 10,000 youth in construction and allied skills every year. These skill training institutes have grown over the years with a unique industry connect leveraging on the Company's rich experience and deep knowledge of contemporary as well as new-age practices of the construction industry.

The Company's CSR programmes are focused on strengthening the country's social infrastructure with its thrust in areas such as water and sanitation, education, health and skill building. The success of these initiatives lies in delivering impact with optimum use of resources, leveraging strengths and collaborating on areas where capacities need to be built. The Company's Integrated Community Development Programmes (ICDP) being aligned closely to the Sustainable Development Goals (SDGs), is an example of one such effort. The ICDP was initiated 6 years back, specifically in remote water-scarce locations of Maharashtra, Tamil Nadu and Rajasthan. The program was designed with a focus on improving the quality of life of the community by achieving water sufficiency and further expanding into various aspects of sanitation, health, education and livelihood. The ICDP consists of a unique mix of civil interventions (water harvesting structures, farm field structures, sanitation units etc.) as well as targeted programs to build community-based institutions, to provide ownership, accountability, self-management and sustainability of the interventions. These locations have become self-sustaining now, and the Company is replicating this model in other locations.

Across industries, cybersecurity has also become a key concern for the business continuity. Vulnerabilities such as targeted attacks, ransomware threats and phishing have raised the importance of protecting the IT infrastructure and sensitive data of the Company. The Company has developed a robust 5-year cyber security & resiliency roadmap and made investments in state of art security platforms. It has implemented a groupwide Cyber Risk Assurance Framework and operationalised one of the most advanced Security Operations center to monitor developments 24X7 and respond effectively when required to any cyber incidents.

On the governance front, the Management and the Board are involved in active review of the Company's ESG performance on a regular basis. The Company periodically reassesses all key policies such as Sustainability Policy, Supplier Code of Conduct Policy etc. To strengthen the policy framework further, two additional policies namely, Equal Opportunity Policy and 'Public Policy Advocacy' Policy have been recently adopted by the Company.

While BRSR is mandatory from FY23, as a responsible corporate citizen, the Company has decided to report on its business responsibility and sustainability practices from FY22 onwards. This BRSR is a testimony of the Company's commitment to sustainability in all its dimensions and the Company will constantly endeavour to strengthen this further on a continuing basis.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Name: Mr. R. Shankar Raman
 Designation: Whole-time Director & Chief Financial Officer
 DIN: 00019798

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 and Sustainability Committee is responsible for sustainability related issues

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action ¹	All the policies of the Company are approved by the Board and reviewed periodically or on a need basis by Executive Committee as a part of ESG review.																	
	During the review, the effectiveness of the policies is evaluated and necessary amendments to policies and procedures are implemented.																	
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.																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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.	Yes. DNV India conduct audit in various ICs on different subjects such as ISO 14001, ISO 45001, ISO 50001 and sustainability assurance. During the audit process they check working of the related policies of the company. They do it through checking policy elements, procedures, action plans etc.								

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)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA- Data not available

¹ Details of performance against some of the targets are available in the Integrated report section.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and accountable.

Essential Indicators

- 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 in respective category covered by the awareness programmes
Board of Directors	20 manhours	Business, strategy, risk and update of laws	100%
Key Managerial Personnel	20 manhours	Business, strategy, risk and update of laws	100%
Employees other than BOD and KMPs	5,539 no of programmes	Business Principles for Responsible Organisation Code of Conduct and principles of Corporate Governance	97.4%
Workers	929,901 manhours (Trainings and Awareness)	EHS training	100% (EHS Induction Training is mandatory for all the workers who resume work)

- 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:

The Company had no monetary and non-monetary 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 FY22 based on materiality thresholds.

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	–	–	NIL	–	–
Settlement	–	–	NIL	–	–
Compounding Fee	–	–	NIL	–	–
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	–	–		–	–

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:

Not applicable

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	-

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 'zero tolerance' of any practice that may be classified as corruption, bribery or giving or receipt of bribes and the same has been mentioned in its Code of Conduct. The objective of this policy is to serve as a guide for all directors, executives, employees and associated persons for ensuring compliance with applicable anti-bribery laws, rules and regulations. This policy is applicable to all individuals working at all levels and grades, including Board Members and Senior Managerial Personnel, other employees, consultants, interns, contractors, agency staff, agents or any other person associated with the Company and such person acting on behalf of the Company.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

There have been no cases involving disciplinary action taken by any law enforcement agency on the charges of bribery / corruption against directors / KMPs / employees / workers that have been brought to the Company's attention.

	FY21-22 (Current Financial Year)	FY20-21 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regards to conflict of interest:

	FY21-22 (Current Financial Year)		FY20-21 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

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.

Not applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

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
2,618 participants	Environment, health and safety trainings and awareness, awareness sessions on BRSR and 9 principles therein	Varying from 40% to 65%*

*The top 25 value chain partners (supply chain partners) and also many other suppliers have been covered by the awareness sessions. These supply chain partners comprise 40% to 65% (by value) across the various business verticals. The Company has excluded government entities from the list of its value chain partners (supply chain partners) for these awareness training.

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 on management of conflict of interests involving members of the Board which may arise due to Directors joining the Boards of other companies and even conflicts which would take place during the course of normal business activities. The process allows the Directors to recuse themselves from the discussions pertaining to the conflict of interest. The Directors have to exercise their responsibilities in a bonafide manner in the interest of the Company, 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.

	Current F Y FY21-22 (Cr)	Previous F Y FY20-21 (Cr)	Details of improvements in environmental and social impacts
R&D	–	–	–
Capex	–	–	–

L&T conducts R&D linked to environmental and social initiatives, however currently the expenditures are not tracked.

2. a. Does the entity have procedures in place for sustainable sourcing?
The Company has a procedure for sustainable sourcing where all the new and existing supply chain partners are mandatorily evaluated on environment, health & safety and sustainability parameters before onboarding. Also, supplier/vendor Code of Conduct (COC) covers EHS and Human Rights parameters to be adhered and value chain partners (supply chain partners) must sign the COC as a part of the contract documents.
- b. If yes, what percentage of inputs were sourced sustainably?
It is mandatory to furnish the evaluation questionnaire (EHS and sustainability parameters) before onboarding as value chain partners (supply chain partners) and it has 100% coverage.
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) (b) E-waste (c) Hazardous waste and (d) other waste.
The Company does not have any specific product to reclaim at the end of life. However, at the project and operation sites, there are systems in place to recycle, reuse and dispose in line with regulatory requirement for the above waste being generated during course of construction and operation.
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.

EPR is not applicable as the major business of the Company is construction and associated services and the Company does not manufacture any consumer products. The Company manufactures few heavy construction machineries, specialised industrial units and defence products. There is no specific plastic, electrical and electronic product manufactured where EPR is applicable under E-Waste Management.

Leadership Indicators

- 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?

Yes, the Company has conducted one LCA study for one of its products (Diamond Green Diesel Reactor) from the Heavy Engineering business vertical in FY22 period.

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
281	Diamond Green Diesel Reactor	Not available	Cradle to Gate	Yes	No

- 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.

Name of Product / Service	Description of the risk/concern	Action Taken
Diamond Green Diesel Reactor	The LCA study concludes that maximum environmental impact is associated with procurement of primary raw material (steel) and the energy consumption (grid source) associated with the manufacturing process. Other than these, there is almost negligible impacts in the manufacturing process.	It has been recommended to look for green steel or recycled steel for the manufacturing of this product without compromising the quality of raw material. Also, it has been advised to consider usage of renewable source of energy in the manufacturing process. Management is evaluating this recommendation on feasibility of adoption.

- 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 21-22	FY 20-21
Fly ash and Ground Granulated Blast-furnace Slag in place of Cement	11.9%	14.2%
Crushed sand in place of Natural Sand	29.4%	33.4%

- 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:

Not applicable as the Company does not have any specific consumer product except heavy construction machinery, valves and defence products and there is no product reclamation at the end of the product life. However, the waste material generated at the operation and project sites are reused, recycled and disposed as per the applicable regulatory requirements.

	FY21-22 (Current Financial Year)			FY20-21 (Previous Financial Year)		
	Re-used	Re-cycled	Safely Disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	–	5 Tons	0.1 Tons	–	0 Tons	–
E-waste	–	112 Tons	–	–	30 Tons	–
Hazardous Waste	–	732.9 Tons	1541.4 Tons	–	1002.1 Tons	1785 Tons
Other Waste	–	–	–	–	–	–

- 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
NA	

NA: Data not available

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		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)
Permanent employees											
Male	45,615	45,615	100%	45,615	100%	0	0%	1,318	3%	1,443	3%
Female	6,540	6,540	100%	6,540	100%	1,338	20%	0	0%	211	3%
Total	52,155	52,155	100%	52,155	100%	1,338	3%	1,318	3%	1,654	3%
Other than Permanent employees											
Male	6,954	4,145	60%	2,099	30%	0	0%	0	0	26	0%
Female	254	107	42%	67	26%	65	26%	0	0	5	2%
Total	7,208	4,252	59%	2,166	30%	65	1%	0	0	31	0%

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		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)
Permanent workers											
Male	3,304	3,304	100%	2,187	66%	0	0%	0	0%	1,215	37%
Female	3	3	100%	3	100%	2	67%	2	67%	2	67%
Total	3,307	3,307	100%	2,190	66%	2	0%	2	0%	1,217	37%
Other than Permanent workers											
Male	194,376	58,834	30%	106,957	55%	0	0%	0	0%	0	0%
Female	2,379	2,049	86%	2,139	90%	210	9%	124	5%	165	7%
Total	196,755	60,883	31%	109,096	55%	210	0%	124	0%	165	0%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 21-22 Current Financial Year			FY 20-21 Previous Financial Year		
	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%	Y	100%	100%
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y

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.

Yes, most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

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 Company has Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016. This policy can be accessed through the link <https://larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

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	-	-	-	-
Female	-	-	-	-
Total	89%	96%	-	-

* Gender wise breakup for permanent employees and workers not available.

The Company is putting a process in place to compile the above data for Permanent workers for FY23.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. Grievance redressal mechanism is available at factory & project site establishments. Complaints can be raised through the toll-free number provided at project site and manufacturing/factory set up or directly reported to the admin and industrial relation personnel. Also, grievances can be raised through e-mails and all the grievances that are received through different platforms are directed to the respective function owner and resolved through the respective IR and Admin function.
Other than Permanent Workers	
Permanent Employees	The Company has HR Connect application on L&T Intranet (My Zone) which is accessible to all employees (except other than permanent employees). On this platform, they can raise their complaints and grievances which are addressed by HR. The grievances can be also raised through whistle-blower system through dedicated mail and toll-free number.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 21-22 (Current Financial Year)			FY 20-21 (Previous Financial Year)		
	Total employees/ worker in respective category (A)	No. of employees/ Workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total Employee/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union (D)	% (D / C)
Total Permanent Employees	-	-	-	-	-	-
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-
Total Permanent Workers	3,307	2,291	69%	2,852	2,351	82%
- Male	3,304	2,288	69%	2,849	2,348	82%
- Female	3	3	100%	3	3	100%

8. Details of training given to employees and workers:

Category	FY 21-22 Current Financial Year					FY 20-21 Previous Financial Year				
	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)
Employees										
Male	42,618	8,271	19%	11,505	27%	47,854	8,427	18%	17,475	37%
Female	2,997	609	20%	984	33%	3,158	561	18%	1,180	37%
Total	45,615	8,880	19%	12,489	27%	51,012	8,988	18%	18,655	37%
Workers										
Male	197,680	173,248	88%	8,813	4%	258,910	114,333	44%	6,850	3%
Female	2,382	369	15%	270	11%	962	559	58%	24	2%
Total	200,062	173,617	87%	9,083	5%	259,872	114,892	44%	6,874	3%

9. Details of performance and career development reviews of employees and worker:

Category	FY21-22 (Current Financial Year)			FY20-21 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	38,644	33,354	86%	47,854	47,854	100%
Female	2,709	1,931	71%	3,158	3,158	100%
Workers (Permanent Workers only)						
Male	3,304	2,640	80%	3,805	3,805	100%
Female	3	1	33%	3	3	100%

For FY22 the review process is still in progress and will be completed by FY24

10. Health and safety management system:

- 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, occupational health and safety management system has been implemented by the entity. It covers the entire operations covering all construction project sites, manufacturing units, industrial production facilities and offices. In line with L&T's vision, philosophy, and EHS Policy, management systems have been implemented in accordance with the International Standards ISO 45001:2018 (Occupational Health and Safety Management System Standard). EHS Management System defines the mandatory requirements for the systematic management and execution within the organisation. The Company's Integrated EHS Management System is accredited by international certification bodies.

- 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 has in place systematic risk management process to identify and control all the hazards in construction project sites, manufacturing units, industrial production facilities and offices. The Company's risk management process is applied through five steps (Identification, Assessment, Mitigation, Monitoring and Reporting) and is the key driver for controlling the risk of EHS in business. All relevant stakeholders including construction engineers, design and planning engineers, production in charges and EHS team members are involved in risk assessments and the risk management process, Risk Assessments & Safe Work Method Statement are developed and approved prior to starting any work activity. All identified risks and risk mitigation plans are required to be documented, approved and communicated to all relevant parties involved in the activity.

- c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks.

Yes, the Company has processes for workers to report work related hazards and to remove themselves from such risks.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes, medical centres and first aid facilities are available for both employees and workers.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY21-22	
		Current Financial Year	FY20-21 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.1	0.1
	Workers		
Total recordable work-related injuries	Employees	10	8
	Workers	122	75
No. of fatalities	Employees	0	2
	Workers	25	23
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	1
	Workers	3	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

As a part of the EHS Management system, a project specific EHS plan is prepared at the inception of every new project that determines the broad parameters of EHS management. This EHS plan identifies the hazardous operations and the risks arising from such hazards which are within the scope of the work. It even specifies the required integrated preventive measures (Controls) to mitigate the same.

The Management provides strong demonstrable visible leadership and commitment towards EHS through personal examples and actions. This is the first principle of L&T L.I.F.E (Live Injury Free Each Day) leadership commitment. Management has participated in EHS meetings, conducted site Inspections and EHS Audits, to encourage and develop a positive attitude towards EHS within L&T projects and operations. Management ensured that sufficient EHS resources were available and allocated responsibilities for implementing the L&T LIFE framework. Roles & responsibilities, targets & objectives, goals, training needs & required behaviours had been clearly defined, agreed & communicated throughout the entire organisation & structure.

To support this further, there is a systematic risk management process in place to identify and control all the hazards in projects/units which requires verification of conformity. The EHS management system has various procedures and EHS norms. Therefore, a process has been established for carrying out Internal EHS audits. This process mandates to organise internal audits for all active projects and it is verified by each IC head office audit team at least once in six months. Certain projects were selected for frequent auditing, depending on their status, importance, and risk profile. This was in addition to any external audits carried out by accredited auditors.

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 21-22 Current Financial Year			FY 20-21 Previous Financial Year		
	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			Data not available, to be tracked in FY23			
Health & safety			Data not available, to be tracked in FY23			
Others	NA	2	POSH	3	NA	POSH

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	L&T has robust Internal audit process in line with ISO 45001:2018 requirement and it covers all construction projects, offices and manufacturing units. At least one internal audit is conducted in a financial year for all such operations/sites/ manufacturing units/offices.

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 EHS Council undertakes a review of all accidents and incidents, and formulate procedures based on risk analysis of data gathered through respective IC. It makes use of advanced technology such as vision analytics/AI to detect any health & safety hazards and gather data. This data is used for predictive analysis, measurement of incidents and unsafe behaviours. This enables identification of the key areas of risk which in turn guides the projects to proactively manage and focus resources to prevent any accidents or incidents. Such analysis is shared throughout the group IC structure, to support L&T Mission ZERO HARM objective.

In view of this collective approach, efforts have been made in understanding the Company's high- risk profile holistically as well as in general. EHS risk management culture has been inculcated across the Company. Various steps have been taken including:

- Implementation of HSE Surveillance Rating
- Developed HSE Training Modules on high-risk activities.
- Developed standardized template of HSE Lessons Learnt (EHS Alert) and these alerts are shared in the centralized knowledge sharing platform which can be accessed by all employees.
- Enrolled Subject Matter Experts (SMEs) into the HSES Management Community of central knowledge sharing module.
- Implementation of senior management audits based on standard checklist developed by the EHS Council.

The outcome of the efforts has been to capture the high-risk hazardous activities ubiquitous in various L&T's Business verticals. This helps to devise an action plan to enhance the competency among stakeholders in managing such activities with higher degree of awareness and suitable training using technology such as AR/VR from competent external agencies as well as subject matter experts. Each employee of the organisation strives to achieve EHS excellence in their respective functions and align their actions and business decisions.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers

The Company extends life insurance coverage for work related 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.

Adherence to the applicable statutory provisions including payment and deduction of statutory dues is incorporated in the contract agreement with the value chain partners. The Company makes sure that all the relevant clauses dealing with statutory compliance are validated and honoured by both sides.

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	
	FY21-22 (Current FY)	FY20-21 (Previous FY)	FY21-22 (Current FY)	FY20-21 (Previous FY)
Employees	0	1	–	1
Workers	28	25	2	1

*All the deceased workers and employees resulting from work related injuries have received the insurance money.

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

The Company provides transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement.

5. Details on assessment of value chain partners (Supply chain partners):

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Varying from 40% to 65%
Working Conditions	(The top 25 suppliers and large number of other suppliers are assessed through a detailed checklist of more than 40 questions on EHS parameters. The top 25 suppliers account for 40% to 65% by value of business done with such partners.)

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.

As per the internal EHS audit procedure and assessment carried out, all the observations and non-conformances are properly recorded and notified for closeout. Once closeouts are done, they are recorded with details of closeouts. These details can be retrieved from respective sites, manufacturing units and operations.

The Company, based on all EHS analysis data gathered, has developed several procedures aligned to Sub-contractor procurement and management. The Health, Safety & Environment Management system has been reviewed and aligned to be a part of and fully incorporated into the contract between sub-contractor and the Company. Its purpose is to set forth the areas of EHS concerns and requirements routinely. This subcontractor system is intended to supplement any contractual requirements, including EHS Management System manual, guidelines, Standard Operating Procedures, any requirements of client, as well as sub-contractor’s own EHS Programme.

All the suppliers and contractors of the Company are evaluated on their safety infrastructure processes and strengths before awarding a contract. The continued monitoring and measuring of suppliers and contractors ensure a comprehensive safe environment. This is further enhanced with regular refresher training sessions and capacity-building programmes. In addition, periodic site visits by the senior management and site audits improve the EHS performance.

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 business is primarily EPC – engineering, procurement, construction, and high-tech manufacturing. Hence, in line with its business models, the Company has identified the following as key stakeholder groups:

Stakeholder Group	Basis of Identification
Suppliers/Contractors	<p>EPC and high-tech manufacturing have significant dependence on supply chain partners for</p> <ol style="list-style-type: none"> Sourcing of key raw materials e.g., cement, aggregates, steel and other materials for construction projects, and high-grade metals, subcomponents and other inputs for manufacturing business. Outsourcing of business activities e.g., low-end civil works in construction projects and low-end manufacturing <p>To maintain sustainable growth, these partners are key elements in meeting the delivery and cost objectives for various contracts.</p>
Government	<p>Government (central and state) orders make up ~40% of the Company's current orderbook. Additionally, orders from Government owned enterprises contribute to ~44% of the orderbook and therefore, they are the largest clients for the businesses. In addition to providing the business, they also determine policies for various areas as well as determine the future plans for various sectors.</p>
Customers	<p>Private sector makes up ~16% of the orderbook and plays an important role in business plans of the company. Many of them are long-term clients which offer repeat business over period of years and also act as partners in developing new solutions or business offerings.</p>
Employees and Workforce	<p>Construction is a labour-intensive activity, and L&T employs over 200,062 workers in addition to >50,000 of its own employees (including manufacturing). Hence, their skills development, health and well-being are important for the Company's ongoing and future operations.</p>
Regulatory bodies	<p>Various business units of the Company operate in variety of sectors, each of which are governed by specific regulatory bodies. In addition to this, there are bodies which oversee different steps in EPC and manufacturing air pollution control. It becomes important to understand priorities of these agencies and address their concerns, if any, to maintain compliance levels and establish benchmark performance levels.</p>
Shareholders and Investors	<p>Shareholders and investors make an important contribution to the growth of the company by providing financial resources for short term i.e., working capital and long term i.e., capital expenditure and investments. They also play an important role through exercise of their voting rights with respect to important plans of the Company.</p>
Media	<p>Media acts as important channel of communication of Company's performance, policies and plans. They also help in reverse loop in highlighting concerns or issues related to the Company. In order to ensure that there are no gaps in communication, engagement with media entities is a continuous process.</p>
Communities	<p>L&T helps catalyse socio-economic development of communities around its premises and at various locations across the country. Focus is on under-privileged and marginalized sections to enable them to bring them on-par with others.</p>

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and investors	No	Press Releases, Info desk – an online service, dedicated email ID for Investor Grievances, Quarterly Results, Annual Reports, Integrated Reports, AGM (Shareholders interaction), Quarterly investor presentation, Investors meets, stock exchange filings and corporate website.	As and when required	To understand their need and expectation which are material to the Company. Key topics are company's financial performance, ESG performance etc.
Media	No	Press Releases, Quarterly Results, Annual Reports, Sustainability / Integrated Reports, AGM (shareholders interaction), Access information and media interactions	As and when required	Performance reporting, good practices, show cases, awards and achievements, initiatives etc are discussed and reported
Customers	No	Business interactions, client satisfaction surveys	Biannually	Customer satisfaction and feedback. Project delivery, timeline, challenges that are faced during execution.
Government	No	Press Releases, Quarterly Results, Annual Reports, Sustainability / Integrated Reports, Stock Exchange filings, issue specific meetings, representations	As and when required	Reporting requirement, statutory compliance, support from authority and resolution of issues.
Employees	No	<ul style="list-style-type: none"> • Employee satisfaction surveys, engagement surveys • Circular and messages from corporate and line management • Corporate social initiatives • Welfare initiatives for employee and their families • Online news bulletins to convey topical developments • A large bouquet of print and on-line in-house magazines (some location-specific, some business-specific), a CSR Programme newsletter • L&T Helpdesk, toll-free number 	As and when required	Employees' growth and benefits, their expectation, volunteering, career growth, professional development and continuing education and skill training etc.
Suppliers/ contractors	No	Regular supplier and dealer meets	As and when required	Need and expectation, schedule, supply chain issue, need for awareness and other training, their regulatory compliance, EHS performance etc.
Community	Yes (Some of the Company's CSR Project Beneficiaries)	Direct engagement and through the Company's CSR project implementation partners (NGO)	As and when required	Their expectation and feedback on impact/success of CSR project. Also review scale up potentials and further engagement scope.

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 on economic and ESG governance and performance monitoring. These committees are CSR & Sustainability Committee, ERM Committee, Stakeholder's Relationship Committee, Investor Cell, EHS Council, Green Campus Steercom etc. The CSR Committee is a committee constituted by the Board and is chaired by an Independent Director. The Board Risk Management Committee is constituted by the Board and is chaired by an Independent Director. The Stakeholders' Relationship Committee is constituted by the Board and is chaired by an Independent Director. The other Committees mentioned here are internally constituted committees. Quarterly performance update and reviews were conducted by the respective committees on these topics and consolidated performance report and outcome were presented to the Board in their quarterly meetings. Also, the Company has been conducting stakeholder engagement exercise from time to time on ESG topics. This stakeholder engagement exercise proceeds on a structural approach on frequency, delegation and reporting of outcome including stakeholders' feedback to the Board. 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 various areas.

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.

Yes, outcome of the materiality assessment and stakeholder engagement exercise are taken forward to identify material topic of concern on sustainability for the Company. Based on these material topics of significance to the Company, further strategy development, policy setting, if required, objectives and goal setting with monitoring mechanism are developed and implemented.

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 of the instances are given below:

Vulnerable group	Concerns	Action Taken	Impact
Farmer community in water stressed and Drought Prone Locations (Men and Women)	Drought, Poverty, Migration	<ul style="list-style-type: none"> Organised farmers community to form village development committees (VDC) and Farmers Producer Organisation (FPO) Water made available with watershed and water conservation interventions Capacity building in sustainable agricultural practices Maintenance of water structures by the VDC along with Panchayat 	<ul style="list-style-type: none"> Rise in ground water table and water made available to population of 96,812 and 191 Ha land brought under cultivation in nine ICDP locations Increase in household agricultural income Reverse migration
Rural Population not having access to sanitation facilities	Open defecation leading to health issues and social disgrace	<ul style="list-style-type: none"> Community awareness regarding making villages open defecation free (ODF) Construction of toilets after ensuring water availability Village level monitoring committee formed to ensure ODF status of the village 	<ul style="list-style-type: none"> 4,000+ Toilets constructed and made 67 villages ODF Women felt safe to use household toilet and saved social disgrace

Vulnerable group	Concerns	Action Taken	Impact
Disadvantaged rural women	Gender related issues – no decision making power in household and community related issues	<ul style="list-style-type: none"> Women were part of needs assessment and their critical concerns were prioritised Village level women groups formed and organised in SHGs Ensured equal representation of women in VDCs and Community level Decision making 	<ul style="list-style-type: none"> 483 SHGs formed with ₹ 65.6 Lakh savings Women are assuming community leadership positions - e.g. President of VDC
Underprivileged community from urban and peri-urban areas	Unaffordable and inaccessible health services	<ul style="list-style-type: none"> Affordable general health services along with consultations in specialised clinics provided through nine health centres across India and mobile health vans 	178,239 population accessing the services

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 21-22 (Current Financial Year)			FY 20-21 (Previous Financial Year)		
	Total (A)	No. of employee/ workers covered (B)	% (B / A)	Total (C)	No. employee/ workers covered (D)	% (D / C)
Employees						
Permanent	45,615	7,178	16%	47,854	5,244	11%
Other than permanent	6,540	3,256	50%	3,158	1,327	42%
Total Employees	52,155	10,434	20%	51,012	6,571	13%
Workers						
Permanent	3,307	2,070	63%	3,120	2,124	68%
Other than permanent	196,755	12,217	6%	232,075	11,451	5%
Total Workers	200,062	14,287	7%	235,195	13,575	6%

Training on various issues related to human rights are covered under new employee induction, EHS training, POSH, code of conduct etc.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 21-22 Current Financial Year					FY 20-21* Previous Financial Year				
	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)
Employees										
Permanent	6,540	–	–	6,540	100%	–	–	–	–	–
Male	6,299	–	–	6,299	100%	–	–	–	–	–
Female	241	–	–	241	100%	–	–	–	–	–
Other than Permanent	6,540	–	–	6,540	100%	–	–	–	–	–
Male	6,299	–	–	6,299	100%	–	–	–	–	–
Female	241	–	–	241	100%	–	–	–	–	–
Workers										
Permanent	3,307	–	–	3,307	100%	–	–	–	–	–
Male	3,304	–	–	3,304	100%	–	–	–	–	–
Female	3	–	–	3	100%	–	–	–	–	–
Other than Permanent	196,755	195,220	99%	1,535	1%	–	–	–	–	–
Male	194,376	192,858	99%	1,518	1%	–	–	–	–	–
Female	2,379	2,362	99%	17	1%	–	–	–	–	–

*100% coverage of employees and workers towards payment of equal to/more than minimum wages; Breakup is not available FY21.

3. Details of remuneration/salary/wages, in the following format:

Benefits	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In Rupees)	Number	Median remuneration/ salary/ wages of respective category (In Rupees)
Board of Directors (BoD) (Whole-time Directors)	8	6 Cr appx.	–	–
Key Managerial Personnel	1	1.9 Cr appx.	–	–
Employees other than BoD and KMP	48,544	9.2 Lakhs appx.	2,821	7.8 Lakhs appx.
Workers	1,957	9.1 Lakhs appx.	6	11.3 Lakhs appx.

Note –

- a) CEO & CFO are Directors and included in Board of Directors.
- b) Directors Salary includes Commission.
- c) Salary Amount given above is the Median salary in the respective category.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

The Company does not have a single focal point for addressing the human rights issues. However, the HR head of the respective IC is responsible for addressing the same.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All grievances are addressed as and when received by the respective Manufacturing Unit Heads/Project Managers/Business Unit Heads through Admin/IR in coordination with HR. All the grievances received are duly investigated and appropriate actions are taken to resolve the issue/complaint. Whenever required, disciplinary actions are initiated as deemed fit and assistance from regulatory authority is sought.

6. Number of Complaints on the following made by employees and workers:

Benefits	FY 21-22 Current Financial Year			FY 20-21 Previous Financial Year		
	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	2	–	–	3	–	–
Discrimination at workplace	–	–	–	–	–	–
Child Labour	–	–	–	–	–	–
Forced Labour/ Involuntary Labour	–	–	–	–	–	–
Wages	–	–	–	–	–	–
Other human Rights related issues	–	–	–	–	–	–

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Whistle Blower Policy wherein the employees report, without fear of retaliation, any wrong practices, unethical behaviour or noncompliance which may have a detrimental effect on the organisation, including financial damage and impact on brand image. Also, the Code of Conduct of the Company requires employees to behave responsibly in their action and conduct. Apart from that, the Company has Committees at every location for the protection of women at workplace to ensure their rights, receive grievances, conduct investigation and to take actions.

8. Do human rights requirements form part of your business agreements and contracts?

Yes. The Company adheres to the UNGC (United Nation Global Compact) principles which include Human Rights clauses. These clauses are part of the contracts with suppliers, partners, and NGOs, and are extended across the supply chain in the form of Supplier/Vendor Code of Conduct.

9. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	The Company undertook internal assessment through its EHS, HR and IR function.
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. 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.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No complaint received in FY22 for human rights violation. The Company revised its Supplier/Vendor Code of Conduct including human rights compliance requirements for value chain partners.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company adheres to the UNGC (United Nation Global Compact) principles which include Human Rights clauses. These clauses are part of the Company's contracts in the form of Supplier/Vendor Code of Conduct (CoC) and is extended across entire value chain. Fostering a culture of caring and trust are embedded in various corporate policies like Environment, Health & Safety (EHS) Policy, Whistle-Blower policy, Protection of Women's Rights at Workplace Policy

and the CoC. The Company has laid down its CoC, which is applicable to Board members, senior management and employees. The objective is to be committed and vigilant towards the ethical conduct of business processes and instil a sense of ownership within the Company. All designated employees, including Board Members, adhere to the CoC and provide an annual declaration of their compliance. The Code covers all aspects of functioning, including anti-trust behaviour, information security, insider trading rules, professional engagements, use of Company assets and brand logo, intellectual property, human rights etc. A separate CoC has been extended to vendors and service providers which covers the need for compliance with environmental regulations, health and safety, labour practices, ethical behaviour, human rights aspects, minimum wages, freedom of association, collective bargaining, prohibition of child labour and forced and compulsory labour. 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, 2013. The policy is applicable to all L&T establishments located in India.

Further, the Company conducts regular audit and inspection through internal audit protocols by EHS and IR department on EHS and human rights issues. The scope of audit covers all project sites, manufacturing units and offices including the value chain partners (supply chain partners) that are active in the Company's construction projects. Quarterly compliance report is prepared by all business verticals and submitted to corporate compliance department for further review, record and action plan. Additionally, the top 25 suppliers and large number of other suppliers are assessed through a detailed checklist of more than 40 questions on EHS parameters.

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 permanent facilities and office buildings are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of Value chain partners (by value of business done with such partners) that were assessed
Child labour	Currently, this is not being assessed.
Forced/involuntary labour	However, the Company's Suppliers CoC addresses many of these aspects. All suppliers have to necessarily sign the CoC for dealing with the Company and are expected to comply with its requirements.
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.

Not applicable

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 21-22# (Current Financial Year)	FY 20-21# (Previous Financial Year)
Total electricity consumption (A)	1,281,464 GJ	984,692 GJ
Total fuel consumption (B)	8,365,802 GJ	7,251,162 GJ
Energy consumption through other sources (C)	–	–
Total energy consumption (A+B+C)	9,647,266 GJ	8,235,854 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	9,693 GJ/Bn	9,564 GJ/Bn
Energy intensity (optional) – the relevant metric may be selected by the entity	–	–

#Scope excludes transit houses, guest houses, holiday homes and company owned residential facilities for both FY21-22 and FY20-21

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, the sustainability data assurance is carried out by DNV India.

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) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

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	FY21-22# (Current Financial Year)	FY20-21# (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,001,310	1,637,695
(ii) Groundwater	3,251,265	4,087,726
(iii) Third party water	1,369,437	980,433
(iv) Seawater / desalinated water	–	–
(v) Others	2,980,360	3,291,630
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9,602,372	9,997,484
Total volume of water consumption (in kilolitres)	9,410,093	9,677,094
Water intensity per rupee of turnover (Water consumed / turnover)	9,454	11,237
Water intensity (optional) – the relevant metric may be selected by the entity	–	–

#Scope excludes transit houses, guest houses, holiday homes and company owned residential facilities for both FY21-22 and FY20-21

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, the sustainability data assurance is carried out by DNV India.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has implemented a mechanism of Zero Liquid Discharge in 19 manufacturing units and office campuses out of its 20 units where the Company reuses and recycles all the wastewater generated after treatment. All the wastewater

is collected and treated in STP/ETPs and treated wastewater is completely recycled or reused as appropriate. The Company is in the process of conducting comprehensive water audits of these facilities.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY21-22 (Current Financial Year)*	FY20-21 (Previous Financial Year)*
NOx	Tonnes	0.9	1.0
SOx	Tonnes	0.1	8.3
Particulate matter (PM)	Tonnes	0.2	9.4
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – (ODS)	Tonnes	0.6	2.6

*The data is partially reported for both the years

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, the assurance is carried out by DNV India.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

Parameter	Unit	FY21-22*# (Current Financial Year)	FY20-21*# (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	615,035	533,423
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	274,028	210,763
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ Equivalent Per ₹ Bn	893	864

#Scope excludes transit houses, guest houses, holiday homes and company owned residential facilities for both FY21-22 and FY20-21

*GHG emissions intensity have been derived as per the Scope of Reporting and as per ISO 14064-1 standard. The Company has also calculated intensity (tCO₂e/₹ Bn).

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- The assurance has been conducted by DNV India.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, the Company undertakes projects and initiatives to reduce the Scope 1 and Scope 2 emissions and the Company has set a target of reduction of energy intensity by 2.5% per annum for Scope-1 and 2% per annum for Scope-2 over 2021 as baseline. The Company has also declared its commitment to become carbon neutral by 2040 and water neutral by 2035. For more details, refer to chapter on Natural Capital in the Integrated Report section.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY21-22# (Current Financial Year)	FY20-21# (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	99	NA
E-waste (B)	9	17
Bio-medical waste (C)	0.1	NA
Construction and demolition waste (D)	2,439	1,328
Battery waste (E)	6	NA
Radioactive waste (F)	1.4	NA
Other Hazardous waste. Please specify, if any. (G)	2,447.5	2,215
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	46,457	44,484
Total (A+B + C + D + E + F + G + H)	51,459	48,044
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	732.9 (Hazardous); 44,912 (Non-Hazardous)	1,002.2 (Hazardous); 36,548 (Non-Hazardous)
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	45,644.9	37,500.2
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	138.8 (Hazardous); 0 (Non-hazardous); 138.8 (TOTAL)	72.5 (Hazardous); 0 (Non-hazardous); 72.5 (TOTAL)
(ii) Landfilling	2,190 (Non-hazardous); 815.8 (Hazardous); 3,005.8 (TOTAL)	1,924 (Non-hazardous); 685.4 (Hazardous); 2,609.49 (TOTAL)
(iii) Other disposal operations	NA	NA
Total	3,144.6	2,681.9

Some of the waste data have been captured for the first time in FY22

#Scope excludes transit houses, guest houses, holiday homes and company owned residential facilities for both FY21-22 and FY20-21

NA: Data not available

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, the assurance has been conducted by DNV India.

9. 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.

L&T is certified under ISO 14001:2015 and the scope covers its entire operations including offices, headquarters, construction projects and temporary facilities, manufacturing units and industrial facilities. Under the environmental management system, the Company has guidelines for comprehensive waste management (which is under revision now) for the identification, segregation, collection, recycling and final disposal. Wherever applicable the company follows 6R principles (Rethink, Reduce, Reuse, Recycle, Refuse and Repair) for waste management. Awareness sessions are undertaken for the employees who have a role and responsibility towards waste management. Performance is monitored and waste data is collected quarterly through the sustainability data management platform (SoFi).

10. 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 in the following format:

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.
1	Mumbai Coastal Road Project (package 1 and 4)	Construction projects	Yes
2	Mumbai Trans Harbour Link Project (Package 1 and 3)	Construction projects	Yes
3	High Speed Rail Project (Package C4 and C6)	Construction projects	Yes
4	L&T Heavy Engineering, Ranoli Plant	Industrial Facility	Yes
5	Kattupalli Ship Building Facility	Industrial Facility	Yes
6	MFF Hazira	Industrial Facility	Yes
7	Proposed residential, I.T & Commercial building, Saki Vihar Road, Powai East, Mumbai - 400 072.	Construction	Yes
8	Proposed Mixed use development of residential, I.T, School & Commercial building Village Paspoli, Saki Vihar Road, Powai West , Mumbai - 400 072.	Construction	Yes
9	DIAL Phase-3 A Expansion Project	Construction	Yes
10	Dwarka Expressway Project, Package 3	Construction	Yes
11	TLT Factory - Pithampur	Industrial Facility	Yes
12	TLT Factory - Puducherry	Industrial Facility	Yes
13	TLT -TLTRS Kancheepuram	Industrial Facility	Yes
14	ISP PARWATI PHASE III & IV	Construction	Yes
15	L&T Defence Vizag facility	Industrial Facility	Yes
16	L&T Defence Coimbatore Facility	Industrial Facility	Yes
17	L&T Defence Talegaon Facility	Industrial Facility	Yes
18	A.M. Naik Heavy Engineering Complex	Industrial Facility	Yes

The above selected projects mentioned herein are the Company's major construction projects and industrial facilities.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not conducted any environmental impact assessments (EIA) of projects or industrial facility in FY22. For the construction projects, it is under the scope of the proponents, and the Company ensures that all regulatory permits and approvals are in place before starting of the construction work. For the ongoing construction projects, all the applicable EIAs are carried out by the proponent before the construction project is awarded to the Company.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
None	-	-	-	-	-

12. Is the entity compliant with the applicable environmental law/ 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).

All the Company projects and industrial facilities follow the applicable environmental law/ 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. However, two cases of noncompliance have been raised by respective authority in its construction vertical in Delhi NCR region which are presented here.

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	DPCC/NGT-AIR Pollution/ CMC-IV/2021/1005 dated 02/07/2021	Dust generation leading to air pollution at the Company's Pragati Maidan Construction Project	Yes, a penalty of ₹ 5 Lakhs was imposed by Delhi Pollution Control Committee (DPCC)	As instructed by DPCC (Delhi Pollution Control Board), the following steps were implemented: <ol style="list-style-type: none"> 1. Installed 4 Anti-Smog guns around the project area. 2. Deployed dedicated water sprinkling tankers to control dust. 3. Covering of excavated materials using Green cloth.
2	Air Pollution under the Provisions of Air Act, 1981 & Environmental compensation.	Dust generation leading to air pollution at Dwarka Expressway Project	Yes, a penalty of ₹10 lakh was imposed by Regional Office, Gurugram (N) Haryana State Pollution Control Board	<ol style="list-style-type: none"> 1. Regular water sprinkling 2. Removal of dust on live roads 3. Tree plantation 4. Use of anti-smog gun 5. Covering of loose materials, waste and loads during transportation

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY21-22# (Current Financial Year) GJ	FY20-21# (Previous Financial Year) GJ
From renewable sources		
Total electricity consumption (A)	127,129	97,044
Total fuel consumption (B)	–	–
Energy consumption through other sources (C)	–	–
Total energy consumed from renewable sources (A+B+C)	127,129	97,044
From non-renewable sources		
Total electricity consumption (D)	1,154,335	887,648
Total fuel consumption (E)	8,365,802	7,251,162
Energy consumption through other sources (F)	–	–
Total energy consumed from non-renewable sources (D+E+F)	9,520,137	8,138,810

#Scope excludes transit houses, guest houses, holiday homes and company owned residential facilities for both FY21-22 and FY20-21

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, the assessment has been conducted by DNV India.

2. Provide the following details related to water discharged:

No wastewater is discharged from any office or plant locations.

Parameter	FY 21-22* (Current Financial Year)	FY 20-21* (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
Total water discharged (in kilolitres)	-	-

*Data for the above are not captured for both FY21-22 and FY20-21.

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, the assessment has been conducted by DNV, India.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Currently mapping is in progress for the Company’s permanent facilities and offices. The data will be provided for FY23.

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 21-22* (Current Financial Year)	FY 20-21* (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-

Parameter	FY 21-22* (Current Financial Year)	FY 20-21* (Previous Financial Year)
Water intensity (optional) – the relevant metric may be selected by the Entity	–	–
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(ii) Into Groundwater		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iii) Into Seawater		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(iv) Sent to third-parties		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
(v) Others		
- No treatment	–	–
- With treatment – please specify level of treatment	–	–
Total water discharged (in kilolitres)	–	–

*Currently, the Company does not have an assessment of operations that could be in water stressed area, same would be done by FY24

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, the assessment has been conducted by DNV, India.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY21-22# (Current Financial Year)	FY20-21** (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,976,909	–
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 Equivalent/ Billion INR	5,000	–
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	–	–	–

#Excluding transit houses, guest houses, holiday homes and company owned residential facilities as part of the scope for both FY21-22 and FY20-21

*In FY20-21 the data was not captured by the Company

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, the assessment has been conducted by DNV, India.

5. 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.

All the projects and industrial facilities listed in Question 10 of the Essential Indicators above, are either operating near coastal areas coming under CRZ Notification 2011 or forest and other sensitive zones as identified within the respective EIA studies conducted earlier (not in FY22) where Environmental Clearance (EC)/approval and permits as applicable are in place. The significant direct impact as identified in EIA study was on marine biodiversity for the Company's marine projects and pollution load to the nearby settlements, water bodies and forest. All the requisite environmental management plans including marine biodiversity conservation plan are in place and implemented. All the regulatory compliance reports are being submitted as mentioned in the EC/Approval terms and conditions. Further, all the applicable Consent to Establish (CTE) and Consent to Operate (CTO) are in place for Batching Plants, Precast Yards, Fabrication Yard, and Industrial Facilities as applicable.

6. 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:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Plastic Waste Management	The waste collection & segregation is conducted daily to minimize the waste generated at the site, minimize environmental impact, keep workplace, aisles hazard free. With the help of a third-party manufacturer & supplier-PGS enterprises India LTD., Pune, WET IC sends its plastic waste to be recycled into plastic granules, polyfuel, etc.	(i) Waste Impact: 331.6 kg/Yr Plastic Waste recycled into Polyfuel / Granules (ii) 108 Staff and 194 Workmen participated in the initiative, and they were also trained by the IC. (iii) Emission Impact: 665 kgCO ₂ e per annum emissions avoided (Per kg of plastic, about 6 kg of carbon dioxide is emitted during production and incineration) ² (iv) Water Impact: Water footprint is about 5.3 litres of water to produce typical single-use water ³ .
2.	LEED Platinum Certification for AM Naik Tower	(i) Used percolation pits along the periphery Storm Water Drain for Groundwater recharge (ii) Usage of organic waste for treating kitchen & organic waste (iii) Using AC condensate water for domestic reuse (iv) Highly efficient HVAC equipment lifts with Regen drive for energy savings	(i) Emission Impact: 700 tCO ₂ e/year (ii) Water Impact: (a) Rainwater Tanks: 60 KL/year (b) Sewage Treatment Plant (STP): 96,000 KL/yr (iii) Waste Impact: 135 tonnes/Year
3.	Alternate material for Backfilling and Temporary works in Underground Metro Station	Use of Crusher Dust (CRF-Crushed Rock Fines) and TBM (Tunnel Boring Machine) Excavated Muck instead of M-Sand in CLSM (Controlled Low strength Material) for Backfilling and Temporary Works	(i) Savings through reduction in raw material usage: ₹ 1.31 Cr. (ii) Emission Impact: 111 tCO ₂ e (iii) Water Impact: 2525.6 KL (iv) Waste impact: 1.15 tonnes (v) Saving through reduction of water usage: ₹ 0.08 Cr (vi) Energy saving cost: ₹ 0.15 Cr.
4.	Extension of electrically powered gantry cranes	L&T Modular fabrication is into fabrication of modular structures for onshore and offshore installation. Fabrication of such structures involve extensive handling of individual steel members with weight ranging from 200 Kilograms to a higher range of 8,000 kilogram.	(i) Emission Impact: 4874 MT/year (ii) Energy saving cost: 1.5 million USD (iii) 30 % higher travel speed (No load)

² Source: <https://timeforchange.org/plastic-bags-and-plastic-bottles-co2-emissions-during-their-lifetime/>

³ Source: <https://foodprint.org/blog/plastic-water-bottle/>

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
5.	Promoting sustainable construction	(i) Reduction in CO2 impact by using supplementary cementitious materials in concrete (ii) Reduction in the water usage by replacing conventional water curing with curing compound	(i) Emission Impact: Supplementary Cement Materials: 119,946 tCO2e (ii) Water Impact: (a) Curing Compound: 2,020.8 KL (b) Superplasticizers: 44,479.2 KL (iii) Savings through reduction in raw material usage: ₹ 160 crores
6.	Food waste composting	(i) Recycling food waste. (ii) Improving Hygiene in the workplace (iii) Reducing stagnation of food waste at Drains.	(i) 1kg of food waste is equivalent to 2.5kg of CO2 emission, composting of 4 tonnes of food waste results in avoiding emissions around 10 tCO2e/year ⁴ (ii) Impact on employee or society: 50 employees are trained & 135 people are benefited from the fertilizer.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has established emergency preparedness plans at each project site to deal with the emergency situations. It also provides response procedures for preventing and mitigating the hazard & risk and environmental impacts arising from emergency situations including the provision for first aid. In the event of any occurrence of an emergency, the same shall be investigated and appropriate preventive measures would be initiated to avoid recurrence in future. Relevant information and training related to emergency preparedness and response shall be provided to the interested parties. The duties and responsibilities of all the workers are being communicated periodically.

8. 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 adverse impact reported from any value chain partners. A separate Code of Conduct (CoC) has been extended to vendors and service providers which covers the need for compliance with environmental regulations, health and safety, labour practices, human rights aspects, minimum wages, freedom of association, collective bargaining, prohibition of child labour and forced and compulsory labour, ethical behaviour, transparency in business processes and environment conservation. All new vendors/ service providers need to sign the CoC as part of the initial empanelment process. Timely internal environmental management system audit for ISO 14001:2015 and external audits are conducted to evaluate compliance which also includes the Company's value chain partners (supply chain partners) too.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

All supply chain partners are required to sign a CoC which covers the need for compliance including environmental regulations. In FY23, the Company intends to assess some supply chain partners for environmental impacts as pilot projects.

⁴ Source: <https://www.newfoodmagazine.com/article/153960/food-waste-climate/>

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. A. Number of affiliations with trade and industry chambers/ associations.
- 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)
1.	Association of Business Communicators of India	National
2.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
3.	Bombay Chamber of Commerce & Industry (BCCI)	State
4.	Bureau of Indian Standards	National
5.	Construction Industry Development Council (CIDC)	National
6.	Confederation of Indian Industry (CII-CESD and CII – GBC)	National
7.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
8.	Indian Institute of Chemical Engineers (IChE)	National
9.	National Safety Council	National
10.	National Fire Protection Institution	National
11.	Indian Electrical and Electronics Manufacturers' Association (IEEMA)	National
12.	India Smart Grid Forum (ISGF)	National
13.	Central Board of Irrigation and Power (CBIP)	National
14.	India Lead Zinc Development Association (ILZDA)	National
15.	Society of Indian Defence Manufacturers (SIDM)	National

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:

During the year, there were no such cases.

Name of authority	Brief of the case	Corrective action taken
–	–	–
–	–	–

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Given L&T's expertise, the Company proactively engages with various stakeholders including industry chambers, associations, governments and regulators and provides its inputs on various areas such as infrastructure development and construction, renewable energy, space, health and safety, amongst others. Over the years, L&T executives have played a key role in helping shape public policy and been invited to several committees and task forces. The Company is committed to engage in the public policy advocacy process in a responsible and ethical manner.

Sr. No.	Public Policy Covered	Method restored for such advocacy	Whether information in public Domain	Frequency of review by Board	Web Link if available
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief detail of the project	SIA Notification Number	Date of Notification	Whether conducted by independent external agency	Results communicated in public domain	Web Link if available
A third-party social audit was conducted, covering L&T's key CSR thematic areas of education, health, EHS, skill development and water & sanitation. Projects across geographical locations were evaluated on key parameters of efficiency, effectiveness and stakeholder participation.	NA	NA	Yes (Thinkthrough Consulting, New Delhi)	Yes	https://investors.larsentoubro.com/Listing-Compliance.aspx

NA: Data not available

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable. No rehabilitation and resettlement were undertaken by the entity during this reporting period.

Sr. No	Name of the project for which R&R is going	State	District	No. of Projects Affected families	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.

At the Company's construction sites, public complaints are collected through suggestion box and mail. The complaints or grievances received from community is addressed by the site management involving the industrial and administration department and also the clients, as applicable. Any issue which is unresolved or needs management intervention is escalated to the respective business heads. Any community member can raise complaint on Company's toll-free number and email address provided at Company's website which is monitored, addressed and proper record is maintained under Whistle Blower Policy.

For CSR Projects

In the Community based CSR projects, L&T representative from CSR team facilitates the interaction between the beneficiary groups, addresses concerns and resolves issues if any.

Process followed is as under:

- (i) During monthly or quarterly review meetings community conflicts that impact the implementation or outcomes of the project are discussed.
- (ii) During the quarterly review visit by L&T representative, concerns and issues are discussed with the community-based groups e.g. Farmer's Association, Self Help Groups or Village Development Committees.
- (iii) L&T along with other stakeholders analyse the conflicts, discuss the alternatives, pros and cons and identify the probable strategies/solutions. Community-groups are encouraged to resolve the issues by negotiating with the concerned persons or groups in the community.

- (iv) Community Groups are empowered by disseminating relevant knowledge, information, conducting skills training and encouraging them to assume leadership in conflict management.
- (v) If the community themselves are unable to resolve a certain conflict, L&T representatives intervene and facilitate negotiations between different groups in the community and stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 21-22 Current Financial Year	FY 20-21 Previous Financial Year
Directly sourced from MSMEs/small producers	4 % (₹ 2,559 Cr)	₹ 2,149 Cr
Sourced directly from within the district and neighbouring districts	18.8%*	Not Available

*This percentage value is based on the seven mega projects with project value over ₹ 5,000 crore and the calculation is done for material sourced directly within the district and neighbouring districts to the total project cost of these seven projects.

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):

Details of negative social impact identified	Corrective action taken
No negative social impact has been identified in social impact assessment.	NA

NA: Not available

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	Aspirational District	Amount spent (In INR)
1	Vishakhapatnam (AP) Skills training, Education, Environment and Covid relief	26,624,897
2	Begusarai (Bihar) Covid relief	990,000
3	Bastar (Chhattisgarh) Education	178,416
4	Hazaribag (Jharkhand) Education	773,000
5	Ranchi (Jharkhand) Education	443,000
6	Kalburgai (Karnataka) Covid Relief	7,640,050
7	Singrauli (MP) Covid Relief	330,000
8	Gadchiroli (Maharashtra) Covid Relief	7,136,211
9	Balangir (Odisha) Covid Relief	29,972
10	Nabarangpur (Odisha) Covid Relief	330,000
11	Naupara (Odisha) Covid Relief	300,000
12	Rayagada (Odisha) Covid Relief	335,000
13	Virudhunagar (Tamil Nadu) Covid Relief	2,323,775
14	Telangana (Adilabad) Covid Relief	7,590,784
	TOTAL	55,025,105

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

L&T Limited is in construction and engineering business, and majority of the Company's procurement is of industrial origin and procured in bulk. The Company does not have a preferential procurement policy to purchase from suppliers comprising marginalized /vulnerable groups.

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable.

(c) What percentage of total procurement (by value) does it constitute?

Not applicable. Although the Company engages some of the marginalised and vulnerable groups (Women self-help group, local farmers, small businessman) for its canteen operation for food supplies, it is very negligible as compared to the total procurement. The food supplies procured for three canteen operations (Talegaon, Knowledge Campus Vadodara and AMN Hazira Campus) amounts to ₹ 43.4 L for FY22.

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:

Not applicable as the Company does not have any intellectual properties owned or acquired by the entity (in the current financial year), based on traditional knowledge.

Sr. No.	Intellectual Property based upon traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit (Yes/No)	Benefits of calculating benefit share
-	-	-	-	-
-	-	-	-	-

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:

Name of authority	Brief of the case	Corrective action taken
-	-	-
-	-	-

6. Details of beneficiaries of CSR Projects:

Sr. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Awareness Programmes and Engagement with Community	12,880	100 % of the Projects serve the beneficiaries who are from the under privileged, marginalised, vulnerable and backward community of the society.
2	Maintenance of Public Green Spaces (Saki Vihar Median & Nashik Flyover garden)	Cannot be ascertained	
3	Covid-19 Emergency Response (Ventilators)	Cannot be ascertained	
4	Covid-19 Emergency Response	9,200	
5	Repair and Renovation of Day Care Center, for Children	1,000	
6	STEM Programme In Mumbai For Schools	50	
7	Support to Community Learning Centers Through Study Centers & Balwadis	310	
8	Support to Community Learning Centers for Urban Children from Vulnerable Communities	504	
9	Early Childhood Intervention through Pre-School Readiness Programme	504	
10	Mobile Toy Van Outreach	1,308	
11	Early Childhood Intervention through Pre-School Readiness Programme	861	
12	Infrastructure Improvement of Schools and Anganwadi Centers, Bhim	3,571	
13	Community Development Activities	20,037	
14	Integrated Community Development Programme, Devgaon	8,355	
15	Integrated Community Development Programme, Nagzari	7,853	
16	Integrated Community Development Programme, Gudiyatham	30,376	
17	Community Sanitation and Awareness, Gudiyatham		

Sr. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
18	Women Health and Child Nutrition, Gudiyatham	75,000	100 % of the Projects serve the beneficiaries who are from the under privileged, marginalised, vulnerable and backward community of the society.
19	STEM Education Project in Urban Schools	17,158	
20	Integrated Community Development Programme, Sewantri	9,000	
21	Enhancing Education And Infrastructure Support, Bhim	3,571	
22	Covid Response – Provision of Oxygen Generating Plants	16,297	
23	Support to Health & Dialysis Centers and Mobile Medical Units	178,239	
24	Educate and Empower Children at Risk of Dropping out in Pathardi	410	
25	Women Health and Child Nutrition Programme, Kumbhalgarh	3,402	
26	Infrastructure Support and Education Enhancement Programme, Kumbhalgarh	1,500	
27	Skill Training Academy, Madh	436	
28	Community Health Centre, Thane	29,227	
29	Maintenance of Public Green Spaces	Cannot be ascertained	
30	Educational Support to Vulnerable Children	44,239	
31	Skills Development Training for Rural Youth, Serampore	1,430	
32	Providing Educational Support to Tribal Communities	1,405	
33	Autocad Training for Underprivileged Youth	1,268	
34	Infrastructure Development Support at School	4,175	
35	Support to Study Centers for Urban Children from Vulnerable Communities	415	
36	Educational Support for Special Children	44	
37	Support to Evening School For Children from Vulnerable Communities	590	
38	Every Child a Scientist Project	95	
39	School Infrastructure Development	322	
40	School Infrastructure Development	4,456	
41	Support for Special Education for Abandoned Children with Intellectual Disability	109	
42	Infrastructure Support for Blood Storage	Cannot be ascertained	
43	'Green Hands' – Building Awareness for Greenery Development in Nearby Communities	Cannot be ascertained	
44	Skill Upgradation Training for Women Construction Workers	73	
45	Oxygen Concentrator Machines to Government Hospitals, Chennai (Covid Relief)	500	
46	E-Content Development for Skills Development Training Institutes for Rural Youth	Cannot be ascertained	
47	Providing Skill Training to Youth on Data Entry	25	
48	Support for Education to Vulnerable Children	115	
49	Mobility Aids and Mainstreaming	136	
50	Skill Development Programme	891	

Sr. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
51	Vocational Training for Women	420	
52	Blood Donation Awareness & Camp, Kolkata	10,888	
53	Providing Educational Kits	23,590	
54	Rural Health Support	66	
55	HIV Aids Awareness Prevention & Support System	60	
56	'Aadhaar'- Skill Building for Community Women	2,015	
57	Health & Hygiene Programme for Adolescent Health Awareness	83,028	
58	Awareness and Engagement with Community	2,805	
59	Support to Community Development Centre at Mora	3,800	
60	Providing Educational Kits	6,518	
61	Alternate Energy for Schools	9,127	
62	Maintenance of Public Green Spaces	Cannot be ascertained	
63	Providing Digital Classrooms in Schools	7,739	
64	Awareness Programme and Engagement with Community	105	
65	Skills Development Training for Rural Youth, Jadcherla	812	
66	Skills Development Training for Rural Youth, Ahmedabad	586	
67	Awareness and Cancer Detection	1,284	
68	Repairs to Infrastructure Facilities in School	9,925	100 % of the Projects serve the beneficiaries who are from the under privileged, marginalised, vulnerable and backward community of the society.
69	Skills Development Training for Rural Youth, Kanchipuram	571	
70	Skills Development Training for Rural Youth, Panvel	496	
71	Skills Development Training for Rural Youth, Pilkhuwa	760	
72	Repairs to Infrastructure Facilities in School	80	
73	Renovation of Community Center at Belpada Village	120	
74	Skills Development Training for Rural Youth, Cuttack	998	
75	Construction Skill Training Institute for Rural Youth, Attibelle	908	
76	Infrastructure Development at Government Schools	14,714	
77	Infrastructure Development (Solar Power System) in Community	3,000	
78	Basic Infrastructure Upgradation in Government School	3,295	
79	Skills Development Training for Rural Youth, Hyderabad	349	
80	Infrastructure and Learning Enhancement Programme in Government Schools	10,599	
81	Maintenance of Public Green Spaces	Cannot be ascertained	
82	Multi Skill Training Center for Rural Youth	125	
83	Water Conservation Initiatives for Community	8,000	
84	Wash Facilities for Schools	2,247	
85	Education Support for Special Children	178	
86	Maintenance of Public Green Spaces	7,800	
87	Awareness Programme and Engagement with Community	101	

Sr. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
88	Education Development Programme, Mumbai	3,197	100 % of the Projects serve the beneficiaries who are from the under privileged, marginalised, vulnerable and backward community of the society.
89	Education Development Programme, Vadodara	5,076	
90	Engineering Futures Programme – STEM intervention	1,595	
91	Personality development and life skills Programme for children 'Just for Kicks', Mumbai	789	
92	School on Wheels' Education support for children	260	
93	Infrastructure support to school	200	
94	Health & Nutrition at Child Care Centre	70	
95	Primary health care programme	3,164	
96	Early diagnostic career guidance for school children	5,561	
97	Infrastructure support for PHC, Minjur	Cannot be ascertained	
98	Community development for water and sanitation Programme	10,442	
99	Village Development Programme	4,510	
100	Water Management Initiatives	24,007	
101	Wastewater Treatment, Alva village	577	
102	Providing drinking water facilities	500	
103	Plastic Recyclothon	202,560	
104	Village Development Programme	889	
105	Infrastructure support for skilling	100	
106	Infrastructure for COVID relief	Cannot be ascertained	
107	Oxygen Augmentation – PSA O2 Unit Civil & electric work	Cannot be ascertained	
108	Health infrastructure support	300	
109	Oxygen Augmentation – PSA Oxygen Generation Unit	Cannot be ascertained	
110	Covid-19 Vaccination	11,663	
111	L&T Public Charitable Trust	143,638	
	Total	1,127,544	

The Company's projects are designed to serve the beneficiaries from the under privileged, marginalised, vulnerable and backward communities of the society.

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.

The Company does not have any specific consumer products except few heavy machines and machine parts for Industrial and Defence use. The Company collects feedback forms from client/customer every six months as per the Company's established QMS documented information. Customers evaluate the performance and provide rating on the following parameters:

- Designing / Detail Engineering
- Planning

- Construction Capability
- Project Quality
- Management

Customer complaints are received through email, transmittal letter communications and verbal communications directly to project management teams. A complaint register is maintained for customers to record their complaints as per the established QMS documented information. The customers can also lodge complaint through the toll-free number and email address provided on the Company website.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable as the Company does not have specific consumer product or product range except few heavy machines and machine parts for industrial and Defence use.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY21-22* (Current Financial Year)		Remarks	FY20-21 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential Services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

*The Company is putting a process to compile the above data for FY23

4. Details of instances of product recalls on account of safety issues:

The Company does not have any specific consumer products except few heavy machines and machine parts for industrial and defence use. No product recalls (voluntary or forced) were made on grounds of safety in FY22.

	Number	Reason for call
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy

Yes, the Company has a framework/ policy on cyber security and risks related to data privacy, 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.

None.

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 on the website: <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 model except for few heavy machines and machine parts for industrial and defence use. For aforementioned products, regular interaction with the client/customers are conducted during the execution phase of a project. The Company extends an opportunity to explain about its products, innovations, new technology and techniques that are implemented to enhance product quality and work methodology.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

During execution of construction projects and transport of heavy machinery, the clients and concerned departmental authorities are informed through transmittal letters and their permissions are sought for road closure, traffic diversion and isolation of essential services.

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. 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)

Not applicable, as the Company operates in B2B model.

The average customer satisfaction score during FY22 was 89%.

5. Provide the following information relating to data breaches:

- (a) Number of instances of data breaches along-with impact

There were no data breaches during the year.

- (b) Percentage of data breaches involving personally identifiable information of customers -

NIL

LARSEN & TOUBRO LIMITED

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Notice

NOTICE IS HEREBY GIVEN THAT the Seventy Seventh Annual General Meeting of **LARSEN & TOUBRO LIMITED** will be held through **VIDEO CONFERENCING OR OTHER AUDIO-VISUAL MEANS on Thursday, August 04, 2022 at 03.30 P.M. IST** to transact the following business:-

- 1) To consider and adopt the audited financial statements of the Company for the year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company and the report of the auditors thereon for the year ended March 31, 2022;
- 2) To declare a dividend on equity shares;
- 3) To appoint a Director in place of Mr. Subramanian Sarma (DIN: 00554221), who retires by rotation and is eligible for re-appointment;
- 4) To appoint a Director in place of Mr. S. V. Desai (DIN: 07648203), who retires by rotation and is eligible for re-appointment;
- 5) To appoint a Director in place of Mr. T. Madhava Das (DIN: 08586766), who retires by rotation and is eligible for re-appointment;
- 6) To consider and, if thought fit, to pass as an **ORDINARY RESOLUTION** the following:
"RESOLVED THAT pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act and the Rules made thereunder, approval be and is hereby granted to the re-appointment of Mr. S.N. Subrahmanyam (DIN: 02255382) as the Chief Executive Officer and Managing Director of the Company with effect from July 1, 2022 upto and including June 30, 2027.
RESOLVED FURTHER THAT Mr. S.N. Subrahmanyam in his capacity as Chief Executive Officer and Managing Director, be paid remuneration as may be fixed by the Board, from time to time, as prescribed under the Companies Act, 2013 and within the limits approved by the Members as per the details given in the explanatory statement."
- 7) 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 alongwith the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, the Company's Policy on Related Party Transactions and as per the recommendation/approval of the Audit Committee and 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 transaction(s) with **Larsen Toubro Arabia LLC, L&T Modular Fabrication Yard LLC, Larsen & Toubro Electromech LLC, Larsen & Toubro Heavy Engineering LLC, Larsen & Toubro Kuwait General Contracting Co WLL**, subsidiaries of the Company and Related Parties within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations for providing Parent Company Guarantees or Corporate Guarantees or Comfort Letters or Undertakings, on behalf of the above subsidiaries, from this Meeting till the next Annual General Meeting of the Company or for a period of fifteen months, whichever is earlier, upto an amount not exceeding ₹ 6,000 crore or US\$ 800 Mn, whichever is higher, on such terms and conditions as may be decided by the Board of Directors/Audit Committee of the Company as they may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers conferred on it to any Committee of Directors and/or Managing/Whole-time Director(s) of the Company 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 in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respects."

- 8) 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 along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, the Company's Policy on Related Party Transactions and as per the recommendation/approval of the Audit Committee and 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 contract(s)/transaction(s) with **L&T-MHI Power Boilers Private Limited**, subsidiary of the Company and a Related Party within the meaning of Section 2(76) of the Companies Act, 2013 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 equipment; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet its business objectives/requirements ("Related Party Transactions") from this Meeting till the next Annual General Meeting of the Company or for a period of fifteen months, whichever is earlier, upto an amount not exceeding ₹ 6,500 crore on such terms and conditions as may be decided by the Board of Directors/Audit Committee of the Company as they may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it to any Committee of Directors and/or Managing/Whole-time Director(s) of the Company 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."

- 9) 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 along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, the Company's Policy on Related Party Transactions and as per the recommendation/approval of the Audit Committee and 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 contract(s)/transaction(s) with **L&T-MHI Power**

Turbine Generators Private Limited, subsidiary of the Company and a Related Party within the meaning of Section 2(76) of the Companies Act, 2013 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 equipment; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet its business objectives/requirements ("Related Party Transactions") from this Meeting till the next Annual General Meeting of the Company or for a period of fifteen months, whichever is earlier, upto an amount not exceeding ₹ 2,600 crore on such terms and conditions as may be decided by the Board of Directors/Audit Committee of the Company as they may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it to any Committee of Directors and/or Managing/Whole-time Director(s) of the Company 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."

- 10) 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 along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, the Company's Policy on Related Party Transactions and as per the recommendation/approval of the Audit Committee and 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 contract(s)/transaction(s) with **L&T Special Steels and Heavy Forgings Private Limited**, subsidiary of the Company and a Related Party within the meaning of Section 2(76) of the Companies Act, 2013 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 equipment; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet its business objectives/requirements ("Related Party Transactions") from this Meeting till the next Annual General Meeting of the

Company or for a period of fifteen months, whichever is earlier, upto an amount not exceeding ₹ 2,000 crore on such terms and conditions as may be decided by the Board of Directors/Audit Committee of the Company as they may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it to any Committee of Directors and/or Managing/Whole-time Director(s) of the Company 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."

- 11) 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 along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof, the Company's Policy on Related Party Transactions and as per the recommendation/approval of the Audit Committee and 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 contract(s)/transaction(s) with **L&T Modular Fabrication Yard LLC**, subsidiary of the Company and a Related Party within the meaning of Section 2(76) of the Companies Act, 2013 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 equipment; b) availing or rendering of services; c) transfer of any resources, services or obligations to meet its business objectives/requirements ("Related Party Transactions") from this Meeting till the next Annual General Meeting of the Company or for a period of fifteen months, whichever is earlier, upto an amount not exceeding ₹ 2,300 crore or US \$ 300 Mn, whichever is higher, on such terms and conditions as may be decided by the Board of Directors/Audit Committee of the Company as they may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it to any

Committee of Directors and/or Managing/Whole-time Director(s) of the Company 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) To consider and, if thought fit, to pass as a **SPECIAL RESOLUTION** the following:

"**RESOLVED THAT** in supersession of the resolution no. 13 passed by the Members at the 76th Annual General Meeting of the Company held on August 5, 2021 in this regard and in accordance with the provisions of Sections 41, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) as amended from time to time, Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI Regulations'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enabling provisions in the Memorandum and Articles of Association of the Company as also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (SEBI), Government of India (GOI), Reserve Bank of India (RBI) and all other appropriate and/or concerned authorities, or bodies and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ('Board') (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being, exercising the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer, issue and allot in one or more tranches, to Investors whether Indian or Foreign, including Foreign Institutions, Foreign Institutional Investors, Foreign Portfolio Investors, Foreign Venture Capital Fund Investors, Venture Capital Funds, Non-resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pension Funds, Individuals or otherwise, whether shareholders of the Company or not, through an issue of convertible bonds and/or equity shares

through depository receipts, including by way of Qualified Institutions Placement ('QIP'), to Qualified Institutional Buyers ('QIB') in terms of Chapter VI of the SEBI Regulations, through one or more placements of Equity Shares (hereinafter collectively referred to as "Securities"), whether by way of private placement or otherwise as the Board may determine, where necessary in consultation with the Lead Managers, Underwriters, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Rating Agencies/Advisors, Depositories, Custodians, Principal Paying/Transfer/Conversion agents, Listing agents, Registrars, Trustees, Auditors, Stabilizing agents and all other Agencies/Advisors so that the total amount raised through the issue of the Securities shall not exceed ₹ 4,500 Crore (Rupees Four Thousand Five Hundred Crore) or US \$600 Mn (US Dollars Six Hundred Million), if the value is higher.

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

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

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

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

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

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

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

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

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

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

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

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

- 13) To consider and ratify the remuneration payable to Cost Auditors and for that purpose to pass, as an **ORDINARY RESOLUTION** the following:

“**RESOLVED THAT** pursuant to 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 ₹ 17 lakhs plus applicable taxes and out of pocket expenses at actuals for travelling and boarding/lodging for the Financial Year ending March 31, 2023 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 2022-23.”

By Order of the Board of Directors

For **LARSEN & TOUBRO LIMITED**

SIVARAM NAIR A
COMPANY SECRETARY
M.NO – F3939

Mumbai, May 12, 2022

- [a] In view of the COVID-19 pandemic and the need for ensuring social distancing, the Government of India, Ministry of Corporate Affairs (“MCA”) allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 20/2021 dated December 8, 2021 and Circular No. 2/2022 dated May 5, 2022 (“**MCA Circulars**”), prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. MCA Circular No. 2/2022 dated May 5, 2022 extended the time line for holding of Annual General Meetings through VC/OAVM till December 31, 2022. In compliance with the applicable provisions of the Companies Act, 2013 and MCA Circulars, the 77th Annual General Meeting (AGM) of the Members will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.
- [b] Since this General Meeting is held through VC/OAVM the physical attendance of members is dispensed with and no proxies would be accepted by the Company pursuant to the relevant MCA Circulars and SEBI Circular dated May 13, 2022. Hence, no proxy form has been sent along with this Notice.
- [c] No attendance slip/route map has been sent along with this Notice of the Meeting as the meeting is held through VC/OAVM.
- [d] Members who are shareholders as on **Thursday, July 28, 2022** can join the AGM 30 minutes before the commencement of the AGM i.e at 03.00 P.M and till the time of the conclusion of the Meeting by following the procedure mentioned in this Notice.
- [e] The attendance through VC/OAVM is restricted and hence members will be allowed on first come first serve basis. However, attendance of Members holding more than 2% of the shares of the Company, Institutional Investors as on **Thursday, July 28, 2022** and Directors and Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, the Stakeholders Relationship Committee and Auditors will not be restricted on first come first serve basis.
- [f] Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.
- [g] In line with the MCA Circulars and SEBI Circular No SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, this Notice along with the Integrated Annual Report for FY 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories/Depository Participants/KFintech, unless any Member has requested for a physical copy of the same. Members may note that the Notice and Integrated Annual Report 2021-22 will also be available on the Company’s website at www.larsentoubro.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at <https://www.evoting.nsdl.com>. The Company will also be publishing an advertisement in the newspaper containing the details about the AGM i.e., the conduct of AGM through VC/OAVM, date and time of AGM, availability of Notice of AGM on the Company’s website, manner of registering the email IDs of those shareholders who have not registered their email addresses with the Company/KFintech, manner of providing mandate for dividends and other matters as may be required.
- [h] The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings, regarding the Directors who are proposed to be appointed/re-appointed and the relative Explanatory Statement pursuant to Section 102

of the Companies Act, 2013, in respect of the business under items 6 to 13 set out above are annexed hereto.

- [i] The record date for the purpose of payment of dividend will be **Friday, July 22, 2022**.
- [j] Members holding shares in physical form are requested to furnish bank details, email address, change of address etc. to KFin Technologies Limited (“KFinTech”), Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, who are the Company’s Registrar and Share Transfer Agents (RTA) so as to reach them latest by **Friday, July 22, 2022**, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, members holding shares in demat mode should update their records with their Depository Participants at the earliest.
- [k] Those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:
1. Those Members who have not registered their email address and mobile nos. including address and bank details may please contact and validate/update their details with the Depository Participant(s) in case of shares held in electronic form and with Registrar and Transfer Agents, KFinTech in case the shares are held in physical form.
 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.
 3. Members who have not registered their email address can get their email address and mobile number registered with KFinTech, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Notice. In case of any queries, shareholders may write to inward.ris@KFinTech.com.
 4. Members may also visit the website of the Company at www.larsentoubro.com or the website of NSDL at www.evoting.nsdl.com for downloading the Annual Report and Notice of the AGM.
 5. Members may send an e-mail request to inward.ris@KFinTech.com along with scanned

copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio.

6. It is mandatory vide SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 to update PAN, Address, Email ID, Bank account details (KYC details) and Nomination details of shareholders, who have not updated the same with RTA in case of physical shareholding and with Depository Participants (DPs) in case of Demat shareholding. Henceforth, RTA will attend to all service requests of the shareholders with respect to transmission, dividend, etc., only after updating the above details in the records. **Non-updation of KYC details in Folios**, wherein any one of the cited details/documents (i.e. PAN, Bank Details, Nomination) are not available on or after April 01, 2023, shall be frozen by the RTA as per above SEBI Circular.

The shareholders whose folios are frozen shall be:

- a) eligible to lodge grievance or avail service request from KFinTech only after furnishing the complete documents/details as aforesaid.
- b) eligible for any payment including dividend, only through electronic mode, subject to verification and confirmation by KFinTech.
- c) referred by KFinTech/the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

KFinTech shall reverse the frozen folios to normal status upon:

- a) receipt of all the aforesaid documents/details
 - b) dematerialization of all the securities in such folios.
7. 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 the 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/split 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 KFintech at https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd. It may be noted that any service request can be processed only after the folio is KYC Compliant.

8. SEBI vide its Notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or KFintech, for assistance in this regard.

[l] All matters included in this Notice are unavoidable and hence are proposed for seeking approval at this AGM. All shareholders will be able to inspect all documents referred to in this 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 can send an email to LNTGOGREEN@larsentoubro.com.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested and maintained under Section 189 of the Act, and the relevant documents referred to in this Notice will be available electronically for inspection by the Members during the AGM.

Pursuant to Section 124 of the Companies Act, 2013 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Dividend No.	Date of Declaration	For the year ended	Due for Transfer on
86	09.09.2015	31.03.2015	15.10.2022
87	26.08.2016	31.03.2016	02.10.2023
88	22.08.2017	31.03.2017	27.09.2024
89	23.08.2018	31.03.2018	28.09.2025
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	09.09.2028

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/KFintech, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

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 i.e **Friday, July 22, 2022**. In case of shareholders who have not registered their bank details with the Company, dividend warrants/demand drafts will be sent to them in due course of time.

[m] **Investor Grievance Redressal:**

The Company has designated an exclusive e-mail id viz. IGRC@Larsentoubro.com to enable Investors to register their complaints, if any.

[n] Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has during the Financial Year 2021-22 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: <http://investors.larsentoubro.com/resources.aspx>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

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

[p] 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. For the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act, 1961. The shareholders are requested to update their PAN with the Company/KFintech (in case of shares held in physical mode) and with the Depositories/Depository Participants (in case of shares held in demat mode).

Resident shareholders:

For Resident Shareholders, who have provided PAN, tax shall be deducted at source under Section 194 of

the Income Tax Act, 1961 at 10% on the amount of dividend.

Tax shall be deducted at source at 20% wherein–

- (a) shareholders do not have PAN/have not registered their valid PAN details (including linking Aadhaar with PAN) in their account/with the Company/ KFinTech under Section 206AA
- (b) shareholders are classified as specified persons under Section 206AB

No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by the resident shareholders during Financial Year 2022-23 does not exceed ₹ 5,000. In cases where the shareholder provides Form 15G/Form 15H and meets all the required eligibility conditions, no tax will be deducted at source.

Apart from above cases, following categories of shareholders are exempt from tax deduction at source:

- (a) Life Insurance Corporation of India [clause (a) to 2nd proviso to section 194]
- (b) General Insurance Corporation of India/The New India Assurance Company Ltd/United India Insurance Company Ltd/The Oriental Insurance Company Ltd/National Insurance Company Ltd [clause (b) to 2nd proviso to section 194]
- (c) any other insurer in respect of any shares owned by it or in which it has full beneficial interest [clause (c) to 2nd proviso to section 194]
- (d) Dividend income credited/paid to a “business trust”, as defined in clause (13A) of section 2, by a special purpose vehicle referred to in the Explanation to clause (23FC) of section 10; [clause (d) to 2nd proviso to section 194]

The following payees are also not subject to TDS in view of the provisions of Sections 196, 197A of the Income Tax Act, 1961 and CBDT Notification:

- (a) Government [section 196(i)]
- (b) Reserve Bank of India [section 196(ii)]
- (c) a Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income [section 196(iii)]
- (d) Mutual Fund [section 196(iv)]

- (e) any person for, or on behalf of, the New Pension System Trust referred to in section 10(44) [sub-section 1E to section 197A]
- (f) Category I or a Category II Alternative Investment Fund (registered with SEBI as per section 115UB) as per Notification 51/2015

Non-resident shareholders:

For Foreign Portfolio Investor (FPI) category Shareholders, taxes shall be deducted at source under Section 196D of the Income Tax Act, 1961 at 20% (plus applicable surcharge and cess).

For other Non-resident Shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the Income Tax Act, 1961, at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them.

FPI and the non-resident shareholder have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them.

To avail the benefit of rate of deduction of tax at source under DTAA, such non-resident shareholders/ FPIs will have to provide the following:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
2. Tax residency certificate from the jurisdictional tax authorities confirming residential status for FY 2022-23;
3. Declaration by the non-resident in prescribed Form 10F;
4. Self-declaration by the non-resident shareholder as to:
 - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
 - No Permanent Establishment/fixed base in India in accordance with the applicable tax treaty;
 - Shareholder being the beneficial owner of the dividend income to be received on the equity shares.

In case of non-resident shareholder, having permanent establishment in India, if they are classified as "specified person" as per the provision of Section 206AB of the Income Tax Act, 1961, tax will be deducted at rate higher of

- (a) twice the rate as per the provisions of Act; or
- (b) twice the rate in force; or
- (c) 5%.

General:

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income Tax Act, 1961, we request Resident shareholders and Non-Resident shareholders to upload the details and documents referred to in this Notice in the format provided by us and as applicable to you on the link <https://ris.KFintech.com/form15/>. No communication on the tax determination/deduction shall be entertained beyond **5.00 p.m on Thursday, July 21, 2022**.

Deduction of tax at a rate lower than statutory rate or no deduction of tax shall depend upon the completeness of the documents and the satisfactory review of the forms and the documents, submitted by Resident shareholders, to the Company/KFintech.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company/KFintech, of the documents submitted by Non-Resident shareholder/FPI.

Tax deducted by the Company is final and the Company shall not refund/adjust the tax so deducted subsequently.

[q] **Instruction for attending the meeting through VC:**

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 National Securities Depository Limited (NSDL) to provide VC/OAVM for the AGM and are the attendant enablers for conducting the e-AGM.

Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following 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, through 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 mitigate any kind of aforesaid glitches.

Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before **Thursday, July 28, 2022** through email to IGRC@larsentoubro.com. The same will be replied by the Company suitably. Please note that, members' queries/questions will be responded to only if the shareholder continues to hold the shares as on the cut-off date i.e **Thursday, July 28, 2022**.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to LNTGOGREEN@larsentoubro.com on or before **Monday, August 1, 2022**. Those Members who have registered themselves as a speaker and have received 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.

Members who are not able to join this Meeting over VC/OAVM will be able to view the live webcast of proceedings of AGM by logging on the e-voting website of NSDL by following remote e-voting instructions mentioned in this Notice.

[r] E-voting

The businesses as set out in this Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Standard 2 of the Secretarial Standards on General Meetings and Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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) 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, July 28, 2022** shall be entitled to avail the facility of remote e-voting or e-voting on the day of the Meeting. Persons who are not members as on the cut-off date should treat this Notice for information purposes only.

The Notice will be displayed on the website of the Company at www.larsentoubro.com and on the website of NSDL at <https://www.evoting.nsdl.com>.

The members who have cast their vote through remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.

The remote e-voting period commences on **Monday, August 01, 2022** at **9.00 A.M** and ends on **Wednesday, August 03, 2022** at **05.00 P.M**. During this period, members of the Company holding shares either in physical or dematerialised form, as on the cut-off date of **Thursday, July 28, 2022** 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 casted 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 e-AGM.

Member(s), whose names appear in the Register of Members/Beneficial Owners as on

Thursday, July 28, 2022, are entitled to vote on the Resolutions set forth in this Notice. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and becomes a member of the Company after this Notice is sent through e-mail and continues to hold shares as of the cut-off date i.e. **Thursday, July 28, 2022**, may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in or the Company at IGRC@larsentoubro.com. 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 or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders who have acquired shares of the Company and becomes a Member of the Company after sending of this Notice and holding shares as of the cut-off date i.e. **Thursday, July 28, 2022** may follow steps mentioned in this Notice of the AGM under "Access to NSDL e-Voting system".





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/OAVM facility at the AGM are as follows:

I. Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/Depository Participants (DPs) in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>A. NSDL IDEAS facility If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser and type the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services under Value Added Services. 4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. 5. Click on company name or e-Voting service provider i.e NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsd.com/. 2. Select "Register Online for IDEAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. <p>B. e-Voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open web browser and type the following URL: https://www.evoting.nsd.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. 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. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on company name or e-Voting service provider - 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 and e-Voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p> </p> <div style="display: flex; justify-content: space-around;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com. Click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL . Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) through their depository participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on company name or e-Voting service provider - 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 and e-Voting during the meeting.

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
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login type	Helpdesk details
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

II. Login method for e-Voting and joining virtual meeting 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: <https://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 login at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you login to NSDL e-services after using your login credentials, click on e-Voting and you can proceed to 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 from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .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) In case you have not registered your e-mail address with the Company/Depository, please follow instructions mentioned below in this Notice.
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.
 - b) Click on "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on 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.co.in 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.

How to cast your vote electronically

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 120346" to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. 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 <https://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 <https://www.evoting.nsdl.com> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

3. Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing demat account number/Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy), AADHAR (self-attested scanned copy). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained above.

Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800 1020 990 and 1800 22 44 30 or contact Amit Vishal at amity@nsdl.co.in or Pallavi Mhatre at pallavid@nsdl.co.in.

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.

Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@snaco.net, with a copy marked to evoting@nsdl.co.in.

In case of any queries, please visit Help and Frequently Asked Questions (FAQs) section available at [evoting website at https://evoting.nsdl.com](https://evoting.nsdl.com).

Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> following the steps mentioned above for login to NSDL e-voting system.

After successful login, you can see VC/OAVM link placed under "Join Meeting" menu against company name. You are requested to click on VC/OAVM link placed under "Join Meeting" menu.

Based on the report received from the Scrutinizer, the Company will submit within 2 working days to the Stock Exchanges details of the voting results as required under Reg. 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Member can opt for only one mode of voting i.e. either through remote e-voting or at the Meeting. If a Member has cast his vote by remote e-voting then he will not be eligible to vote at the Meeting.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the Meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared.

Facility to cast vote through e-voting will be made available on the Video Conferencing screen and will be activated once the same is announced by the Chairman during the Meeting.

The results declared along with the Scrutinizer's report, will be hosted on the website of the Company at 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 following Explanatory Statement sets out material facts relating to the business under items 6 to 13 of the accompanying Notice dated May 12, 2022.

Item No. 6

Shareholders had approved the appointment of Mr. S.N. Subrahmanyam (DIN: 02255382) as Chief Executive Officer and Managing Director of the Company for a period of five years, with effect from July 1, 2017 upto and including June 30, 2022.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its Meeting held on May 12, 2022, re-appointed Mr. S. N. Subrahmanyam (DIN: 02255382), as Chief Executive Officer and Managing Director of the Company with effect from July 1, 2022, upto and including June 30, 2027, subject to the approval of the members in the Annual General Meeting.

Mr. S. N. Subrahmanyam, 62, is a civil engineer with post graduate qualification in business management. He joined L&T in 1984 starting off as project planning engineer and was soon handpicked for senior responsibilities. He is responsible for leading the Company's considerable business interests to new growth levels, riding on the enormous benefits of digitalisation, big data, and predictive analysis that he drives internally with exceptional zeal. He places a premium on innovation, project management and talent development, particularly in leadership roles.

Under his leadership, he has transformed L&T into a Company that executes a wide range of projects at speed and scale.

Apart from completing several challenging infrastructure projects across verticals over the years, he has played a crucial role in securing and managing EPC contracts for the construction of four major international airports in India at Bengaluru, Hyderabad, Delhi and Mumbai. Among his list of accomplishments are the mandates to build the tallest statue in the world – the Statue of Unity - and the development of dedicated freight corridors that will realign the dynamics of freight movement in the country. The construction division is among the top 30 global contractors and by far the largest construction organisation in the country.

Largely responsible for establishing L&T Construction as a significant EPC player in the Middle East, Mr. Subrahmanyam has spearheaded and won several large projects in Oman, Qatar, Abu Dhabi and Saudi Arabia. The Riyadh Metro project is one of the largest international orders bagged by L&T thus far; while the Doha Metro, the AL-Wakrah Road Project both in Qatar and the Abu Dhabi Airport airside works have been won in the face of stiff international competition. He has also led the spread into Africa and L&T Construction is making its presence felt especially in North and East Africa.

He holds positions of pre-eminence on various industry bodies, construction institutions and councils. In February 2021, he was appointed Chairman of the National Safety Council (NSC) for three years by the Union Ministry of Labour & Employment. In this role Mr. Subrahmanyam would guide the NSC, which has a major part to play to ensure safety in workplaces under the new Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code, 2020).

Recognising L&T's leadership in climate and infrastructure finance, he has been appointed one of nine founding members of Climate Finance Leadership Initiative (CFLI) India to bring global scale and influence to the initiative.

Mr. Subrahmanyam is the Non-Executive Vice Chairman of Larsen & Toubro Infotech Limited, L&T Technology Services Limited and Mindtree Limited and the Non-Executive Chairman of L&T Metro Rail (Hyderabad) Limited and L&T Finance Holdings Limited.

At the Annual General Meeting of the Company held on August 26, 2016, the shareholders had fixed the maximum limits within which the Board was delegated authority to decide the remuneration of the Chief Executive Officer and Managing Director of the Company. Pursuant to this, the Board has fixed the remuneration payable to Mr. S. N. Subrahmanyam during his tenure as Chief Executive Officer and Managing Director.

The Company has entered into an Agreement with Mr. S.N. Subrahmanyam re-appointing him as a Chief Executive Officer and Managing Director for a period of five years from July 1, 2022 upto and including June 30, 2027. During the period of this agreement and so long as the Chief Executive Officer and Managing Director performs his services as per the terms and conditions provided by this agreement, he shall be entitled to the following:

Salary : ₹ 27,00,000 (Rupees Twenty Seven Lakh only) per month in the scale of ₹ 27,00,000 - ₹ 3,00,000 – ₹ 42,00,000 with the annual increment due on April 1 every year.

Commission : The commission will be paid as per the parameters fixed by the Nomination and Remuneration Committee and the Board of Directors within the overall limits approved by the Shareholders of the Company.

Perquisites : ₹ 20 lakh per annum excluding free furnished accommodation or house rent in lieu thereof. The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, tax on which will be borne by the Company.

Others : Company's contribution to retirement funds, official use of car/driver and communication facilities for Company's business, as per rules of the Company.

Disclosures as required under Secretarial Standard 2 on General Meetings are provided as an Annexure to this Notice.

The agreement entered into by the Company with Mr. S. N. Subrahmanyam, in respect of his re-appointment as Chief Executive Officer and Managing Director, contains terms and conditions of his appointment including remuneration.

Accordingly, the Resolution at Item No. 6 is proposed for approval of the members for re-appointment of Mr. S. N. Subrahmanyam, as the Chief Executive Officer and Managing Director as contemplated by Part III of Schedule V of the Companies Act, 2013 and other applicable provisions, if any.

Pursuant to Article 136(C) of the Articles of Association of the Company, Mr. S.N. Subrahmanyam in his capacity as Chief Executive Officer and Managing Director will not be liable to retire by rotation.

The agreement entered into with Mr. S. N. Subrahmanyam will be open for inspection by members in the manner as specified in this Notice up to the date of the Annual General Meeting.

The Board recommends approval of the re-appointment and remuneration of Mr. S. N. Subrahmanyam, as Chief Executive Officer and Managing Director of the Company.

Except Mr. S.N. Subrahmanyam, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the Resolution set out at Item No. 6.

Item No. 7 to 11:

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are at arm's length and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. However, as per the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), such transactions, if material, require the approval of shareholders through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business.

With effect from April 1, 2022, Regulation 23 of SEBI Listing Regulations, mandates prior approval of the Shareholders through ordinary resolution for all 'material' Related Party Transactions. 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.

The Company has various subsidiaries which are formed in accordance with the requirement of local laws for the purpose of bidding and execution of Engineering, Procurement and Construction (EPC) contracts. Contracts entered into by these international subsidiaries usually have a clause which requires issuance of Parent Company Guarantees (PCGs) for execution of these projects. The value of these PCGs is equivalent to the full value of the contract. Such PCGs are to be issued upfront and are to be valid till the completion of all obligations under the contract.

Considering the above, the Company is required to provide Parent Company Guarantees or Corporate Guarantees or Letters of Comfort or Undertakings, on behalf of its subsidiary companies, to achieve business objectives including meeting client requirements under the terms of the contract, consortium or other agreements.

Considering the increasing localization requirements in the Middle East, it had become imperative for the Company to bid for projects through its local subsidiaries.

Larsen Toubro Arabia LLC, L&T Modular Fabrication Yard LLC, Larsen & Toubro Electromech LLC, Larsen & Toubro Heavy Engineering LLC, Larsen & Toubro Kuwait General Contracting Co WLL ("international subsidiaries") were incorporated as subsidiaries in the Middle East. The value of the Parent Company Guarantees or Corporate Guarantees or Letters of Comfort or Undertakings proposed to be issued to customers on behalf of the international subsidiaries is ₹ 6,000 crore or US \$ 800 Mn, whichever is higher. The Company had in the past provided similar Parent Company Guarantees or Corporate Guarantees or Letters of Comfort or

Particulars	Resolution No. 7	Resolution No. 8	Resolution No. 9	Resolution No. 10	Resolution No. 11
Details of the source of funds in connection with the proposed transaction			Not Applicable		
If any financial indebtedness is incurred to make or give such loans/ advances/securities for loan and Nature of Indebtness/Cost of Funds/Tenure		Not Applicable as no indebtedness shall be incurred by the Company			
Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured	The Parent Company Guarantee or Corporate Guarantee will be provided at an arm's length basis and a fee will be charged. The charges would be upto 0.50% per annum which is benchmarked with the existing bank guarantee charges.		Not Applicable		
Purpose for which funds will be utilised			Not Applicable		
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 22) that is represented by the value of the proposed transaction	3.83%	4.15%	1.66%	1.28%	1.47%
Details about valuation, arm's length and ordinary course of business	As the proposal relates to providing Parent Company Guarantees or Corporate Guarantees or Letter of Comforts or Undertakings on behalf of international subsidiaries the question of valuation does not arise. The charges would be upto 0.50% per annum which is benchmarked with the existing bank guarantee charges	The Power business of the Company is into construction and commissioning of power plants. Boilers/Turbines are a critical component of the power plant and hence procurement of boilers/turbines is in the ordinary course of business for the Company. LMB/LMTG is a joint venture between the Company and Mitsubishi Heavy Industries (MHI) and is part of the technical collaboration in construction and commissioning of power plants. 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/ LMTG charges to its other customers. Hence the transaction is at arm's length. The Company also avails infrastructure and business support services with respect to boilers and turbine generators from LMB and LMTG respectively. These entities operate from common campus(es) across the country and expenses related to the same are apportioned by the Company to LMB and LMTG.	The Heavy Engineering business manufactures and supplies custom designed equipment & critical piping to process industries such as fertilizer, chemical, refinery, petrochemical and oil & gas, as well as to sectors such as thermal & nuclear power and aerospace. The Defence Engineering business provides indigenous, design-to-delivery solutions across the defence spectrum – from surveillance to strike capabilities, and mobility platforms essential to enhance their effectiveness.	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 facility(ies) in India. In case of overseas projects, the Company generally uses such facilities outside India to save on logistics costs. Thus, availing fabrication services is an activity in the normal course of business.	

Particulars	Resolution No. 7	Resolution No. 8	Resolution No. 9	Resolution No. 10	Resolution No. 11
				<p>Both these businesses require customized forging.</p> <p>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 Company also sells scrap materials as well as avails engineering services for its Heavy Engineering and Defence Engineering businesses.</p> <p>This entity operates from a common campus in Hazira and expenses related to the same are apportioned by the Company to LTSSHF.</p>	<p>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 Company also sells material such as steel plates, pipes, etc to MFY at competitive prices.</p>
Rationale/Benefit of the transaction and why this transaction is in the interest of the Company	This will enable international subsidiaries to bid and execute contracts in foreign countries	<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/turbines is an integral part of the installation of a power plant.</p> <p>While bidding for the project, the Company states that the boilers/turbine generators and other infrastructure support service will be procured from LMB and LMTG which are pre-qualified as per the contractual conditions.</p>		<p>The Heavy Engineering & Defence Engineering business of the Company bids for various projects (including defence contracts of the Government)</p> <p>Some of these contracts require procurement of forgings.</p> <p>LTSSHF is a pre-qualified supplier for most of the clients.</p>	<p>The Energy & Hydrocarbon business of the Company bids for various EPC contracts.</p> <p>Customized fabrication activities are an essential part of execution of such contracts.</p> <p>Such activities are normally done through MFY which has the technical expertise, facilities and execution capabilities.</p>
Any other information relevant or important for the shareholders to take an informed decision	All international subsidiary companies have local partners. However, 100% beneficial interest in the international subsidiaries is held by the Company.	<p>The Company is expected to bid for various projects during FY 2023.</p> <p>The above related party contract(s)/arrangement(s) will materialize only if the Company succeeds in the bids 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>			

Any subsequent material modification in the proposed transactions, as 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 SEBI 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 Board recommends the Resolution set out at Item Nos. 7 to 11 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, in the Resolution set out at Item Nos. 7 to 11.

The members may note that as per the provisions of the SEBI Listing Regulations, all related parties (whether such related party is a party to the above-mentioned transaction or not), shall not vote to approve the Resolutions set out at Item Nos. 7 to 11.

Item No. 12

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

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

issue, conversion of Securities shall rank in all respects pari passu with the existing equity shares of the Company.

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

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

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

As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the price of shares to be issued.

However, the same would be in accordance with the provisions of the SEBI Regulations, the Companies Act, 2013, or any other guidelines/regulations/consents as may be applicable or required.

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

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

- i) in case of allotment of equity shares, the date of the meeting in which the Board decides to open the proposed issue
- ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities

or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

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

The Shareholders through a resolution passed at their meeting held on August 5, 2021, had approved issue of Securities for an aggregate sum up to US\$ 600 Million (or its rupee equivalent) or ₹ 4,500 Crore, if higher. The Company has not raised any funds under the said approval. However, Shareholders' resolution for QIP issuance is valid for a period of 12 months from the date of passing of the resolution.

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, in the resolution set out at Item No. 12.

Item No. 13:

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules") the Company is required to appoint a cost auditor to audit the cost records of the Company, for products and services, specified under Rules issued in pursuance to the above section. On the recommendation of the Audit Committee, the Board of Directors had approved the appointment of M/s. R. Nanabhoy & Co, Cost

Accountants (Regn. No. 000010), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2022-23, at a remuneration of ₹ 17 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 shareholders 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, in the resolution set out at Item No. 13.

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

SIVARAM NAIR A
COMPANY SECRETARY
M.No – F3939

Mumbai, May 12, 2022

(ANNEXURE TO NOTICE DATED MAY 12, 2022)
DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING
ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Subramanian Sarma	Mr. Sudhindra Vasantrao Desai	Mr. T. Madhava Das	Mr. S.N. Subrahmanyam
Date of Birth	February 4, 1958	July 5, 1960	January 25, 1963	March 16, 1960
Date of Appointment on the Board	August 19, 2015	July 11, 2020	July 11, 2020	July 1, 2011
Qualifications	Master's Degree in Chemical Engineering from IIT Bombay	Masters in Civil Engineering from IIT	B.E from NIT Calicut, Post Graduate in Management from Xavier Institute, Bhubaneshwar	B.Sc. Engg. (Civil) & MBA Finance
Expertise	Expertise in managing large business portfolios in energy sector.	Vast Experience in Heavy Civil and Infrastructure Space	Expertise in managing and nurturing business portfolios of global utility projects especially in power transmission and distribution and renewables	Vast Experience in Design and Build (D&B) contracts, PPP Projects, Engineering and Construction Industry
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	1. L&T Valves Limited 2. L&T Power Limited	1. L&T Arunachal Hydropower Limited 2. L&T Himachal Hydropower Limited 3. L&T Infrastructure Engineering Limited 4. International Seaport Dredging Private Limited	Indian Electricals and Electronics Manufacturers Association	1. Larsen & Toubro Infotech Limited 2. L&T Technology Services Limited 3. L&T Metro Rail (Hyderabad) Limited 4. L&T Realty Developers Limited 5. Mindtree Limited 6. Mindtree Foundation 7. L&T Finance Holdings Limited
Memberships/ Chairmanships of committees across all companies	Member Risk Management Committee Larsen & Toubro Limited	Member Corporate Social Responsibility Committee L&T Infrastructure Engineering Limited	NA	Member Nomination and Remuneration Committee Mindtree Limited
Number of Meetings attended during the year	8 of 8	8 of 8	8 of 8	8 of 8
Shareholding of Non-Executive Directors	NA	NA	NA	NA
Relationships between directors inter-se	None	None	None	None

INFORMATION AT A GLANCE:

Sr. No	Particulars	Details
1	Day, Date and Time of AGM	Thursday, August 4, 2022, 3.30 P.M
2	Mode	Video Conference (VC) and Other Audio Visual Means(OAVM)
3	Participation through VC/OAVM	Members can login from 03.00 P.M. (IST) on the date of the AGM at https://www.evoting.nsdl.com .
4	Helpline Number for VC/OAVM participation	1800 1020 990/1800 22 44 30
5	Submission of Questions/Queries before AGM	Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, July 28, 2022 through email on IGRC@larsentoubro.com . The same will be replied by the Company suitably. Please note that members' queries/questions will be responded to only if the shareholder continues to hold the shares as on the cut-off date i.e Thursday, July 28, 2022 .
6	Speaker Registration before AGM	Members may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to LNTGOGREEN@larsentoubro.com on or before Monday, August 1, 2022 .
7	Recorded Transcript	Will be made available post AGM at www.larsentoubro.com
8	Dividend for FY 2022 recommended by the Board	₹ 22 per equity share of the face value of ₹ 2 each
9	Record Date	Friday, July 22, 2022
10	Dividend Payment Date	On or before Monday, August 08, 2022
11	Cut-off date for e-voting	Thursday, July 28, 2022
12	Remote e-voting start time and date	Monday, August 1, 2022, 09.00 A.M
13	Remote e-voting end time and date	Wednesday, August 3, 2022, 05.00 P.M
14	Remote e-voting website of KFintech	<p>Shares held in Demat mode with NSDL:</p> <ol style="list-style-type: none"> Shareholders registered for NSDL IDeAS facility: https://eservices.nsdl.com/ Others: https://evoting.nsdl.com <p>Shares held in Demat mode with CDSL:</p> <ol style="list-style-type: none"> Shareholders who have opted for Easi facility of CDSL: https://web.cdslindia.com/myeasi/home/login Others: www.cdslindia.com <p>Logging in through Depository Participants:</p> <p>Members can also login using the login credentials of their demat account through your DP registered with NSDL/CDSL for e-voting facility.</p>
15	Name, address and contact details of e-voting service provider and registrar and transfer agent	<p>Registrar and Transfer Agent</p> <p>KFin Technologies Limited ("KFintech"), Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Tel No: 1800-425-8998/1800-345-4001 Email: einward.ris@KFintech.com</p> <p>E-voting Service Provider</p> <p>National Securities Depositories Limited (NSDL) Trade World, A Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 Tel No: 18001020 990/1800 22 44 30</p>
16	Email Registration and Contact Updation Process	<p>Demat Shareholders: Contact respective Depository Participant</p> <p>Physical Shareholders: KFintech Website: https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx</p>

Board Report

Dear Members,

The Directors have pleasure in presenting their 77th Annual Report and Audited Financial Statements for the year ended 31st March 2022.

FINANCIAL RESULTS:

Particulars	₹ crore	
	2021-22	2020-21
Profit before depreciation, exceptional items and tax	10913.91	9288.06
Less: Depreciation, amortization, impairment and obsolescence	1172.50	1150.68
Profit before exceptional items and tax	9741.41	8137.38
Add: Exceptional Items	290.06	(2818.65)
Profit before tax	10031.47	5318.73
Less: Provision for tax	2152.02	2171.42
Profit for the period from continuing operations	7879.45	3147.31
Profit before tax from discontinued operations	–	11199.23
Less: Tax expense of discontinued operations	–	2548.75
Net profit after tax from discontinued operations	–	8650.48
Net profit after tax from continuing operations and discontinued operations	7879.45	11797.79
Add: Balance brought forward from the previous year	25722.05	16957.17
Add: Change on account of business combination	–	838.62
Less: Dividend paid for the previous year	2528.38	1123.23
Less: Interim dividend paid during the year	–	2527.66
Add: Gain on remeasurement of the net defined benefits plans	58.02	39.36
Less: Capital redemption reserve	–	260.00
Balance to be carried forward	31131.14	25722.05

PERFORMANCE OF THE COMPANY:

The total income for the financial year under review was ₹ 1,04,613.06 crore as against ₹ 90,615.77 crore for the previous financial year, registering an increase of 15.45%. The profit before tax from continuing operations including exceptional items was ₹ 10,031.47 crore for the financial year under review as against ₹ 5,318.73 crore for the previous financial year. The profit after tax from continuing operations including exceptional items was ₹ 7,879.45 crore for the financial year under review as against ₹ 3,147.31 crore for the previous financial year, registering an increase of 150.36%.

AMOUNT TO BE CARRIED TO GENERAL RESERVE:

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

DIVIDEND:

The Directors recommend payment of dividend of ₹ 22/- (1,100%) per equity share of ₹ 2/- each on the share capital amounting to ₹ 3,091.06 crore.

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-It-group/corporate-policies/>.

CAPITAL AND FINANCE:

During the year under review, the Company allotted 473,826 equity shares of ₹ 2/- each upon exercise of stock options by eligible employees under the Employee Stock Option Schemes.

The Company's Authorized Capital increased from ₹ 5,025 crore to ₹ 8,037 crore pursuant to amalgamation of L&T Hydrocarbon Engineering Limited with the Company vide order dated 28th January 2022 passed by Hon'ble National Company Law Tribunal, Mumbai bench.

During the year, the Company repaid Non-convertible Debentures (NCDs) of ₹ 450 crore and short-term External Commercial Borrowings (ECB) of USD 100 million as per the repayment schedule.

The Company has exercised the first call on the partly paid up Debentures issued in the FY 2021 and raised ₹ 450 crore (₹ 2.5 lakh each on 18,000 debentures) during FY 2022. The funds raised through issuance of NCDs have been utilized for repayment of existing maturing NCDs.

The Company has issued Commercial Papers amounting to ₹ 5,800 crore during FY 2022. As on date, the outstanding amount of Commercial Papers is ₹ 2,000 crore.

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, ICRA and India Ratings. The details of the same are given on page 313 in Annexure 'B' – Report on Corporate Governance forming part of this Board Report and is also available on the website of the Company.

SALE OF DIGITAL BUSINESS (L&T NxT):

During FY 2022, the Company sold its digital transformation business, incubated and operated as L&T NxT, to Mindtree Limited, a listed subsidiary of the Company, for a consideration of ₹ 198 crore.

SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND L&T HYDROCARBON ENGINEERING LIMITED:

The Board of Directors of the Company had approved a Scheme for Amalgamation of L&T Hydrocarbon Engineering Limited (LTHE), a wholly owned subsidiary, with the Company. The rationale for the Scheme was to create cost effectiveness by integrating the Hydrocarbon business of LTHE and Engineering, Projects and Construction (EPC) power business of the Company.

The Scheme of Arrangement (the "Scheme") was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench and became effective from 7th February 2022. The Appointed date for the Scheme is 1st April 2021.

Subsequently all the subsidiaries of LTHE have become direct subsidiaries of the Company.

AMALGAMATION OF MINDTREE LIMITED WITH LARSEN & TOUBRO INFOTECH LIMITED:

Subsequent to the year under review, the Board of Directors of Mindtree Limited (MT) and Larsen & Toubro Infotech Limited (LTI), listed subsidiaries of the Company, have approved a Scheme of Amalgamation of MT with LTI. The said scheme is subject to approval of the Shareholders and creditors of these subsidiaries and the approval of applicable regulators and the Hon'ble National Company Law Tribunals having jurisdiction over these subsidiary companies.

CAPITAL EXPENDITURE:

As at 31st March 2022, the gross value of property, plant and equipment, investment property and other intangible assets including leased assets, were at ₹ 16,837.38 crore and the net value of property, plant and equipment, investment property and other intangible assets, including leased assets, were at ₹ 9,695.93 crore. Capital Expenditure during the year amounted to ₹ 1,410.29 crore.

DEPOSITS:

During the year under review, the Company has not accepted deposits from the public falling within the ambit of section 73 of the Companies Act, 2013 and the rules framed thereunder, and the requisite returns have been filed. The Company does not have any unclaimed deposits as of date.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES:

During the year under review, the Company acquired 6,82,25,347 equity shares of L&T Finance Holdings Limited (LTFHL) and presently holds 163,92,29,920 equity shares representing 66.26% of the total share capital of LTFHL.

L&T Uttaranchal Hydropower Limited (L&T UHPL) ceased to be a subsidiary of the Company pursuant to the sale of entire stake by the Company and L&T Power Development Limited (a wholly owned subsidiary) to ReNew Power Services Private Limited (ReNew) for a total consideration of ₹ 1,003 crore. The Company held 142,68,50,000 preference shares in L&T UHPL which were entirely sold to ReNew.

Kesun Iron and Steel Company Private Limited has applied to the Ministry of Corporate Affairs for strike off under the provisions of Companies Act, 2013 on 15th December 2021. The approval is awaited.

Pursuant to an order passed by the National Company Law Tribunal, Mumbai bench, the equity share capital of L&T Seawoods Limited, a wholly owned subsidiary, was reduced to the extent of 30,00,00,000 equity shares aggregating to ₹ 300 crore by way of return of surplus cash on 7th April 2022.

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 611 to 622 of this Annual Report.

The Company has formulated a policy on identification of material subsidiaries in line with Regulation 16(c) of the SEBI (Listing Obligations 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 does not have any material subsidiaries as on the date of this report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided as required under section 186 of the Companies Act, 2013, Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in Notes 57 and 58 forming part of the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Pursuant to the amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has revised its existing Related Party Transactions Policy to align it with the requirements of the said Regulations.

The Audit Committee and the Board of Directors have reviewed and approved the amended Related Party Transactions Policy and the same 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.

During the year under review, all related party transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved the related party transactions for the FY 2022 and the estimated related party transactions for FY 2023.

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

The Company proposes to enter into a material related party transaction with L&T Finance Limited for providing a line of credit of ₹ 2,000 crore for a period of 5 years from FY 2023 till FY 2027. The transaction is not a material related party transaction as per the provisions of the Companies Act, 2013. However, the said transaction exceeds the materiality threshold of ₹ 1,000 crore as provided under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has sought an enabling approval from the Shareholders by means of a Postal Ballot. The results

of the Postal Ballot will be declared on or before 18th May 2022.

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 258 to 279 of this 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.

RISK MANAGEMENT:

The Board Risk Management Committee comprises Mr. Adil Zainulbhai, Mr. Sanjeev Aga and Mr. Subramanian Sarma, Directors of the Company. Mr. Adil Zainulbhai is the Chairman of the Committee.

The Charter of the Committee is to assist the Board in fulfilling its oversight responsibilities of reviewing the existing Risk Management Policy, Framework, Risk Management Structure and Risk Management Systems.

The Committee periodically reviews the risk status to ensure that executive management mitigates the risks by means of a properly designed framework.

For further details on risk management, please refer to page 306 of this Annual Report.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/ RESIGNED:

Mr. Subodh Bhargava ceased to be an Independent Director of the Company with effect from March 29, 2022 on account of completion of his tenure. The Board places on record its appreciation towards valuable contribution made by him during his tenure as Director of the Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee (NRC), the Board at its Meeting

held on March 24, 2022 has approved the appointment of Mr. Pramit Jhaveri as an Independent Director for a period of five years with effect from April 1, 2022 till March 31, 2027, subject to the approval of shareholders through special resolution. The approval has been sought by means of a Postal Ballot and the results will be declared on or before 18th May 2022. The NRC considered the appointment of Mr. Jhaveri as an Independent Director after evaluating the skills, knowledge and experience required on the Board as per the approved skill matrix.

The Board pursuant to the recommendation of the NRC and report of his performance evaluation, re-appointed Mr. S.N Subrahmanyam as Chief Executive Officer and Managing Director of the Company for a period of five years from July 1, 2022 upto and including June 30, 2027. His appointment shall be subject to the approval of the shareholders.

Mr. Subramanian Sarma, Mr. S. V. Desai and Mr. T. Madhava Das, 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 <http://investors.larsentoubro.com/Listing-Compliance.aspx>.

The Company has also disclosed on its website <http://investors.larsentoubro.com/Listing-Compliance.aspx> details of the familiarization programs to educate the 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 pages 293 and 294 of this Annual Report.

AUDIT COMMITTEE:

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the SEBI (Listing Obligations 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 298 to 300 of this Annual Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has in place 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 page 304 of this Annual Report.

COMPANY POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company has in place a Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of the SEBI (Listing Obligations 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 300 to 303 of this Annual Report.

The Committee has formulated a policy on Directors' appointment and remuneration including recommendation of remuneration of the key managerial personnel and 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://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>. The Committee has also formulated a separate policy on Board Diversity.

DECLARATION OF INDEPENDENCE:

The Company has received Declarations of Independence as stipulated under section 149(7) of the Companies Act, 2013 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 <http://investors.larsentoubro.com/Listing-Compliance.aspx>. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

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 and Qualification of Directors) Rules, 2014, all Independent Directors, except Mr. Pramit Jhaveri, are exempted from undertaking the online proficiency self-assessment test conducted by IICA. Mr. Pramit Jhaveri shall complete the online proficiency self-assessment test within the prescribed timelines.

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, CEO & MD and the Chairman has to be made. All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual Directors, CEO & MD and the Chairman.

For the year under review, the questionnaire was updated suitably based on the comments and suggestions received from Independent Directors. As in the previous years, an external consultant was engaged to receive the responses of the Directors and consolidate/ analyze the responses. The same external consultant's IT platform was used from initiation and till conclusion of the entire board evaluation process. This ensured that the process was transparent and independent of involvement of the Management or the Company's IT system. This has enabled unbiased feedback.

The Board Performance Evaluation inputs, including areas of improvement for the Directors, Board processes and related issues for enhanced Board effectiveness were discussed in the meetings of the Nomination and Remuneration Committee and the Board of Directors held on May 12, 2022.

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 material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have laid down an adequate system of Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating efficiently;
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to section 134(5)(e) of the Companies Act, 2013. For the year ended 31st March 2022, 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 31st March 2022, 98.89% of the Company's total paid up capital representing 138,93,93,268 shares are in dematerialized form.

Pursuant to amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from January 24, 2022, 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/shareholder-services.aspx>.

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 ₹ 9,12,62,638 which was due and payable and remained unclaimed and unpaid for a period of seven years, was 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 ₹ 46,79,35,382 as on 31st March 2022.

In accordance with the provisions of the section 124(6) of the Companies Act, 2013 and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has transferred 3,17,463 equity shares of ₹ 2 each (0.02% of total number of shares) held by 1,530 shareholders (0.10% 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 2013-14. Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on www.iepf.gov.in and on submission of such documents as prescribed under the IEPF Rules.

The Company sends specific advance communication to the concerned shareholders at their address registered with the Company and also publishes notice in newspapers providing the details of the shares due for transfer 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.

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility (CSR) Committee comprises of Mr. M. M. Chitale, Mr. R. Shankar Raman and Mr. D. K. Sen as the Members. Mr. Chitale is the Chairman of the Committee.

The CSR policy framework and Annual Action Plan for FY 2023 is available on the Company's website at <https://investors.larsentoubro.com/corporate-governance.aspx>.

A brief note regarding the Company's initiatives with respect to CSR is given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Please refer to pages 304 to 306 of this Annual Report.

The disclosures required to be given under section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure 'C' forming part of this Board Report.

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.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

PROTECTION OF WOMEN AT WORKPLACE:

The Company believes that every employee 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 and Redressal) Act, 2013 and Rules, 2013. 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 2022, about 11,100 employees have undergone training through the programs/ workshops including the awareness sessions held on digital platform.

There were 2 complaints received during the FY 2022. Both the complaints were redressed as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules, 2013.

OTHER DISCLOSURES:

- **ESOP Disclosures:** There has been no 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.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 and the SBEB Regulations is also provided in Annexure 'B' forming part of this Report.

- **Corporate Governance:** Pursuant to Regulation 34 of the SEBI (Listing Obligations 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 and Disclosure Requirements) Regulations, 2015, a separate section on Business Responsibility and Sustainability Reporting forms a part of this Annual Report (refer pages 210 to 257).
- **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 Annual Report.

- **Annual Return:** The Annual Return of the Company for the FY 2022 is available on our website <https://investors.larsentoubro.com/Listing-Compliance.aspx>.
- **Statutory Compliance:** The Company complies with all applicable laws and regulations, pays applicable taxes on time, ensures statutory CSR spend and initiates sustainable activities.
- **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.
- **IBC:** There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC).
- **Reporting of fraud:** The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under section 143(12) of the Companies Act, 2013.
- **Remuneration received by Whole-time Director from subsidiary company:** Mr. D. K. Sen, Whole-time Director of the Company is also the Managing Director of L&T Infrastructure Development Projects Limited (L&T IDPL), a subsidiary of the Company. During FY 2022, part of the remuneration paid to Mr. Sen was charged to L&T IDPL. Accordingly, the Company has recovered an amount of ₹ 1,81,18,283 from L&T IDPL for remuneration paid to Mr. Sen.

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. The Whistle Blower Policy is available on the Company's website <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

Also see pages 307 and 308 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 and the Indian Accounting Standards (Ind AS).

AUDIT REPORT:

The Auditors' report to the Shareholders does not contain any qualification, observation or adverse comment.

SECRETARIAL AUDIT REPORT:

The Secretarial Audit Report issued by M/s. S. N. Ananthasubramanian & Co., Company Secretaries is attached as Annexure 'E' forming part of this Board Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

AUDITORS:

M/s. Deloitte Haskins & Sells LLP were re-appointed as Statutory Auditors for a period of 5 continuous years from the conclusion of 75th Annual General Meeting till the conclusion of 80th Annual General Meeting of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of 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 page 308 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, 2022.

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 12th May 2022, has approved the appointment of M/s R. Nanabhoy & Co., Cost Accountants, as the Cost Auditors for the Company for the financial year ending 31st March 2023 at a remuneration of ₹ 17 lakhs plus taxes and out of pocket expenses.

A proposal for ratification of remuneration of the Cost Auditor for FY 2023 is placed before the Shareholders.

The Report of the Cost Auditors for the financial year ended 31st March 2022 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 Customers, Supply Chain Partners, Employees, Financial Institutions,

Banks, Central and State Government authorities, Regulatory Authorities, Stock Exchanges and all 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/Associates.

For and on behalf of the Board

A.M. NAIK
Group Chairman
(DIN: 00001514)

Date : 12th May 2022

Place : Mumbai

Annexure 'A' to the Board Report

Information as required to be given under section 134(3)(m) read with rule 8(3) of the Companies (Accounts) Rules, 2014.

[A] CONSERVATION OF ENERGY:

(i) Steps taken or impact on conservation of energy:

- Retrofitting diesel compressor to electrical based compressor.
- Usage of LED fixtures in place of CFL and FTL Fixtures and Installation of daytime timers.
- Installation of Variable Voltage Frequency Drive (VVFDs) in gantry cranes functional motors to reduce power consumption.
- Usage of Inverter based welding machines instead of generator-based welding machines.
- Improved efficiency through implementation of Flux-cored Arc Welding-Gas Shielded (FCAW-GS) for automation and saving energy.
- Replacing existing Split AC units with inverter based energy efficient units.
- Replacing existing Pumps (Water, Sewage and HVAC) with energy efficient pumps.
- Power generation through Solar Roof top PV installation and utilization of solar lights for lighting around compound wall in factories.
- Utilization of Chiller for Heating Ventilation and Air Conditioning (HVAC) System – Campus Facility Management Division (FMD) initiated and controlled the chiller running hours for HVAC during holidays and extended working hours.
- Digital tools used to track, trace and improve the working of systems and to achieve the Company's ESG goals of Carbon and Water Neutrality.
- Adoption of Integrated Vehicle Management System has led to fuel saving.
- Installation of transparent sheets and turbo vents in Light Fabrication Shop in place of overhead lights and exhaust fans to provide sufficient illumination and ventilation.
- Installation of programmable timer for Air Handling Unit (AHU) at dust free chamber.
- Usage of light pipes, transparent sheets and noorikool daylighting systems in shop floors for effective utilization of natural light for ventilation.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

- Usage of Green Hydrogen as an alternative to natural gas in refineries and fertilizers.
- Usage of PNG, cleaner energy source, at DIAL project to power the Hot Mix Plants.
- Solar Power Plant have been installed for generation of 1747 KW solar electricity that is utilized to power batching plants and project camps.
- Alternate usage of M-sand instead of Natural Sand at all project sites has helped in conserving the natural resources.
- Alternate curing solution has been implemented for all the vertical structures for conserving water.
- Installed carbon offsetting program through production of solar and wind power which compensated for non-renewable energy consumption and in-turn reduction in carbon footprint.

(iii) Capital investment on energy conservation equipments:

- Usage of Thyristor controlled welding machines for fabrication and energy saved 176,010 kwh.
- Existing metal halide lamps in high mast replaced with 300W LED fittings.
- Replaced existing submersible pumps with hydro-pneumatic pumps.
- Installed VFD panel in place of ELGi compressor.
- Replaced HVAC pump with efficient monoblock pump.
- Installed express feeder uninterrupted power supply at AIT plant.

The measures taken have resulted in savings in cost of production, power consumption and processing time at all locations.

[B] TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

- Online barcode reading system installed to automatically select recipes for GT Lube Spraying.
- Establishment of in-house expertise in areas such as Cathodic Protection (CP) system design and implementation.

- Adoption of advanced pneumatic valves which can control flow and pressure for lube spraying operation to automatically control spray width, flow and atomization.
 - Partnered with IIT-B to jointly pursue research and development work in the Green Hydrogen value chain and development of next generation technologies.
 - Memorandum of Understanding entered with a Technology partner for electrolyser manufacturing.
 - Development of 2nd Generation PCR HTCP and 3rd Generation PCR HTCP with Hollow Squeeze Cylinder and Ribbed construction.
 - Developed 56" MTCP with rope loader, parallel unloader and front bead lift arm developed for Petlas.
 - Introduction of Higher striping force BCM for 65.5" MTCP CEAT.
 - Development of OTR Cured tyre Handling system with Trimming and Inspection Machine.
 - Implemented Antivibration pad in power press machine to reduce the vibration and noise thereby reducing noise pollution.
 - Developed SMS alert (Digital initiative) for monitoring the pressure at fire hydrant system.
 - Adopted HCL wet scrubber arrangement for fresh acid storage tank to remove acid fumes in the atmosphere.
 - Introduction of LiDAR based Pre-bid engineering, survey and integration with BIM, laying of Bentley Rail Track and development of Open Rail Designer have improved efficiency.
 - Adoption of concrete mix design with GGBS (Ground Granulated Blast-furnace Slag) and Flyash upto the maximum limit and thereby reducing the cement consumption in order to reduce further carbon emission.
 - Indigenously designed the FSLM equipment of 1100MT Capacity.
 - Designed ConPro for enabling end-to-end tracking of concrete supply chain across project sites by using QR codes.
 - Designed RebarPro that provides end-to-end tracking of rebar from store to site after fabrication which enables minimum wastage, saves time and accelerates process efficiency.
 - Designed P&M IoT and Workmen Management system to improve the productivity and minimise idleness.
 - Introduced Robotic Process Automation (RPA) to automate the repeated and long lead time in Design, IT, Finance and Subcontract processes.
 - Implemented Infor Operating Services (IOS) in Enterprise Resource Planning.
 - Deployed digital library module with elastic search for capturing technical and commercial details of various equipment.
 - Developed skid loading optimization for monitoring the progress of Hull Fabrication and Hull Block Turn over time.
 - Developed calibration module, chatbot based helpdesk portal, Information Right Management (IRM) solution.
 - Deployed portable VR facility at the desktop level for carrying out regular review of 3D models at working level.
 - Deployed pull off adhesive tester, proactive inspection module and stud welding application.
 - Developed and implemented special purpose machine for shell T-frame twin head SAW and web flange twin head Gas Metal Arc Welding.
 - Developed and implemented automated load testing system for Sarvatra bridge.
 - Designed and developed universal 3D base plate and modular clamping arrangement.
 - Developed Satellite Launch Vehicle ToT absorption.
 - Development of metal additive, advanced composites and other Aerospace manufacturing technologies.
 - Development of Unmanned Surface Vessel for ISR, ASW and MCM operations, close-in weapon system, fire control radar for air defence application.
 - Development of multi-hierarchy command and control systems for integrated engagement across forces.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**
- Optimum selection, verification and characterization of materials for critical applications.

- Implemented suitable preservation/corrosion protection techniques to achieve successful longer life and adequate performance.
- Establishment of in-house capability for specialized engineering analysis, such as modeling and process simulation, Computational Fluid Dynamics (CFD), transient thermal analysis, Radiation and dispersion analysis and advanced stress analysis by Finite Element Method (FEM) for achieving self-sufficiency.
- Advanced troubleshooting of critical process plant equipment through analysis of degradation mechanisms such as, Methanol Stress Corrosion Cracking, Hydrogen Embrittlement, Chloride Stress Corrosion Cracking, Sulphuric Acid Corrosion and Microbial Corrosion attack.
- Robotic Process Automation has helped increase manpower productivity and reduction in man hours spent across various business activities.
- Digital library module has helped reduce lead time during Request for Proposal/bid submission.
- Information Right Management solution has helped secure documents and provide data centric security across various stages of document life cycle.
- Stud welding application has helped achieve higher productivity for block alignment and erection joints, electrical earthing points, cable trays and foundation bolts. It has also helped reduce overall welding time and reduce heat input to avoid damage to internal structures and equipment.
- Deployment of pull off adhesive tester has helped setup in-house quality check to establish soundness of paint coating system without depending on any external agency.
- Deployment of portable VR facility has helped minimize design errors and enhancing the ergonomics of design.
- Quick clamping of assemblies led to clamping time reduction.

- Cost saving by eliminating use of welded attachments and non-value added activities like grinding, touchup, etc.

(iii) Information regarding technology imported during the last 3 years:

S. No.	Technology Imported	Year of Import	Status of absorption and reasons for non-absorption, if any
a)	Verse Equipment	2019-20	Fully absorbed
b)	Electrical Storage System	2019-20	Fully absorbed
c)	Direct Current (DC) Traction System Design	2019-20	Fully absorbed
d)	Power over Ethernet (PoE) based devices	2020-21	Fully absorbed
e)	Full Span Construction Methodology	2021-22	Fully absorbed
f)	Straddle carrier	2021-22	Fully absorbed

(iv) Expenditure incurred on Research and Development:

	₹ crore
	2021-22
Capital	4.26
Recurring	83.73
Total	87.99
Total R&D expenditure as a percentage of total turnover	0.08%

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

	₹ crore
	2021-22
Foreign Exchange earned	11,721.13
Foreign Exchange saved / deemed exports	85.47
Total	11,806.60
Foreign Exchange used	10,383.99

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.

C. THE GOVERNANCE STRUCTURE

The Company has four tiers of Corporate Governance structure, viz.:

- (i) **Strategic Supervision** – by the Board of Directors comprising the Executive, Non-Executive and Independent Directors.
- (ii) **Executive Management** – by the Executive Committee (ECom) comprising of the Chief Executive Officer and Managing Director, all Executive Directors and a few senior leaders.
- (iii) **Strategy and Operational Management** – by the Independent Company Boards of each Independent Company (IC) (not legal entities) comprising of 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. The Group Chairman (GC):

The GC is the Chairman of the Board. His primary role is to provide leadership to the Board and guidance and mentorship to the CEO & MD and Executive Directors for realizing the approved strategic plan and business objectives. He presides over the Board and the Shareholders' meetings.

c. Executive Committee (ECom):

The ECom provides a companywide operations review and plays a key role in strengthening linkages between the ICs and the Company's Board, as well as in rapidly realizing inter-IC synergies. In addition, the ECom deliberates upon strategic 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 and Analytics initiatives
- Approval of common policies
- Strategic plans and business portfolio reviews
- Sharing of best practices, etc.

d. The Chief Executive Officer and Managing Director (CEO & MD):

The CEO & MD is fully accountable to the Board for the Company's business development, operational excellence, business results, leadership development and other related responsibilities.

e. Executive Directors (ED) / Senior Management Personnel:

The Executive Directors, as members of the Board, along with the Senior Management Personnel in the Executive Committee, contribute to the strategic management of the Company's businesses within Board approved direction and framework. They assume overall responsibility for strategic management of business and corporate functions including its governance processes and top management effectiveness.

f. Non-Executive Directors (NED) / Independent Directors:

The Non-Executive Directors / Independent Directors play a critical role in enhancing balance to the Board processes with their independent judgment on issues of strategy, performance, resources, standards of conduct, safety, etc., besides providing the Board with valuable inputs.

g. Independent Company Board (IC Board):

As a part of Lakshya 2016, the Company had decided to have Hybrid Holdco Structure. Accordingly, a number of 'Independent Companies' (ICs) were created, each with their own quasi-board comprising 2 to 3 Independent Members akin to Independent Directors. During the process of evolving Lakshya 2026, the structure was reviewed and it was decided to continue with the IC structure.

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 31st March 2022, the Board comprised the Group Chairman, the Chief Executive Officer & Managing Director, 7 Executive Directors, 1 Non-Executive Director (representing a financial institution) and 7 Independent Directors, including one Independent Woman Director. The composition of the Board, as on 31st March 2022, 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').

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. However, in view of the COVID 19 pandemic and the restrictions on movement imposed by the government authorities, during the initial part of FY 2022, Board Meetings were held through video conferencing. The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review, 8 meetings were held on 14th May 2021, 26th July 2021, 7th September 2021, 27th October 2021, 28th January 2022, 22nd March 2022, 23rd March 2022 and 24th March 2022.

The Independent Directors met on 8th May 2021, 22nd May 2021 and 20th March 2022 to discuss, *inter alia*, the performance evaluation of the Board as a whole 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 Company Secretary prepares the agenda and the explanatory notes, in consultation with the Group Chairman / Chief Executive Officer & Managing Director and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board meets at least once every quarter, *inter alia*, to review the quarterly results. Additional meetings are held, whenever necessary. The meetings were conducted physically/through video conference during the year. 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 noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. The Minutes are approved and entered in the Minutes book within 30 days of the Board meeting. Thereafter, the Minutes are signed and dated by the Chairman of the Board at the next meeting.

The following is the composition of the Board of Directors as on 31st March 2022. Their attendance at the Board Meetings during the year and at the last Annual General Meeting is as under:

Name of Director	Category	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance at last AGM
Mr. A. M. Naik	GC	8	5	Yes
Mr. S. N. Subrahmanyam	CEO & MD	8	7	Yes
Mr. R. Shankar Raman	ED	8	8	Yes
Mr. D. K. Sen	ED	8	8	Yes
Mr. M. V. Satish	ED	8	8	Yes
Mr. J. D. Patil	ED	8	8	Yes
Mr. Subramanian Sarma	ED	8	8	Yes
Mr. S. V. Desai	ED	8	8	Yes
Mr. T. Madhava Das	ED	8	8	Yes
Mr. M. M. Chitale	ID	8	7	Yes
Mr. M. Damodaran	ID	8	8	Yes
Mr. Vikram Singh Mehta	ID	8	8	Yes
Mr. Adil Zainulbhai	ID	8	8	Yes
Mr. Sanjeev Aga	ID	8	8	Yes
Mr. Narayanan Kumar	ID	8	8	Yes
Mr. Hemant Bhargava (Note 1)	NED	8	8	Yes
Mrs. Preetha Reddy	ID	8	8	Yes

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

Note 1: Representing equity interest of Life Insurance Corporation of India.

GC – Group Chairman

CEO & MD – Chief Executive Officer & Managing Director

ED – Executive Director

NED – Non-Executive Director

ID – Independent Director

- 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 31st March 2022, 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 Chairmanship	Names of other Listed entities where he holds Directorship	Category of Directorship
Mr. A. M. Naik	5	0	0	Larsen & Toubro Infotech Limited	Non-Executive Chairman
				L&T Technology Services Limited	Non-Executive Chairman
				Mindtree Limited	Non-Executive Chairman
Mr. S. N. Subrahmanyam	6	0	0	Larsen & Toubro Infotech Limited	Non- Executive Vice- Chairman
				L&T Technology Services Limited	Non- Executive Vice- Chairman
				Mindtree Limited	Non- Executive Vice-Chairman
				L&T Finance Holdings Limited	Non-Executive Chairman
Mr. R. Shankar Raman	8	6	0	Larsen & Toubro Infotech Limited	Non-Executive Director
				L&T Finance Holdings Limited	Non-Executive Director
				Mindtree Limited	Non- Executive Director
Mr. D. K. Sen	7	0	0		Nil
Mr. M. V. Satish	1	0	0		Nil
Mr. J. D. Patil	1	1	0		Nil
Mr. Subramanian Sarma	2	0	0		Nil
Mr. S. V. Desai	3	0	0		Nil
Mr. T. Madhava Das	0	0	0		Nil
Mr. M. M. Chitale	5	4	2	Atul Limited	Independent Director
				Macrotech Developers Limited	Independent Director
				Bhageria Industries Limited	Independent Director
Mr. M. Damodaran	6	3	2	Interglobe Aviation Limited	Chairman and Independent Director
				Hero Motocorp Limited	Independent Director
				Biocon Limited	Independent Director
Mr. Vikram Singh Mehta	6	5	1	Colgate-Palmolive (India) Limited	Independent Director
				HT Media Limited	Independent Director
				Apollo Tyres Limited	Independent Director
				Mahindra & Mahindra Limited	Independent Director
Mr. Adil Zainulbhai	7	3	5	Jubilant Foodworks Limited	Independent Director
				Reliance Industries Limited	Independent Director
				Network18 Media & Investment Limited	Chairman and Independent Director
				Cipla Limited	Independent Director
Mr. Sanjeev Aga	4	3	2	TV18 Broadcast Limited	Chairman and Independent Director
				Larsen & Toubro Infotech Limited	Independent Director
				UFO Moviez India Limited	Chairman and Independent Director
				Pidilite Industries Limited	Independent Director
				Mahindra Holidays & Resorts India Limited	Independent Director

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship	Names of other Listed entities where he holds Directorship	Category of Directorship
Mr. Narayanan Kumar	7	3	4	L&T Technology Services Limited	Independent Director
				Mphasis Limited	Independent Director
				Take Solutions Limited	Chairman and Independent Director
				Entertainment Network (India) Limited	Independent Director
				Indus Towers Limited	Independent Director
Mr. Hemant Bhargava	3	3	0	The Tata Power Company Limited	Nominee Director
				UGRO Capital Limited	Independent Director
				ITC Limited	Independent Director
Mrs. Preetha Reddy	9	2	0	Apollo Hospitals Enterprise Limited	Whole-time 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 which includes only Stakeholders' Relationship Committee and Audit Committee.

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 and Remuneration Committee, Stakeholders Relationship Committee, Board Risk Management Committee and Corporate Social Responsibility 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 Company participates viz. Infrastructure, Power, Heavy Engineering, Defence 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 and 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 FY 2022 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. A. M. Naik	√	√	√	√	√	√
2.	Mr. S. N. Subrahmanyam	√	√	√	√	√	√
3.	Mr. R. Shankar Raman	√	√	√	√	√	X
4.	Mr. D. K. Sen	√	√	X	√	X	√
5.	Mr. M. V. Satish	√	√	X	√	X	√
6.	Mr. J. D. Patil	√	√	√	√	X	X
7.	Mr. Subramanian Sarma	√	√	√	X	X	√
8.	Mr. S. V. Desai	√	√	X	√	X	√
9.	Mr. T. Madhava Das	√	√	X	√	X	√
10.	Mr. M. M. Chitale	√	X	√	√	√	X
11.	Mr. Subodh Bhargava*	√	X	√	√	X	√
12.	Mr. M. Damodaran	√	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
13.	Mr. Vikram Singh Mehta	√	√	√	X	X	√
14.	Mr. Adil Zainulbhai	√	X	√	√	X	√
15.	Mr. Sanjeev Aga	√	X	√	√	√	X
16.	Mr. Narayanan Kumar	√	√	√	X	√	X
17.	Mr. Hemant Bhargava	√	X	√	√	√	X
18.	Mrs. Preetha Reddy	√	X	√	√	X	√

* ceased to be a director w.e.f. 29th March 2022.

Note: Absence of any skill does not necessarily mean that the Director does not possess that skill.

F. BOARD COMMITTEES

The Board currently has 5 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) 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 made mandatory by law.

i) Terms of reference:

The role of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing, with the management, the annual financial statements and the audit report before submission to the Board for approval, with particular reference to:
 1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of sub-section (5) of Section 134 of the Companies Act, 2013
 2. Changes, if any, in accounting policies and practices and reasons for the same
 3. Major accounting entries involving estimates based on the exercise of judgment by management
 4. Significant adjustments made in the financial statements arising out of audit findings
 5. Compliance with listing and other legal requirements relating to financial statements
 6. Disclosure of any related party transactions

7. Qualifications in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, if any.
 - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors about any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
 - 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 to/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.
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii) Composition:

As on 31st March 2022, the Audit Committee comprised four Independent Directors.

iii) Meetings:

During the year ended 31st March 2022, 9 meetings of the Audit Committee were held on 21st April 2021, 13th May 2021, 12th July 2021, 24th July 2021, 26th August 2021, 26th October 2021, 23rd November 2021, 27th January 2022 and 1st March 2022.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. M. M. Chitale	Chairman	9	9
Mr. M. Damodaran	Member	9	9
Mr. Sanjeev Aga	Member	9	9
Mr. Vikram Singh Mehta*	Member	–	–

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

* Inducted as a member of the Committee with effect from 24th March 2022

Majority of the members of the Audit Committee are financially literate and have accounting or related financial management expertise.

The Chief Executive Officer & Managing Director, Whole-time Director & Chief Financial Officer and Head - Corporate Audit Services are permanent invitees to the Meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

iv) Internal Audit:

The Company has an internal corporate audit team consisting of Chartered Accountants, Certified Internal Auditors and Engineers from various disciplines. Over a period, the Corporate Audit Services ("CAS") department has acquired in-depth knowledge about the Company, its businesses, its systems and 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 CISA, CIA and 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, then 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 and the major deviations are highlighted and discussed with the concerned IC and / or subsidiary company Boards and significant observations are placed before the Audit Committee of the Company once in every Quarter. Some subsidiaries have engaged external firms for conducting internal audit.

2) Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee was constituted in 1999 even before it was mandated by law.

i) Terms of reference:

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
- Recommend to the Board appointment and removal of such persons;
- Formulate criteria for determining qualifications, positive attributes and independence of a Director;
- Devise a policy on Board diversity;

- Formulation of criteria for evaluation of Directors, Board and the Board Committees;
- Carry out evaluation of the Board and Directors;
- Recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel (KMP) and senior management;
- Administration of Employee Stock Option Scheme (ESOS).

ii) **Composition:**

As at 31st March 2022, the Committee comprised 2 Independent Directors and the Group Chairman.

iii) **Meetings:**

During the year ended 31st March 2022, 5 meetings of the Nomination and Remuneration Committee were held on 14th May 2021, 26th July 2021, 27th October 2021, 28th January 2022 and 22nd March 2022.

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	5	5
Mr. Subodh Bhargava#	Chairman	5	5
Mr. A. M. Naik	Member	5	4
Mr. Narayanan Kumar	Member	5	5

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

*Appointed as Chairman of the Committee with effect from 30th March 2022.

#Ceased to be Member and Chairman of the Committee with effect from 29th March 2022.

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 <https://investors.larsentoubro.com/Listing-Compliance.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), 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, Nomination and Remuneration Committee and Board Risk Management Committee meetings and ₹ 35,000/- for Stakeholders Relationship Committee and Corporate Social Responsibility Committee meetings, during the year, to the Independent Directors / Non-Executive Directors. The commission is paid 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 corporate website <https://investors.larsentoubro.com/Listing-Compliance.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 Chairman, CEO & MD 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 Company discusses the performance evaluation results with the Chairman of the NRC and interacts with all the Non-Executive Directors and Independent Directors. The NRC Chairman interacts with the Executive Directors.

Members are also requested to refer to page 284 of the Board Report.

vi) Training and Succession Planning:

The organisation has a robust process of building its talent pipeline which helps to feed in succession planning. The process starts with the Development Centre (DC) where high performing employees get assessed on defined competencies at four different levels in the organisation. The process identifies competency gaps which are developed with specific Individual Development Plans (IDP's) and competency programs organised for these levels. This helps the organisation to have a pool of leaders at every level who are "Competency Ready". The DC process and the subsequent development programs were conducted in virtual mode in FY 2022.

The organisation also provides managerial inputs to high potential employees through its famed 7-Steps leadership development program which culminates with mentoring by the Group Chairman and the CEO & MD. The 7-Steps leadership program is done in association with global premier B-Schools. In FY 2022, the step 1 in association with IIM Ahmedabad and step 3 in association with Michigan Ross were conducted using a virtual medium and suitable pedagogy associated with it.

The organisation also conducts its Core Development programs with tie-ups with reputed Indian B-Schools like Narsee Monjee, NITIE, XLRI, IIM-Bangalore and Kolkata to provide inputs to its leaders and in the process build a strong pipeline at every level. Multiple instances of these programs were conducted in FY 2022 in the virtual mode.

vii) Details of remuneration paid / payable to Directors for the year ended 31st March 2022:

(a) Executive Directors:

The details of remuneration paid / payable to the Executive Directors for FY 2022 is as follows:

Names	₹ crore					Total
	Salary	Perquisites other than ESOP	Perquisites related to ESOP*	Retirement Benefits	Commission	
Mr. S. N. Subrahmanyam	2.78	0.63	29.93	6.53	21.40	61.27
Mr. R. Shankar Raman	1.95	0.41	7.98	4.30	13.98	28.62
Mr. D. K. Sen	1.47	0.28	-	2.46	7.62	11.83
Mr. M. V. Satish	1.47	0.37	-	2.30	7.05	11.19
Mr. J. D. Patil	1.23	0.30	-	2.29	7.23	11.05
Mr. Subramanian Sarma	1.83	0.26	6.03	3.65	11.70	23.47
Mr. S. V. Desai	1.05	0.34	-	2.60	8.56	12.55
Mr. T. Madhava Das	1.05	0.30	-	2.55	8.40	12.30

*Represents perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by the Company, Larsen & Toubro Infotech Limited and L&T Technology Services Limited and includes tax on ESOPs borne by the Company wherever applicable.

- Notice period for termination of appointment of Chief Executive Officer & Managing Director and other Whole-time Directors is six months on either side.
- No severance pay is payable on termination of appointment.
- Details of Options granted under Employee Stock Option Schemes are provided on the website of the Company www.larsentoubro.com.
- Mr. Subramanian Sarma has exercised 25,000 stock options of the Company, vested during the year. The perquisite amount on exercise of these options is considered as a part of his remuneration.
- Mr. S. N. Subrahmanyam has exercised 40,000 stock options each of Larsen & Toubro Infotech Limited and L&T Technology Services Limited, vested during the year. Mr. R. Shankar Raman has exercised 20,000 stock options of Larsen & Toubro Infotech Limited, vested during the year. The perquisite amount

on exercise of these options is considered as a part of the remuneration of these Directors.

(b) Non-Executive Directors:

The details of remuneration paid / payable to the Non-Executive Directors for FY 2022 is as follows:

Names	₹ crore					Total
	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Others+		
Mr. A. M. Naik	0.05	0.02	3.25	3.00	6.32	
Mr. M. M. Chitale	0.07	0.06	0.54	-	0.67	
Mr. Subodh Bhargava*	0.08	0.03	0.55	-	0.66	
Mr. M. Damodaran	0.08	0.05	0.52	-	0.65	
Mr. Vikram Singh Mehta	0.11	-	0.44	-	0.55^	
Mr. Adil Zainulbhai	0.08	0.04	0.51	-	0.63	
Mr. Sanjeev Aga	0.08	0.06	0.40	-	0.54	
Mr. Narayanan Kumar	0.08	0.04	0.35	-	0.47	
Mr. Hemant Bhargava#	0.08	0.01	0.25	-	0.34	
Mrs. Preetha Reddy	0.08	-	0.23	-	0.31	

* Ceased to be an Independent Director with effect from 29th March 2022 on account of completion of his tenure. + others include pension.

Payable to the Institution he represents.

^ Includes commission and sitting fees paid by L&T Hydrocarbon Engineering Limited (LTHE). LTHE has merged with the Company.

Details of shares and convertible instruments of the Company held by the Non-Executive Directors, as on 31st March 2022, are as follows:

Name	No. of Shares
Mr. A. M. Naik	6,26,936
Mr. M. M. Chitale	3,568
Mr. M. Damodaran	225
Mr. Vikram Singh Mehta	1,327
Mr. Adil Zainulbhai	150
Mr. Sanjeev Aga	100
Mr. Narayanan Kumar	1,500
Mr. Hemant Bhargava *	100
Mr. Hemant Bhargava	90
Mrs. Preetha Reddy	180

* 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 and Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

ii) Composition:

As on 31st March 2022, the Stakeholders' Relationship Committee comprised 1 Non-Executive Director, 1 Independent Director and 1 Executive Director.

iii) Meetings:

During the year ended 31st March 2022, 3 meetings of the Stakeholders' Relationship Committee were held on 26th July 2021, 1st October 2021 and 28th January 2022.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. Narayanan Kumar*	Chairman	3	3
Mr. J. D. Patil	Member	3	3
Mr. Hemant Bhargava#	Member	3	3

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

* appointed as Chairman of the Committee w.e.f. May 14, 2021.

appointed as a member of the Committee w.e.f. May 14, 2021.

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*
Complaints:				
SEBI / Stock Exchange	3	95	96	2
Shareholder Queries:				
Dividend Related	283	18,729	18,982	30
Transmission/ Transfer	87	4,369	4,294	162
Demat / Remat	7	529	531	5

* Investor complaints / queries shown outstanding as on 31st March 2022 have been subsequently resolved to the 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 SEBI press release dated 3rd December 2018 and 27th March 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities subsequent to 1st April 2019, have not been processed by the Company.

SEBI vide its circular dated 7th September 2020 had provided a cut-off date of 31st March 2021 for re-lodgment of transfer requests which were lodged prior to 31st March 2019 but rejected/returned due to deficiency of paperwork. Accordingly, the Company has accepted such transfer requests till 31st March 2021 and the said requests were approved during the year.

The Board has delegated the powers to approve transfer of shares to Share Transfer Committee comprising four Senior Executives. This Committee held 3 meetings during the year and approved the transfer of shares lodged with the Company.

4) Corporate Social Responsibility Committee:**i) Terms of reference:**

The Corporate Social Responsibility ("CSR") Committee has also been entrusted with the task of reviewing the sustainability initiatives of the Company.

The terms of reference of the Committee are as follows:

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

ii) Composition:

As on 31st March 2022, the CSR Committee comprised 1 Independent Director and 2 Executive Directors.

iii) Meetings:

During the year ended 31st March 2022, 3 meetings of the CSR Committee were held on 27th April 2021, 27th September 2021 and 10th March 2022.

The Members at the Committee are as follows-

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. M. M. Chitale	Chairman	3	3
Mr. R. Shankar Raman	Member	3	3
Mr. D. K. Sen	Member	3	3

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

iv) CSR Activities and Impact Assessment:

The Company, through its CSR 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 and 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 and 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).

In view of the sustained impact of the second wave of the COVID -19 pandemic on the health infrastructure, education and livelihoods and the acute shortage of oxygen across the country, the Company responded by supplementing the health care system by providing oxygen concentrators, ventilators and portable X-ray units besides manufacturing PSA oxygen concentration

plants and providing them to hospitals across the Country.

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 accrue are also factored and documented in the monthly reporting process. These are subsequently vetted / measured during the external Social Audit or Impact Assessment. The Social Audit/ Impact Assessment report is discussed during the CSR 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 pages 323 to 352 of this 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 Company also has an Apex Risk Management Committee, comprising 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 31st March 2022, the Board Risk Management Committee comprised 2 Independent Directors and 1 Executive Director.

iii) Meetings:

During the year ended 31st March 2022, 2 meetings of the Board Risk Management Committee were held on 9th June 2021 and 3rd December 2021.

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

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

Members are also requested to refer to page 282 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 internal newsletters of the Company, the press releases, etc. are circulated to all the Directors so that they are updated about the operations of the Company.

Presentations are made regularly to the Board / NRC / Audit Committee (AC) (minutes of AC, NRC, SRC, RMC and CSR Committee are circulated to the Board), where Directors get an opportunity to interact with senior managers. Presentations, *inter alia*, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of internal audit, risk management framework, operations of subsidiaries and associates, etc.

Independent Directors have the freedom to interact with the Company's Management. Interactions happen during Board / Committee

meetings, when senior company personnel are asked to make presentations about performance of their Independent Company (IC) / Business Unit to the Board.

Some of the Independent Directors are members of the IC Board. They share the learnings from these meetings with the remaining Non-Executive Directors / Independent Directors formally and informally. Such interactions also happen when these Directors meet senior management in IC meetings and informal gatherings.

As part of the appointment letter issued to Independent Directors, the Company has stated that it will facilitate attending seminars/programs/conferences designed to train Directors to enhance their role as an Independent Director.

This information is also available on the website of the Company <http://investors.larsentoubro.com/Listing-Compliance.aspx>.

b) 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 (Prohibition of Insider Trading) (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 and 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 periodically 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 action are undertaken by the respective HR/Accounts Departments.

The policy provides for adequate safeguards against victimisation of persons who blow the whistle and also 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.

The Company has zero tolerance 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 287 of the Board Report.

c) Statutory Auditors:

In the case of appointment of new auditors, a Committee, comprising of the Chairman of the Audit Committee, the CFO and the Company Secretary, evaluates various audit firms based on approved criteria as given herein below. The audit firms shortlisted, are required to make a presentation to this Committee. The Committee considers factors such as compliance with the legal provisions, number / nature / size and variation in client base, skill sets available in the firm both at partner level and staff level, international experience, systems and processes followed by the firm, training and development by the firm to its partners and staff, etc. during the process of evaluation. Based on merit and the factors mentioned above, the Committee finalizes the firm to be appointed and recommends the same to the Audit Committee. The Audit Committee reviews the same before recommending to the Board and shareholders for approval.

Deloitte Haskins & Sells LLP ("DHS LLP" or "Firm") is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). The Firm has around 2,500 professionals and staff. 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.

For FY 2022, 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 ₹ 11.13 crore.

Also refer to page 287 of the Board Report.

d) Code of Conduct:

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct

is available on the website of the Company www.larsentourbo.com. The declaration of the Chief Executive Officer & Managing Director is given below:

To the Shareholders of Larsen & Toubro Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board Members and senior management personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and senior management personnel.

S. N. Subrahmanyam

Chief Executive Officer & Managing Director

Date: 12th May 2022

Place: Mumbai

e) General Body Meetings:

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

Financial Year	Date	Venue	Time
2020-2021	5th August 2021	Meeting was held through Video Conferencing/ Other Audio-Visual Means	3:30 p.m.
2019-2020	13th August 2020	Meeting was held through Video Conferencing/ Other Audio-Visual Means	3:30 p.m.
2018-2019	1st August 2019	Birla Matushri Sabhagar	3:00 p.m.

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on 5th August 2021:

- To re-appoint Mr. Sanjeev Aga as an Independent Director of the Company for a five-year term upto 24th May 2026.
- To re-appoint Mr. Narayanan Kumar as an Independent Director of the Company for a five-year term upto 26th May 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.

Annual General Meeting held on 13th August 2020:

- To re-appoint and continue the appointment of Mr. A. M. Naik as Non-Executive Director of the company who has attained the age of 75 years.
- 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 1st August 2019:

- To re-appoint Mr. M. M. Chitale as an Independent Director of the Company for a five-year term upto 31st March 2024.
- To re-appoint Mr. M. Damodaran as an Independent Director of the Company for a five-year term upto 31st March 2024.
- To re-appoint Mr. Vikram Singh Mehta as an Independent Director of the Company for a five-year term upto 31st March 2024.
- To re-appoint Mr. Adil Zainulbhai as an Independent Director of the Company for a five-year term upto 28th May 2024.
- To amend the object clause of the Memorandum of Association of the Company.
- To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 4,000 crore.

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

f) Resolution(s) passed through Postal Ballot:

No postal ballot was conducted during FY 2022.

The Company has sought the approval of shareholders through notice of the Postal Ballot dated 13th April 2022 for the following proposals:

1. Alteration of Object Clause of the Memorandum of Association of the Company.
2. Approval of Related Party Transaction to be undertaken by the Company with L&T Finance Limited.
3. Appointment of Mr. Pramit Jhaveri (DIN: 00186137) as an Independent Director w.e.f. 1st April 2022.

The voting period for the said Postal Ballot commenced on 18th April 2022 at 9:00 a.m. IST and shall conclude on 17th May 2022 at 5:00 p.m. IST.

The Company had appointed 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), as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

The results of the Postal Ballot would be announced on or before 18th May 2022.

g) 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.
6. The policies for determining material subsidiaries and related party transactions are available on the Company's website <https://www.larsentoubro.com/corporate/about-lt-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 page 25 to 28 of this Annual Report.

8. As required under the provisions of SEBI LODR Regulations, a certificate confirming that none of the Directors on the Board have been debarred or disqualified by the 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 page 286 of this 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.

h) Means of communication:

Financial Results and other Communications	Quarterly and Annual Results are published in prominent daily newspapers viz. The Financial Express, The Hindu Business Line and Loksatta. The results are also posted on the Company's website: www.larsentoubro.com . Advertisements relating to IEPF, E-Voting, AGM related compliances, etc. are published in The Financial Express and Loksatta.
News Releases	Official news releases that carry material price sensitive information are sent to stock exchanges as well as displayed on the Company's website: www.larsentoubro.com .
Website	The Company's corporate website www.larsentoubro.com provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the stock exchanges. The entire Annual Report of the Company and subsidiaries are available in downloadable formats. The entire Annual Report of the Company would also be made available on the websites of the Stock Exchanges.

Filing with Stock Exchanges	Information to Stock Exchanges is now being also filed online on NEAPS and Digital Portal 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 (AGM), the Company has provided Webcast facility at its last three AGMs in co-ordination with NSDL/KFin Technologies. This year, like previous year, due to the continuing COVID-19 pandemic, the Company will be once again conducting the AGM through Audio Visual Means, as permitted by Ministry of Corporate Affairs and SEBI. 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)	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.
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 link for the same is intimated to the Exchanges.

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 share

certificates are regularly released on requests received from the eligible shareholders after due verification.

In accordance with the provisions of the Section 124(6) 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 from the financial year 2013-14. The details are given in the Board Report. Please refer to page 285 of this 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 and submit such documents as prescribed under the IEPF Rules to claim these shares. Mr. Sivaram Nair A 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, 4th August 2022 at 3:30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") pursuant to the MCA Circular dated 5th May 2020.

b) Financial calendar:

1. Annual Results of 2021-22	12th May 2022
2. Mailing of Annual Reports	Second week of July 2022
3. First Quarter Results	During the last week of July 2022 *
4. Annual General Meeting	4th August 2022
5. Payment of Dividend	On or before 8th August 2022
6. Second Quarter results	During last week of October 2022 *
7. Third Quarter results	During last week of January 2023 *

* Tentative

c) Record Date:

The Record date to determine the members entitled to the dividend for FY 2022 is Friday, 22nd July 2022.

d) Listing of equity shares / shares underlying GDRs on Stock Exchanges:

The shares of the Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

GDRs are listed on Luxembourg Stock Exchange and admitted for trading on London Stock Exchange.

e) Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2022-23 to BSE and NSE in April 2022. The fees to Luxembourg Stock Exchange has been paid in March 2022. The fees to London Stock Exchange will be paid on receipt of the invoice.

f) Custodial Fees to Depositories:

The fees to National Securities Depository Limited (NSDL) and 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:

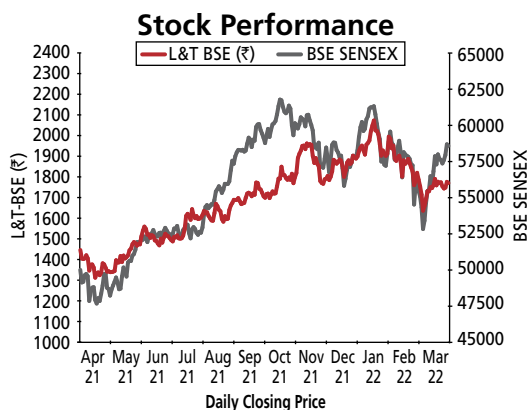
BSE Limited (BSE)	: Scrip Code - 500510
National Stock Exchange of India Limited (NSE)	: Scrip Code - LT
ISIN	: INE018A01030
Reuters RIC	: LART.BO
Luxembourg Exchange Stock Code	: 005428157
London Exchange Stock Code	: LTOD

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.

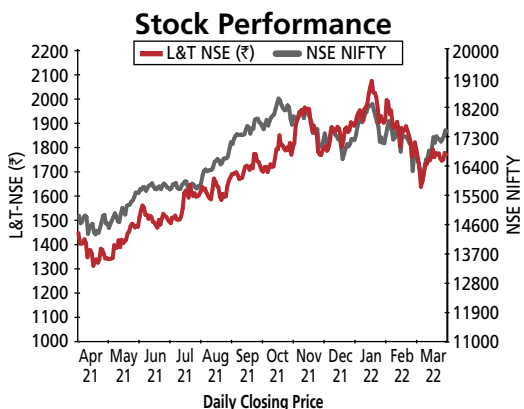
h) Stock market data for the year 2021-22:

Month	L&T BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
2021						
April	1447.80	1306.40	1340.20	50375.77	47204.50	48782.36
May	1499.80	1320.65	1465.55	52013.22	48028.07	51937.44
June	1582.65	1448.00	1501.25	53126.73	51450.58	52482.71
July	1647.00	1475.85	1601.40	53290.81	51802.73	52586.84
August	1684.80	1563.30	1671.40	57625.26	52804.08	57552.39
September	1810.00	1657.20	1703.15	60412.32	57263.90	59126.36
October	1884.90	1684.40	1766.80	62245.43	58551.14	59306.93

Month	L&T BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
2021						
November	1982.95	1735.25	1763.90	61036.56	56382.93	57064.87
December	1908.75	1763.00	1895.00	59203.37	55132.68	58253.82
2022						
January	2078.20	1850.80	1908.85	61475.15	56409.63	58014.17
February	2006.80	1750.55	1816.90	59618.51	54383.20	56247.28
March	1826.35	1595.00	1767.45	58890.92	52260.82	58568.51



Month	L&T NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close
2021						
April	1447.85	1306.00	1340.45	15044.35	14151.40	14631.10
May	1499.65	1319.15	1467.70	15606.35	14416.25	15582.80
June	1583.00	1447.25	1500.55	15915.65	15450.90	15721.50
July	1647.15	1475.50	1601.45	15962.25	15513.45	15763.05
August	1684.95	1562.75	1672.20	17153.50	15834.65	17132.20
September	1810.00	1655.20	1702.95	17947.65	17055.05	17618.15
October	1885.00	1684.05	1766.65	18604.45	17452.90	17671.65
November	1981.75	1735.15	1764.75	18210.15	16782.40	16983.20
December	1909.00	1762.05	1895.90	17639.50	16410.20	17354.05
2022						
January	2078.55	1850.10	1909.20	18350.95	16836.80	17339.85
February	2008.00	1751.00	1816.75	17794.60	16203.25	16793.90
March	1826.95	1595.00	1767.65	17559.80	15671.45	17464.75



i) Registrar and Share Transfer Agents (RTA):

KFin Technologies Limited (previously known as KFin Technologies Private 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 24th January 2022, requests for effecting transfer of securities in physical form, shall not be processed by the Company. The share related information is available online.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

As required under Regulation 40 of the SEBI LODR Regulations, a certificate on yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

k) Distribution of Shareholding as on 31st March 2022:

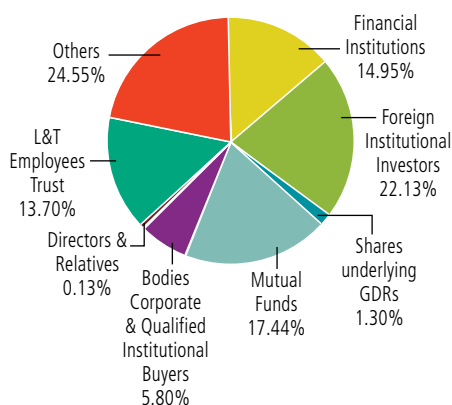
No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
upto 500	13,94,521	93.46	9,25,14,365	6.58
501 - 1000	47,983	3.22	3,51,38,388	2.50
1001 - 2000	26,708	1.79	3,72,87,482	2.65
2001 - 3000	8,960	0.60	2,19,02,931	1.56
3001 - 4000	3,881	0.26	1,34,46,251	0.96
4001 - 5000	2,480	0.17	1,11,76,202	0.80
5001 - 10000	4,129	0.28	2,86,44,106	2.04
10001 and above	3,462	0.23	116,49,19,398	82.91
TOTAL	14,92,124	100.00	140,50,29,123	100.00

l) Categories of Shareholders is as under:

Category	31.03.2022		31.03.2021	
	No. of Shares	%	No. of Shares	%
Financial Institutions	21,00,83,320	14.95	23,97,88,975	17.07
Foreign Institutional Investors	31,08,73,341	22.13	31,99,81,665	22.78
Shares underlying GDRs	1,81,96,992	1.30	2,02,61,741	1.44
Mutual Funds	24,50,08,723	17.44	21,25,49,034	15.13
Bodies Corporate & Qualified Institutional Buyers	8,14,83,173	5.80	7,85,44,719	5.59
Directors & Relatives	17,82,434	0.13	17,31,586	0.12

Category	31.03.2022		31.03.2021	
	No. of Shares	%	No. of Shares	%
L&T Employees Trust	19,25,58,158	13.70	19,25,58,158	13.71
Others	34,50,42,982	24.55	33,91,39,419	24.16
TOTAL	140,50,29,123	100.00	140,45,55,297	100.00

Categories of Shareholders as on 31st March 2022



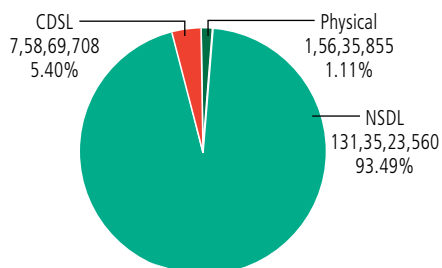
m) Dematerialization of shares and Liquidity:

The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form.

The number of shares held in dematerialized and physical mode as on 31st March 2022 is as under:

	No. of shares	% of total capital issued
Held in dematerialized form in NSDL	131,35,23,560	93.49
Held in dematerialized form in CDSL	7,58,69,708	5.40
Physical	1,56,35,855	1.11
Total	140,50,29,123	100.00

Shares held in Demat / Physical Form as on 31st March 2022



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
Ground Floor, Asian Building
17, R. Kamani Marg, Ballard Estate
Mumbai – 400 001

r) Credit Rating:

The Company has obtained rating from CRISIL Limited, ICRA Limited and India Ratings and Research Private Limited during FY 2022. There has been no revision in credit ratings during FY 2022. 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+'
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'

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), Kanchipuram, 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 pages 14 and 15 of this 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:

1. 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 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 1st April 2019.

Mr. Sivaram Nair A, Company Secretary has been designated as the Compliance Officer.

The Company has appointed Mr. P. Ramakrishnan, Vice President (Corporate Accounts & Investor Relations), as Chief Investor Relations Officer. The Company also formulated Code of Practices and Procedures for Fair Disclosure of unpublished price sensitive information which is available on Company's Website <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 Company has a dedicated Corporate Brand Management and Communications department which facilitates an on-going dialogue between the Company and its stakeholders. The communication channels include:

- For external stakeholders - Stakeholder engagement sessions, client satisfaction surveys, shareholder satisfaction assessment, dealer and stockists meet, analyst / investors meet, periodic feedback mechanism, general meeting for shareholders, online service and dedicated e-mail service for grievances, corporate website and access to business media to respond to queries, etc.
- For internal stakeholders – Employee satisfaction surveys, employee engagement surveys for improvement in employee

engagement processes, circulars and messages from management, corporate social initiatives, welfare initiatives for employees and their families, online news bulletins for conveying topical developments, large bouquet of print and online in-house magazines, helpdesk facility, etc.

Each of the businesses have their internal mechanisms to address the grievances of its stakeholders. In addition, at the corporate level, there are committees which can be approached if the stakeholders are not satisfied with the functioning of such internal mechanisms. As part of the vigil mechanism, the Whistle Blower Policy provides access to the Chairperson of the Audit Committee. The Whistle Blower Policy for Vendors and Channel Partners is displayed on the website of the Company <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>.

x) 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 and 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.

y) 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.

z) Audit as per SEBI requirements:

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 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 confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

The Secretarial Department of the Company at Mumbai is manned by competent and experienced professionals. The Company has a system to review and audit its secretarial and other statutory compliances by competent professionals, who are employees of the Company. Appropriate actions are taken to continuously improve the quality of compliance.

aa) Secretarial Audit as per Companies Act, 2013:

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, M/s. S. N. Ananthasubramanian & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

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

bb) Statutory Compliance System:

The Company complies with applicable laws, rules and regulations impacting Company's business. These comprise of Central Acts / Rules and those of state governments where the Company generally carries on business. The applicable laws are reviewed and updated by an External Consultant along with the Corporate Legal and Legal departments of each Independent Company (IC).

Each IC / Business head certifies compliance of all applicable laws by the IC on a quarterly basis.

Based on these confirmations, the Company Secretary gives a compliance certificate to the Board of Directors.

The Company has a process of verifying the compliances through a random review of the process / system / documentation of the location of the IC / Corporate function / Group Company. The review is placed before the Board of the respective IC / group company. Existing internal controls are also reviewed. The audit process includes planning the audit, discussion with auditee before audit commencement to explain the scope and purpose of the audit, verifying the compliances based on the supporting documentation, post audit meeting for explaining the observations, etc.

cc) Group Governance Policy:

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

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

The Company has four listed subsidiaries 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.

Most of these listed entities has one Executive Director and one or more Independent Director(s) 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.

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 four listed subsidiaries 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 and Remuneration Committee, CSR 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. 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 August 23, 2021.
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, 2022, 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").

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate

Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W100018)

Sanjiv V. Pilgaonkar
(Partner)
(Membership No. 039826)
UDIN: 22039826AIVDOS1456

Place: Mumbai
Date: May 12, 2022

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

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 07th March, 2022.
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 31st March, 2022, the Employees Stock Option Schemes, L&T Limited ESOP Scheme – 2003 and L&T Limited ESOP 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 Meeting held on 26th August, 1999 & 22nd August, 2003 and 25th August, 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 31st March 2022, 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 (Share Based Employee Benefits and Sweat Equity)

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 31st March 2022.

RESTRICTION ON USE

8. This Certificate is addressed to and provided to the Members of the Company solely for the purpose of compliances with Clause 13 of the Regulations. This Certificate should not be circulated, copied, used / referred to for any other purpose, without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care of for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian

Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206D000267898

Place: Thane
Date: 04th May, 2022

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 Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of **Larsen & 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 2021-22** and **Financial Year 2022-23** 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), 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 31st March 2022**, 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	-
02	Mr. Mukund Manohar Chitale	00101004	06-07-2004	-
03	Mr. Subodh Kumar Bhargava	00035672	03-07-2007	29-03-2022
04	Mr. Sekharipuram Narayanan Subrahmanyam	02255382	01-07-2011	-
05	Mr. Ramamurthi Shankar Raman	00019798	01-10-2011	-
06	Mr. Meleveetil Damodaran	02106990	22-10-2012	-
07	Mr. Vikram Singh Mehta	00041197	22-10-2012	-
08	Mr. Adil Siraj Zainulbhai	06646490	30-05-2014	-
09	Mrs. Sunita Sharma	02949529	01-04-2015	03-05-2021
10	Mr. Subramanian Sarma	00554221	19-08-2015	-
11	Mr. Dip Kishore Sen	03554707	01-10-2015	-
12	Mr. Maddur Venkata Rao Satish	06393156	29-01-2016	-
13	Mr. Sanjeev Aga	00022065	25-05-2016	-

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
14	Mr. Narayanan Kumar	00007848	27-05-2016	–
15	Mr. Jayant Damodar Patil	01252184	01-07-2017	–
16	Mr. Hemant Bhargava	01922717	28-05-2018	–
17	Mr. Sudhindra Vasant Rao Desai	07648203	11-07-2020	–
18	Mr. Tharayil Madhava Das	08586766	11-07-2020	–
19	Mrs. Preetha Reddy	00001871	01-03-2021	–
20	Mr. Pramit Jhaveri	00186137	01-04-2022	–

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 31st March, 2022.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code P1991MH040400

Peer Review Cert. No. 606/2019

S. N. Ananthasubramanian

Partner

FCS: 4206 | COP No. : 1774

ICSI UDIN: F004206D000266677

Date : 4th May, 2022

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, 2022 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 period 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; and
 - (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,

R. Shankar Raman
Whole-time Director and
Chief Financial Officer
DIN: 00019798

S. N. Subrahmanyam
Chief Executive Officer and
Managing Director
DIN: 02255382

Date: May 12, 2022

Annexure 'C' to the Board Report

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31ST MARCH 2022

1. Brief outline on CSR Policy of the Company

The CSR projects of the Company are focused on communities that are disadvantaged, vulnerable and marginalized. The Company strives to contribute positively to improve their standard of living, through its interventions in water & 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 impact of COVID-19 pandemic continued to ravage communities impacting livelihoods, education and health and called for innovative approaches to address the ground realities.

Significant efforts were deployed towards Covid-19 relief besides continuing commitment to existing projects. During the second wave of Covid-19, the focus of relief efforts was to address the acute oxygen shortage faced within the Country through timely supply of PSA oxygen plants, besides strengthening the health infrastructure. Educational activities, including implementation of STEM (Science, Technology, Engineering and Mathematics) programmes in schools.

The Company's primary focus is on '**Building India's Social Infrastructure**' as part of its CSR programme which include, amongst others, the following areas, viz.

- **Water and Sanitation** – Includes but not limited to watershed development, access to potable water, promoting rain water 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 and 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 formal 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. Ongoing community-based education programs are significantly impacted by Covid-19 induced lockdown. Efforts are being taken to remain digitally connected to the children, despite challenges.

- **Health** - Due to unprecedented challenges faced by the healthcare sector posed by the spread of Covid -19, focus and outlay on health was substantially increased. However, regular 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 in a restricted manner.
- **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 and vocational training), Construction Skills Training Centres and providing employability skills to women and youth.

Governance, Technology and Innovation would be the Key enabling factors across all these initiatives.

2. Composition of CSR Committee.

The CSR Committee of the Board comprises 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. D. K. Sen	Member (Whole-time Director)	3	3

Mr. Sivaram Nair A acts as the Secretary of the Committee.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The Composition of CSR committee, CSR Policy Framework and CSR Projects approved by the Board are available in the Governance section on the website of the Company. Please see the link <https://investors.larsentoubro.com/corporate-governance.aspx>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Impact assessment for projects concluded in FY 2019-20 was completed. The Independent auditor's report is provided on the Company's website at <https://investors.larsentoubro.com/Listing-Compliance.aspx>

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2019-20	53.23 crore*	Nil
2	2020-21	4.51 crore	4.51 crore
	TOTAL	57.74 crore	4.51 crore

*The Company's contribution to PM CARES Fund during FY 2019-20 of ₹ 53.23 crore has not been considered as available for set-off against the Company's CSR obligations for FY 2020-21 and FY 2021-22 considering the clarification provided by MCA vide its circular dated 20th May 2021.

6. Average net profit of the company as per section 135(5).

The average net profit of the Company for the last three financial years is ₹ 6,702.59 crore

7. (a) Two percent of average net profit of the company of last three financial years as per section 135(5)

₹ 134.05 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year, if any

₹ 4.51 crore

(d) Total CSR obligation for the financial year (7a+7b-7c).

The Company was required to spend an amount of ₹ 129.54 crore as CSR expenditure during FY 2022.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.

Against the mandated spend of ₹ 134.05 crore, the Company spent ₹ 135.68 crore towards various activities for the benefit of the community and availed set off for an excess amount of ₹ 4.51 crore spent by the Company in FY 2021. Accordingly, the excess spend for FY 2022 is ₹ 6.14 crore.

Amount Unspent

Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current F.Y. (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	NOT APPLICABLE											
TOTAL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.		
				State	District			Name	CSR registration number	
As per Exhibit - A						129.04				

(d) Amount spent in Administrative Overheads

₹ 6.42 crore

(e) Amount spent on Impact Assessment, if applicable

₹ 0.21 crore

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 135.68 crore

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 134.05 crore
(ii)	Total amount spent for the Financial Year	₹ 140.19 crore*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 6.14 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 6.14 crore

* includes excess amount of ₹ 4.51 crore spent in FY 2021 and set-off in the current financial year.

9. (a) Details of Unspent CSR amount for the preceding three financial years

NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Capital Purchase FY 2022	1	2	3
(a) Date of creation or acquisition of the capital asset(s)			
(b) Amount of CSR spent for creation or acquisition of capital asset (in ₹)			
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.			As per Exhibit - B
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).			

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

NA

S. N. Subrahmanyam
*Chief Executive Officer &
 Managing Director*
 DIN: 02255382

M. M. Chitale
Chairman - CSR Committee
 DIN: 00101004

EXHIBIT - A

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name (NGO)	CSR Registration number
1	Designing and Implementation of Projects	ii	Yes	Maharashtra	Mumbai	6,940,086	Yes		
2	Awareness Programmes and Engagement with Community	ii	Yes	Maharashtra	Mumbai	618,164	Yes		
3	Maintenance of Public Green Spaces	iv	Yes	Maharashtra	Mumbai	5,861,612	Yes		
4	Covid-19 Emergency Response	i	No	Andaman, Tamil Nadu, Madhya Pradesh, Karnataka, Rajasthan, Gujarat, Himachal Pradesh and Delhi	Andaman, Tirunelveli, Madurai, Coimbatore, Thoothukudi, Oddanchatram, Virudhunagar, Sagar, Khandwa, Tikamgarh, Dharwad, Bangalore, Rajsamand, Ahmedabad, Shimla and Delhi	56,710,370	Yes		
5	Covid-19 Emergency Response	i	No	Maharashtra	Mumbai	1,519,749	No	Save The Children India	CSR00000158
6	Covid-19 Emergency Response	i	No	Delhi	Delhi	8,862,252	No	Vidya Foundation	CSR00004043
7	Repair and Renovation of Day Care Center for Children	ii	Yes	Maharashtra	Mumbai	2,000,000	No	Lokmanya Seva Sangh	CSR00007632
8	STEM Program In Mumbai For Schools	ii	Yes	Maharashtra	Mumbai	534,728	No	St. Joseph's Technical School	CSR00002656
9	Support to Community Learning Centers Through Study Centers and Balwadis	ii	Yes	Maharashtra	Mumbai	7,664,772	No	Save The Children India	CSR00000158
10	Support to Community Learning Centers for Urban Children from Vulnerable Communities	ii	Yes	Maharashtra	Mumbai	3,222,057	No	Angel Xpress Foundation	CSR00000120
11	Early Childhood Intervention through Pre-School Readiness Program	ii	Yes	Maharashtra	Mumbai	2,261,983	No	Pratham Mumbai Education Initiative	CSR00000751
12	Mobile Toy Van Outreach	ii	Yes	Maharashtra	Mumbai	1,315,110	No	Children Toy Foundation	CSR00001187
13	Early Childhood Intervention through Pre-School Readiness Program	ii	Yes	Maharashtra	Mumbai	1,694,880	No	Pratham Education Foundation	CSR00000258
14	Providing Support to Cancer Institute (WIA) for civil work for Installation of Radiation Equipment and Care of Underprivileged Patients	i	Yes	Tamil Nadu	Chennai and Kanchipuram	7,500,000	No	Cancer Institute (WIA)	CSR00007235
15	Infrastructure Improvement of Schools and Anganwadi Centers, Bhim	ii	No	Rajasthan	Rajsamand	23,249,776	No	Arpan Seva Sansthan	CSR00000826

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name (NGO)	CSR Registration number
16	Community Development Activities	ii	Yes	Tamil Nadu, Gujarat, Orissa, Maharashtra, Haryana, Karnataka, Madhya Pradesh, Tamil Nadu and West Bengal	Chennai, Vadodara, Sundargarh, Mumbai, Nagpur, Faridabad, Bangalore, Chandigarh, Bhopal and Kolkata	12,421,781	No	Prayas Trust	CSR00003840
17	Integrated Community Development Programme, Devgaon	x	No	Maharashtra	Aurangabad	22,858,745	No	Watershed Organization Trust	CSR00000518
18	Integrated Community Development Programme, Nagzari	x	No	Maharashtra	Jalna	12,450,135	No	Watershed Organization Trust	CSR00000518
19	Integrated Community Development Programme, Gudiyatham	x	No	Tamil Nadu	Vellore	9,243,976	No	Dhan (Development Of Humane Action) Foundation	CSR00000273
20	Community Sanitation and Awareness, Gudiyatham	ii	No	Tamil Nadu	Vellore	3,776,832	No	Dhan (Development Of Humane Action) Foundation	CSR00000273
21	Women Health and Child Nutrition, Gudiyatham	i	No	Tamil Nadu	Vellore	4,796,115	No	Dhan (Development Of Humane Action) Foundation	CSR00000273
22	STEM Education Project in Urban Schools	ii	Yes	Tamil Nadu, Haryana and Gujarat	Chennai, Faridabad, Vadodara and Hazira	14,081,101	No	American India Foundation	CSR00001977
23	Integrated Community Development Programme, Sewantri	x	No	Rajasthan	Rajsamand	21,690,544	No	Seva Mandir	CSR00000288
24	Enhancing Education And Infrastructure Support, Bhim	ii	No	Rajasthan	Rajsamand	5,337,834	No	Bal Raksha Bharat	CSR00000065
25	Construction of Skill Development Center	ii	Yes	Gujarat	Bondeli	20,217,900	Yes		
26	Covid Response - Provision of Oxygen Generating Plants	i	No	Andra Pradesh, Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal	Vadodara, Navsari, Ahmedabad, Surat, Delhi, Gorakhpur, Lucknow, Unnao, Malleshwaram, Hubballi, Belagavi, Gulbarga, Coimbatore, Erode, Kanchipuram, Kudamkulam, Chengelpet, Ajmer, Sundergarh, Ankapalle , North 24 Parganas, Faridabad, Adilabad, Sehora, Hamirpur and Gadchiroli	238,212,459	Yes		
27	Support to Health and Dialysis Centers and Mobile Medical Units	i	Yes	Maharashtra, Andhra Pradesh, Tamil Nadu and Gujarat	Raigad, Pune, Kattupalli, Coimbatore, Chennai, Surat and Vadodara	110,899,099	No	L&T Public Charitable Trust	CSR00004501
28	Educate and Empower Children at Risk of Dropping out in Pathardi	ii	No	Maharashtra	Pathardi	2,138,614	No	Light Of Life Trust	CSR00000156

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name (NGO)	CSR Registration number
29	Women Health and Child Nutrition Programme, Kumbhalgarh	i	No	Rajasthan	Rajsamand	9,181,235	No	Seva Mandir	CSR00000288
30	Infrastructure Support and Education Enhancement Programme, Kumbhalgarh	ii	No	Rajasthan	Rajsamand	17,821,455	No	Seva Mandir	CSR00000288
31	Skill Training Academy, Madh	ii	Yes	Maharashtra	Mumbai	16,584,073	Yes		
32	Infrastructure Support for Community Development	ii	Yes	Maharashtra	Mumbai	97,409	No	L&T Community Welfare Association	CSR00015237
33	Community Health Centre, Thane	i	Yes	Maharashtra	Thane	43,299,550	Yes		
34	Maintenance of Public Green Spaces	iv	Yes	Gujarat	Vadodara	3,517,900	Yes		
35	Educational Support to Vulnerable Children	ii	Yes	Haryana	Faridabad	3,748,800	Yes		
36	Education Support to Vulnerable Children	ii	Yes	Gujarat	Vadodara	1,169,485	No	Swami Vivekanand School	CSR00008492
37	Education Support to Vulnerable Children	ii	Yes	Gujarat	Vadodara	2,130,385	No	Roosevelt School	CSR00020728
38	Education Support to Vulnerable Children	ii	Yes	Gujarat	Vadodara	572,280	No	Sai Angel	CSR00000322
39	Education Support to Vulnerable Children	ii	Yes	Gujarat	Vadodara	127,680	Yes		
40	Skills Development Training for Rural Youth, Serampore	ii	Yes	West Bengal	Hooghly	45,000,000	Yes		
41	Providing Educational Support to Tribal Communities	ii	Yes	Orissa	Sundargarh	28,000,000	Yes		
42	Autocad Training for Underprivileged Youth	ii	Yes	West Bengal	Hooghly	2,200,000	Yes		
43	Infrastructure Development Support at School	ii	Yes	West Bengal	Hooghly	1,000,000	Yes		
44	Support to Study Centers for Urban Children from Vulnerable Communities	ii	Yes	Tamil Nadu	Chennai	3,000,000	No	Bhumi	CSR00001059
45	Educational Support for Special Children	ii	Yes	Tamil Nadu	Chennai	4,599,834	No	Vidyasagar Trust	CSR00003082
46	Support to Evening School For Children from Vulnerable Communities	ii	Yes	New Delhi	New Delhi	6,099,560	No	Seth Vidyalaya Trust (Prayatn)	CSR00002655
47	Every Child a Scientist Project	ii	Yes	Tamil Nadu	Chennai	1,909,397	No	MSSRF- MS Swaminathan Research Foundation	CSR00000470
48	School Infrastructure Development	ii	Yes	Tamil Nadu	Chennai	2,254,409	Yes		
49	School Infrastructure Development	ii	Yes	Tamil Nadu	Chennai	2,700,000	No	United Way Of Chennai	CSR00000572

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name (NGO)	CSR Registration number
50	Support for Special Education for Abandoned Children with Intellectual Disability	ii	Yes	Tamil Nadu	Chennai	1,020,000	No	Sri Arunodayam Charitable Trust	CSR00001030
51	Infrastructure Support for Blood Storage	i	Yes	Tamil Nadu	Chennai	774,080	No	Indian Red Cross Society	CSR00004593
52	Awareness Programme and Engagement with Community	ii	Yes	Tamil Nadu	Chennai	389,503	Yes		
53	'Green Hands' – Building Awareness For Greenery Development in Nearby Communities	iv	Yes	Tamil Nadu	Chennai	282,059	Yes		
54	Skill Upgradation Training for Women Construction Workers	ii	Yes	Gujarat	Ahmedabad	357,007	Yes	SEWA Trust	CSR00002616
55	Oxygen Concentrator Machines to Government Hospitals, Chennai (Covid Relief)	i	Yes	Tamil Nadu	Chennai	2,500,000	No	United Way Of Chennai	CSR00000572
56	E-Content Development for Skills Development Training Institutes for Rural Youth	ii	Yes	Tamil Nadu	Chennai	22,485,548	Yes		
57	E-Content Development for Skills Development Training Institutes for Rural Youth	ii	Yes	Tamil Nadu	Chennai	9,507,042	Yes		
58	E-Content Development for Skills Development Training Institutes for Rural Youth	ii	Yes	Tamil Nadu	Chennai	1,046,093	Yes		
59	Providing Skill Training to Youth on Data Entry	ii	Yes	New Delhi	New Delhi	174,999	No	NIIT Foundation	CSR00000621
60	Blood Donation Camp	i	Yes	Orissa	Bhubaneswar	160,529	Yes		
61	Support for Education to Vulnerable Children	ii	Yes	New Delhi	New Delhi	947,636	No	Adharshila	CSR00008054
62	Mobility Aids and Mainstreaming	i	Yes	Maharashtra	Pune	1,200,000	No	Bharat Vikash Parishad	CSR00004408
63	Skill Development Programme	ii	Yes	West Bengal	Kolkata	1,001,032	No	Anandan	CSR00012653
64	Skill Development Programme	ii	Yes	West Bengal	Kolkata	353,600	No	Disha Foundation	CSR00000237
65	Vocational Training for Women	ii	Yes	West Bengal	Kolkata	1,642,993	No	Cathedral Relief Services	CSR00011146
66	Blood Donation Awareness and Camp, Kolkata	i	Yes	West Bengal	Kolkata	484,992	No	Association of Voluntary Blood Donor	CSR00014736
67	Providing Educational Kits	ii	Yes	Gujarat	Surat	9,450,970	Yes		
68	Rural Health Support	i	Yes	Gujarat	Surat	800,000	Yes		
69	HIV AIDS Awareness Prevention and Support	i	Yes	Gujarat	Surat	697,002	No	Gujarat State Network of People Living With HIV+ (Gsnp+)	CSR00011799

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name (NGO)	CSR Registration number
70	HIV AIDS Awareness Prevention and Support System	i	Yes	Gujarat	Surat	876,998	Yes		
71	'Aadhaar'- Skill Building for Community Women	ii	Yes	Gujarat	Surat	448,778	No	Laxi Care Foundation	CSR00011414
72	Skill Building for Community Women	ii	Yes	Gujarat	Surat	1,216,373	Yes		
73	Health and Hygiene Programme for Adolescent Health Awareness	i	Yes	Gujarat	Surat	603,747	Yes		
74	Awareness and Engagement with Community	ii	Yes	Gujarat	Surat	177,576	Yes		
75	Support to Community Development Centre at Mora	ii	Yes	Gujarat	Surat	804,884	Yes		
76	Providing Educational Kits	ii	Yes	Gujarat	Surat	2,505,976	Yes		
77	Alternate Energy for Schools	iv	Yes	Gujarat	Surat	7,500,000	Yes		
78	Maintenance of Public Green Spaces	iv	Yes	Gujarat	Surat	2,614,559	Yes		
79	Providing Digital Classrooms in Schools	ii	Yes	Gujarat	Surat	15,189,479	Yes		
80	Awareness Programme and Engagement with Community	ii	Yes	Gujarat	Vadodara	55,198	Yes		
81	Skills Development Training for Rural Youth, Jadcherla	ii	Yes	Telangana	Mahbubnagar	33,662,731	Yes		
82	Skills Development Training for Rural Youth, Ahmedabad	ii	Yes	Gujarat	Ahmedabad	32,400,000	Yes		
83	Awareness and Cancer Detection	i	Yes	Kerala	Kannur	974,989	No	Malabar Cancer Care Society	CSR00025434
84	Repairs to Infrastructure Facilities in School	ii	Yes	Uttar Pradesh	Saharanpur, Chandauli, Janupur and GB Nagar	1,216,000	Yes		
85	Repairs to Infrastructure Facilities in School	ii	Yes	West Bengal	Kolkata	1,000,000	Yes		
86	Repairs to Infrastructure Facilities in School	ii	Yes	Haryana	Gurgaon and Nuh	239,250	Yes		
87	Skills Development Training for Rural Youth, Kanchipuram	ii	Yes	Tamil Nadu	Kanchipuram	34,189,274	Yes		
88	Skills Development Training for Rural Youth, Panvel	ii	Yes	Maharashtra	Raigad	42,612,437	Yes		
89	Skills Development Training for Rural Youth, Pilkhwa	ii	Yes	Uttar Pradesh	Hapur	37,999,053	Yes		
90	Repairs to Infrastructure Facilities in School	ii	Yes	Maharashtra	Raigad	1,069,670	Yes		
91	Renovation of Community Center at Belpada Village	x	Yes	Maharashtra	Raigad	1,002,113	Yes		

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name (NGO)	CSR Registration number
92	Skills Development Training for Rural Youth, Cuttack	ii	Yes	Orissa	Cuttack	32,720,312	Yes		
93	Construction Skill Training Institute for Rural Youth, Attibelle	ii	Yes	Karnataka	Bangalore	40,063,796	Yes		
94	Infrastructure Development and Wash Facilities and Awareness at Government Schools	ii	Yes	Orissa	Nabarangupr	2,811,411	Yes		
95	Infrastructure Development at Government Schools	ii	Yes	West Bengal	Medinipur	979,637	Yes		
96	Infrastructure Development at Government Schools	ii	Yes	Jharkhand	Hazaribagh	773,000	Yes		
97	Infrastructure Development (Wash Facilities and Solar Power System) at Government Schools	ii	Yes	Rajasthan	Tonk	2,122,760	Yes		
98	Infrastructure Development (Solar Power System, Wash Facilities and Awareness) at Government Schools	ii	Yes	Madhya Pradesh	Singrauli	497,000	Yes		
99	Infrastructure Development (Wash Facilities and Awareness) at Government Schools	ii	Yes	Haryana	Faridabad	300,000	Yes		
100	Infrastructure Development (Solar Power System) at Government Schools	ii	Yes	Chhattisgarh	Bastar	178,416	Yes		
101	Infrastructure Development (Solar Power System) at Government Schools	ii	Yes	Maharashtra	Satara	452,950	Yes		
102	Infrastructure Development (Solar Power System) in Community	ii	Yes	New Delhi	New Delhi	269,800	Yes		
103	Infrastructure Development at Government Schools	ii	Yes	Bihar	Patna	879,997	Yes		
104	Infrastructure Development (Wash Facilities and Awareness) at Government Schools	ii	Yes	Karnataka	Belagavi	345,572	Yes		
105	Infrastructure Development at Government Schools	ii	Yes	Orissa	Sonepur	275,941	Yes		
106	Infrastructure Development at Government Schools	ii	Yes	Telangana	Medchal-Malkajgiri	147,500	Yes		

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name (NGO)	CSR Registration number
107	Infrastructure Development at Government Schools	ii	Yes	Madhya Pradesh	Shivpuri	763,694	Yes		
108	Infrastructure Development at Government Schools	ii	Yes	Rajasthan	Jhunjhunu	206,500	Yes		
109	Infrastructure Development at Government Schools	ii	Yes	Tamil Nadu	Tiruvurur	276,000	Yes		
110	Basic Infrastructure Upgradation in Government School	ii	Yes	Tamil Nadu	Namakkal	3,500,000	Yes		
111	Basic Infrastructure Upgradation in Government School	ii	Yes	Maharashtra	Pune	2,500,000	Yes		
112	Skills Development Training for Rural Youth, Hyderabad	ii	Yes	Telangana	Ranga Reddy	9,800,330	Yes		
113	Infrastructure and Learning Enhancement Programme in Government Schools	ii	Yes	Tamil Nadu	Coimbatore	6,952,188	Yes		
114	Maintenance of Public Green Spaces	iv	Yes	Maharashtra	Pune	396,602	Yes		
115	Multi Skill Training Center for Rural Youth	ii	Yes	Andhra Pradesh	Visakhapatnam	9,684,550	No	TATA Strive	CSR00002739
116	Water Conservation Initiatives for Community	i	Yes	Tamil Nadu	Coimbatore	2,482,043	No	Community Organisation for Oppressed and Depressed Upliftment	CSR00001346
117	Wash Facilities for Schools	ii	Yes	Tamil Nadu	Coimbatore	4,476,454	Yes		
118	Education Support for Special Children	ii	Yes	Andhra Pradesh	Visakhapatnam	1,055,401	No	The Ability People	CSR00007686
119	Maintenance of Public Green Spaces	iv	Yes	Andhra Pradesh	Visakhapatnam	264,974	Yes		
120	Awareness Programme and Engagement with Community	ii	Yes	Tamil Nadu	Coimbatore	45,770	Yes		
121	Education Development Programme	ii	Yes	Maharashtra	Mumbai	4,000,000	No	Pratham Mumbai Education Initiatives	CSR00000751
122	Education Development Programme, Vadodara	ii	Yes	Gujarat	Vadodara	3,500,000	No	Pratham Education Foundation	CSR00000258
123	STEM education project in urban schools	ii	Yes	Gujarat	Vadodara	1,466,890	No	American India Foundation	CSR00001977
124	Personality development and life skills programme for children 'Just for Kicks', Mumbai	ii	Yes	Maharashtra and Tamil Nadu	Mumbai and Chennai	4,500,000	No	Pragatee Foundation	CSR00002852
125	School on Wheels Education support for children	ii	Yes	Gujarat	Vadodara	500,000	No	VYOM	CSR00000742

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name (NGO)	CSR Registration number
126	Infrastructure support to school	ii	Yes	Tamil Nadu	Tiruvallur	395,992	Yes		
127	Health and Nutrition at Child Care Centre	i	Yes	Maharashtra	Thane	2,000,000	No	Children of the World India Trust	CSR00003131
128	Primary health care programme	i	Yes	Maharashtra	Mumbai	1,500,000	No	Swasth Foundation	CSR00007444
129	Early diagnostic career guidance for school children	i	Yes	Maharashtra	Mumbai	2,000,000	No	Prafulta	CSR00007755
130	Infrastructure support for PHC, Minjur	i	Yes	Tamil Nadu	Tiruvallur	1,940,309	Yes		
131	Community development for water and sanitation Program	x	Yes	Maharashtra	Palghar	6,000,000	No	Aga Khan Agency For Habitat India	CSR00001277
132	Village Development Program	x	Yes	Gujarat	Vadodara	3,576,000	No	VYOM	CSR00000742
133	Water Management Initiatives	x	Yes	Rajasthan	Barmer	4,324,530	No	Arpan Seva Sansthan	CSR00000826
134	Wastewater Treatment, Alva village	iv	Yes	Gujarat	Vadodara	4,530,000	Yes		
135	Providing drinking water facilities	i	Yes	Tamil Nadu	Tiruvallur	1,086,721	Yes		
136	Plastic Recyclothon	iv	Yes	Maharashtra	Mumbai	2,000,000	No	Project Mumbai	CSR00015484
137	Village Development Programme	ii	Yes	Gujarat	Vadodara	3,000,000	No	Ahmedabad Women's Action Group - AWAG	CSR00000709
138	Infrastructure support for skilling	ii	Yes	Tamil Nadu	Tiruvallur	509,999	Yes		
139	Infrastructure for COVID relief	i	Yes	Punjab, Bihar and Gujarat	Bathinda, Begusarai and Surat	5,626,319	Yes		
140	Oxygen Augmentation - PSA Oxygen Unit Civil and electric work	i	Yes	Tamil Nadu	Tiruvallur	549,779	Yes		
141	Health infrastructure support	i	Yes	Tamil Nadu and Gujarat	Tiruvallur and Surat	3,581,298	Yes		
142	Oxygen Augmentation - PSA Oxygen Generation Unit	i	Yes	Gujarat, Rajasthan and Tamil Nadu	Surat, Barmer and Tiruvallur	30,948,356	Yes		
143	Covid-19 Vaccination	i	Yes	Maharashtra	Mumbai	1,000,000	No	Project Mumbai	CSR00015484
Total						1,290,487,087			

EXHIBIT - B

Sr No.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	
				Asset Name	Address
1	15th May 2021 to 27th September 2021	238,212,459	1. SSG Hospital, Vadodara, Gujarat - 390001 2. MG General Hospital, Navsari, Gujarat - 396445 3. 1200 Bed Civil Hospital, Asarwa, Ahmedabad, Gujarat - 380016 4. Maharishi Valmiki Hospital, Puth Khurd Village, New Delhi, Delhi - 110039 5. Guru Gorak Nath Hospital, Gorakhpur, Uttar Pradesh - 273015 6. Acharya Shree Bhikshu Hospital, Moti Nagar, New Delhi, Delhi - 110015 7. KC General Hospital, Bengaluru, Karnataka - 560003 8. ESI Hospital, Singanallur, Coimbatore - 641015 9. Nirali Hospital, Navsari, Gujarat - 396463 10. Karnataka Institute of Medical Sciences, KIMS Hospital, KIMS Campus, PB Road, Vidya Nagar, Hubli, Karnataka - 580022 11. BIMS Hospital, Belagavi, Karnataka - 590001 12. Gulbarga Institute of Medical Science, Veeresh Nagar Cross, Sedam Road, Behind MRMC, Kuvempu Nagar, Gulbarga, Karnataka - 585101 13. Mahatma Gandhi Health Centre, Lucknow, Uttar Pradesh - 226028 14. Government Medical College and Hospital, Kundunkulam, Radhapuram, Tirunelveli, Tamil Nadu - 627106 15. Chengalpattu Medical College, VOC Nagar, Chengalpattu, Tamil Nadu - 603001 16. Railway Hospital, Ajmer, Rajasthan - 305001 17. DCHC Government Hospital, Sundargarh, Odisha - 770001 18. 100 Bed Hospital, Maurawan, Uttar Pradesh - 209821	Oxygen Generating Plants	1. SSG Hospital, Vadodara, Gujarat - 390001 2. MG General Hospital, Navsari, Gujarat - 396445 3. 1200 Bed Civil Hospital, Asarwa, Ahmedabad, Gujarat - 380016 4. Maharishi Valmiki Hospital, Puth Khurd Village, New Delhi, Delhi - 110039 5. Guru Gorak Nath Hospital, Gorakhpur, Uttar Pradesh - 273015 6. Acharya Shree Bhikshu Hospital, Moti Nagar, New Delhi, Delhi - 110015 7. KC General Hospital, Bengaluru, Karnataka - 560003 8. ESI Hospital, Singanallur, Coimbatore - 641015 9. Nirali Hospital, Navsari, Gujarat - 396463 10. Karnataka Institute of Medical Sciences, KIMS Hospital, KIMS Campus, PB Road, Vidya Nagar, Hubli, Karnataka - 580022 11. BIMS Hospital, Belagavi, Karnataka - 590001 12. Gulbarga Institute of Medical Science, Veeresh Nagar Cross, Sedam Road, Behind MRMC, Kuvempu Nagar, Gulbarga, Karnataka - 585101 13. Mahatma Gandhi Health Centre, Lucknow, Uttar Pradesh - 226028 14. Government Medical College and Hospital, Kundunkulam, Radhapuram, Tirunelveli, Tamil Nadu - 627106 15. Chengalpattu Medical College, VOC Nagar, Chengalpattu, Tamil Nadu - 603001 16. Railway Hospital, Ajmer, Rajasthan - 305001 17. DCHC Government Hospital, Sundargarh, Odisha - 770001 18. 100 Bed Hospital, Maurawan, Uttar Pradesh - 209821

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				Asset Name	Address			
2	27th October 2021 to 28th March 2022	441,260	19. LG Hospital, Maninagar, Ahmedabad, Gujarat - 380008	19. LG Hospital, Maninagar, Ahmedabad, Gujarat - 380008	19. LG Hospital, Maninagar, Ahmedabad, Gujarat - 380008			
			20. Government Hospital, Anakapalle, Andhra Pradesh - 531001	20. Government Hospital, Anakapalle, Andhra Pradesh - 531001	20. Government Hospital, Anakapalle, Andhra Pradesh - 531001			
			21. State General Hospital Habra, Habra, West Bengal - 743263	21. State General Hospital Habra, Habra, West Bengal - 743263	21. State General Hospital Habra, Habra, West Bengal - 743263			
			22. IRT Perundurai, Government Erode Medical College, Kunnathur Road, Perundurai, Tamil Nadu - 638053	22. IRT Perundurai, Government Erode Medical College, Kunnathur Road, Perundurai, Tamil Nadu - 638053	22. IRT Perundurai, Government Erode Medical College, Kunnathur Road, Perundurai, Tamil Nadu - 638053			
			23. Atal Bihari Government Hospital, Haryana - 121004	23. Atal Bihari Government Hospital, Haryana - 121004	23. Atal Bihari Government Hospital, Haryana - 121004			
			24. RIMS, Adilabad, Telangana - 504001	24. RIMS, Adilabad, Telangana - 504001	24. RIMS, Adilabad, Telangana - 504001			
			25. COVID Hospital, Budhni, Madhya Pradesh - 466445	25. COVID Hospital, Budhni, Madhya Pradesh - 466445	25. COVID Hospital, Budhni, Madhya Pradesh - 466445			
			26. BMO Civil Hospital Hamirpur, Tauni Devi, Himachal Pradesh - 177023	26. BMO Civil Hospital Hamirpur, Tauni Devi, Himachal Pradesh - 177023	26. BMO Civil Hospital Hamirpur, Tauni Devi, Himachal Pradesh - 177023			
			27. Government Head Quarters Hospital, Railway Road, Kanchipuram, Tamil Nadu - 607001	27. Government Head Quarters Hospital, Railway Road, Kanchipuram, Tamil Nadu - 607001	27. Government Head Quarters Hospital, Railway Road, Kanchipuram, Tamil Nadu - 607001			
			28. Women's Hospital, Gadchiroli, Maharashtra - 442605	28. Women's Hospital, Gadchiroli, Maharashtra - 442605	28. Women's Hospital, Gadchiroli, Maharashtra - 442605			
			L&T Community Welfare Association - L & T House, N M Marg, Ballard Estate, Mumbai, Maharashtra - 400001	1. Epson L805 Printer, Double Piston Compressor with accessories and microwave oven solo.	1. L&T Andheri Health Center, Gundavali, Andheri East, Mumbai, Maharashtra - 400093			
				2. Haier Smart Television (43 Inch), HP Printer 329DW, Argon Cylinders, Oxygen Cylinders, DA Cylinders, Power Hacksaw (Model: Ashu), Double Ended Pedestal Grinder, Pipe Bending Machine and Differential Chain Block	2. MSTC, Plot No. D-11, B - Block, Auto Nagar, Visakhapatnam, Andhra Pradesh - 530012			
			3	22nd May 2021	949,760	1. Government Medical College Hospital, Tirunelveli, Tamil Nadu - 627011	Oxygen Concentrator(s) (5 LPM)	1. Government Medical College Hospital, Tirunelveli, Tamil Nadu - 627011
						2. Government Rajaji Hospital, Madurai, Tamil Nadu - 625020		2. Government Rajaji Hospital, Madurai, Tamil Nadu - 625020
						3. Government Hospital (Covid Care Center), Banda Belai, Sagar, Madhya Pradesh - 470335		3. Government Hospital (Covid Care Center), Banda Belai, Sagar, Madhya Pradesh - 470335
						4. Primary Health Centre, Arisipalayam, Madukkarai Block, Coimbatore, Tamil Nadu - 641032		4. Primary Health Centre, Arisipalayam, Madukkarai Block, Coimbatore, Tamil Nadu - 641032

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				Asset Name	Address
4	31st May 2021	15,480,950	<ol style="list-style-type: none"> Government Medical College Hospital, Ramamoorthy Road, Annanagar, Virudhunagar, Tamil Nadu - 626001 Government Thoothukudi Medical College Hospital, Thoothukudi, Tamil Nadu - 628008 Samudayik Swasthya Kendra, Khargapur, Tikamgarh, Madhya Pradesh - 472115 Samudayik Swasthya Kendra, Palera, Tikamgarh, Madhya Pradesh - 472221 Chitaguppi Hospital, Lamington Road, Hubli, Karnataka - 580020 Karnataka Power Transmission Corporation Limited, Hoodi, Bengaluru, Karnataka - 560048 Chitaguppi Hospital, Lamington Road, Hubli, Karnataka - 580020 Samudayik Swasthya Kendra, Bhim, Rajasthan - 305921 Superintendent of Police, Tenkasi, Tamil Nadu - 627811 Ahmedabad Municipal Corporation, Central Medical Store, Ahmedabad, Gujarat - 380022 Andaman and Nicobar Administration, Secretariat, Port Blair -744101 Government Taluk Hospital, Oddanchatram, Tamil Nadu - 624619 	Oxygen Concentrator(s) (10 LPM)	<ol style="list-style-type: none"> Government Medical College Hospital, Ramamoorthy Road, Annanagar, Virudhunagar Tamil Nadu - 626001 Government Thoothukudi Medical College Hospital, Thoothukudi, Tamil Nadu - 628008 Samudayik Swasthya Kendra, Khargapur, Tikamgarh, Madhya Pradesh - 472115 Samudayik Swasthya Kendra, Palera, Tikamgarh, Madhya Pradesh - 472221 Chitaguppi Hospital, Lamington Road, Hubli, Karnataka - 580020 Karnataka Power Transmission Corporation Limited, Hoodi, Bengaluru, Karnataka - 560048 Chitaguppi Hospital, Lamington Road, Hubli, Karnataka - 580020 Samudayik Swasthya Kendra, Bhim, Rajasthan - 305921 Superintendent of Police, Tenkasi, Tamil Nadu - 627811 Ahmedabad Municipal Corporation, Central Medical Store, Ahmedabad, Gujarat - 380022 Andaman and Nicobar Administration, Secretariat, Port Blair -744101 Government Taluk Hospital, Oddanchatram, Tamil Nadu - 624619
5	14th May 2021	9,660,000	<ol style="list-style-type: none"> District Government Hospital Dharwad, Killa, Dharwad, Karnataka - 580008 GIMS Hospital, Gulbarga, Karnataka - 585105 Military Hospital, Jutogh, Shimla, Himachal Pradesh - 171008 Government Rajaji Hospital, Medical College Bus Stop, Madurai, Tamil Nadu - 625020 Government Medical College Hospital, Ramamoorthy Road, Annanagar, Virudhunagar, Tamil Nadu - 626001 Thoothukudi Medical College Hospital, Behind Rajaji Park, Thoothukudi, Tamil Nadu - 628003 Government Medical College Hospital, Tirunelveli, Tamil Nadu - 627011 	ICU Ventilator(s)	<ol style="list-style-type: none"> District Government Hospital Dharwad, Killa, Dharwad, Karnataka - 580008 GIMS Hospital, Gulbarga, Karnataka - 585105 Military Hospital, Jutogh, Shimla, Himachal Pradesh - 171008 Government Rajaji Hospital, Medical College Bus Stop, Madurai, Tamil Nadu - 625020 Government Medical College Hospital, Ramamoorthy Road, Annanagar, Virudhunagar, Tamil Nadu - 626001 Thoothukudi Medical College Hospital, Behind Rajaji Park, Thoothukudi, Tamil Nadu - 628003 Government Medical College Hospital, Tirunelveli, Tamil Nadu - 627011

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				Asset Name	Address
6	14th May 2021 to 15th May 2021	1,428,000	<ol style="list-style-type: none"> Government Rajaji Hospital, Medical College Bus Stop, Madurai, Tamil Nadu - 625020 Government Medical College Hospital, Ramamoorthy Road, Annanagar, Virudhunagar, Tamil Nadu - 626001 Thoothukudi Medical College Hospital, Behind Rajaji Park, Thoothukudi, Tamil Nadu - 628003 Government Medical College Hospital, Tirunelveli, Tamil Nadu - 627011 	Mobile X-Ray Units	<ol style="list-style-type: none"> Government Rajaji Hospital, Medical College Bus Stop, Madurai, Tamil Nadu - 625020 Government Medical College Hospital, Ramamoorthy Road, Annanagar, Virudhunagar, Tamil Nadu - 626001 Thoothukudi Medical College Hospital, Behind Rajaji Park, Thoothukudi, Tamil Nadu - 628003 Government Medical College Hospital, Tirunelveli, Tamil Nadu - 627011
7	29th May 2021	15,733,899	<ol style="list-style-type: none"> <ol style="list-style-type: none"> Samudayik Swasthya Kendra, Khalwa District, Khandwa, Madhya Pradesh - 450117 Samudayik Swasthya Kendra, Harsud District, Khandwa, Madhya Pradesh - 450116 Forest Department, Satpura Bhawan, Arera Hills, Bhopal, Madhya Pradesh - 462004 Vidya Foundation, B-16, Panchsheel Enclave, New Delhi - 110017 	<ol style="list-style-type: none"> Force Traveller T1 Ambulance (Type B) Force Trax Crusier Ambulance (AC) (Type B) Force Trax Cruiser Ambulance 	<ol style="list-style-type: none"> <ol style="list-style-type: none"> Samudayik Swasthya Kendra, Khalwa District, Khandwa, Madhya Pradesh - 450117 Samudayik Swasthya Kendra, Harsud District, Khandwa, Madhya Pradesh - 450116 Forest Department, Satpura Bhawan, Arera Hills, Bhopal, Madhya Pradesh - 462004 Vidya Foundation, B-16, Panchsheel Enclave, New Delhi - 110017
8	1st November 2021	2,700,000	<ol style="list-style-type: none"> Head Teacher, Government Higher Secondary School, Alapakkam, Chennai - 600116 Villivakkam Panchayat Union Middle School, Poothapedu, Chennai - 600089 Government Girls Higher Secondary School, Chinna Porur, Chennai - 600116 Government Higher Secondary School, Mettukuppam, Chennai - 600097 	Rain water harvesting structures	<ol style="list-style-type: none"> Government Higher Secondary School, Alapakkam, Chennai - 600116 Villivakkam Panchayat Union Middle School, Poothapedu, Chennai - 600089 Government Girls Higher Secondary School, Chinna Porur, Chennai - 600116 Government Higher Secondary School, Mettukuppam, Chennai - 600097
9	1st July 2021	774,080	Chairman, Indian Red Cross Society, Tamil Nadu State Branch, Red Cross Building, 32, Montieth Road, Egmore, Chennai, Tamil Nadu - 600008	Deep freezer equipment	Indian Red Cross Society, Tamil Nadu State Branch, Red Cross Building, 32, Montieth Road, Egmore, Chennai, Tamil Nadu - 600008
10	1st May 2021	2,500,000	Commissioner, Greater Chennai Corporation, Rippon Bulding, Chennai, Tamil Nadu - 600003	Oxygen Concentrator	Greater Chennai Corporation, Rippon Bulding, Chennai, Tamil Nadu - 600003
11	17th January 2022	162,000	The Headmistress, Rajyadharpur Girls High School, Village Rajyadharpur, Serampore, Hooghly, West Bengal - 712201	Water purifier, ceiling fans and almira	Rajyadharpur Girls High School, Village Rajyadharpur, Serampore, Hooghly, West Bengal - 712201
12	14th December 2021	433,000	The Principal, Serampore Girls' College, 13 T. C. Goswami Street, Serampore, Hooghly, West Bengal - 712201	Smart class room set up	Serampore Girls' College, 13 T. C. Goswami Street, Serampore, Hooghly, West Bengal - 712201
13	17th January 2022	115,000	Teacher In-charge, Bora Girls' Primary School, Village Bora, Hoogly, West Bengal - 712306	Computers and printer	Bora Girls' Primary School, Village Bora, Hoogly, West Bengal - 712306

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				Asset Name	Address
14	17th February 2022 to 19th March 2022	6,490,645	<ol style="list-style-type: none"> L. D. High School, Patelnagar, Plot No. 9, Station Road, Raj Nagar, Sachin, Surat, Gujarat - 394230 Sanskar Bharti Vidhyalaya Bhadol, Bhadol, Olpad, Surat, Gujarat - 394540 Navjivan Vidhyalaya, Karanj, Olpad, Surat, Gujarat - 394530 Gyandeep Vidhyalaya, Abhwa, Surat, Gujarat - 395007 Mor High School, Mor, Olpad, Surat, Gujarat - 394530 J. R. Patel Takarama High School, Takarama, Olpad, Surat, Gujarat - 394540 Sharda Vidyalaya Ichhapore, Near 2nd Bus Stop, Hazira Road, Ichhapore, Surat, Gujarat - 394510 Arts and Commerce College, Olpad, Hathisa, Block No. 233, Near Government ITI, Surat, Gujarat - 394540 Aashram Shala Ajarai, Ajarai, Gandevi, Navsari, Gujarat - 396360 Aashram Shala Tejlav, Tejlav, Chikhli, Navsari, Gujarat - 396521 Aashram Shala Kalai, Kalai, Umergam, Valsad, Gujarat - 396105 Aashram Shala Karambela, Karambela, Umergam, Valsad, Gujarat - 396105 Aashram Shala Sonvada, Fakira Faliya via Dungri, Sonvada, Valsad, Gujarat - 396375 	Solar Power Generation Systems	<ol style="list-style-type: none"> L. D. High School, Patelnagar, Plot No. 9, Station Road, Raj Nagar, Sachin, Surat, Gujarat - 394230 Sanskar Bharti Vidhyalaya Bhadol, Bhadol, Olpad, Surat, Gujarat - 394540 Navjivan Vidhyalaya, Karanj, Olpad, Surat, Gujarat - 394530 Gyandeep Vidhyalaya, Abhwa, Surat, Gujarat - 395007 Mor High School, Mor, Olpad, Surat, Gujarat - 394530 J. R. Patel Takarama High School, Takarama, Olpad, Surat, Gujarat - 394540 Sharda Vidyalaya Ichhapore, Near 2nd Bus Stop, Hazira Road, Ichhapore, Surat, Gujarat - 394510 Arts and Commerce College, Olpad, Hathisa, Block No. 233, Near Government ITI, Surat, Gujarat - 394540 Aashram Shala Ajarai, Ajarai, Gandevi, Navsari, Gujarat - 396360 Aashram Shala Tejlav, Tejlav, Chikhli, Navsari, Gujarat - 396521 Aashram Shala Kalai, Kalai, Umergam, Valsad, Gujarat - 396105 Aashram Shala Karambela, Karambela, Umergam, Valsad, Gujarat - 396105 Aashram Shala Sonvada, Fakira Faliya via Dungri, Sonvada, Valsad, Gujarat - 396375
15	29th June 2021 to 14th February 2022	10,000,000	<ol style="list-style-type: none"> Ambetha Primary School, Ambhetha, Olpad, Surat, Gujarat - 395005 Mayur Dhvaj Vidhayalaya, Mora Village, Near Gram Panchayat, Choryashi, Surat, Gujarat - 394510 Mora Primary School, Mora Village, Near Gram Panchayat, Choryashi, Surat, Gujarat - 394510 Damka Primary School, Damka, Hazira Road, Choryashi, Surat, Gujarat - 394517 Kudiyana Primary School, Kudiyana Village, Olpad, Surat, Gujarat - 394540 Mor Tunda Primary School, Mor Tunda Village, Olpad, Surat, Gujarat - 394530 	Interactive Flat Panel (IFP) Digital System	<ol style="list-style-type: none"> Ambetha Primary School, Ambhetha, Olpad, Surat, Gujarat - 395005 Mayur Dhvaj Vidhayalaya, Mora Village, Near Gram Panchayat, Choryashi, Surat, Gujarat - 394510 Mora Primary School, Mora Village, Near Gram Panchayat, Choryashi, Surat, Gujarat - 394510 Damka Primary School, Damka, Hazira Road, Choryashi, Surat, Gujarat - 394517 Kudiyana Primary School, Kudiyana Village, Olpad, Surat, Gujarat - 394540 Mor Tunda Primary School, Mor Tunda Village, Olpad, Surat, Gujarat - 394530

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				Asset Name	Address
			7. Dhansher Primary School, Dhansher, Olpad, Surat, Gujarat - 395005	7. Dhansher Primary School, Dhansher, Olpad, Surat, Gujarat - 395005	7. Dhansher Primary School, Dhansher, Olpad, Surat, Gujarat - 395005
			8. Tena ni Rang Primary School, Tena ni Rang, Olpad, Surat, Gujarat - 395005	8. Tena ni Rang Primary School, Tena ni Rang, Olpad, Surat, Gujarat - 395005	8. Tena ni Rang Primary School, Tena ni Rang, Olpad, Surat, Gujarat - 395005
			9. Navchetan Vidhyalay, Junagam, Suvali, Choryasi, Surat, Gujarat - 394510	9. Navchetan Vidhyalay, Junagam, Suvali, Choryasi, Surat, Gujarat - 394510	9. Navchetan Vidhyalay, Junagam, Suvali, Choryasi, Surat, Gujarat - 394510
			10. Sharda Vidhyalaya, Irchhapor, Second Bus Stop, Choryasi, Surat, Gujarat - 394510	10. Sharda Vidhyalaya, Irchhapor, Second Bus Stop, Choryasi, Surat, Gujarat - 394510	10. Sharda Vidhyalaya, Irchhapor, Second Bus Stop, Choryasi, Surat, Gujarat - 394510
			11. Sarvodaya Vidhyalaya, Segvachama, Olpad, Surat, Gujarat - 395009	11. Sarvodaya Vidhyalaya, Segvachama, Olpad, Surat, Gujarat - 395009	11. Sarvodaya Vidhyalaya, Segvachama, Olpad, Surat, Gujarat - 395009
			12. Dandi Road, Lavachha, Olpad, Surat, Gujarat - 394540	12. Dandi Road, Lavachha, Olpad, Surat, Gujarat - 394540	12. Dandi Road, Lavachha, Olpad, Surat, Gujarat - 394540
			13. MRC High School, Dihen, Olpad, Surat, Gujarat - 395005	13. MRC High School, Dihen, Olpad, Surat, Gujarat - 395005	13. MRC High School, Dihen, Olpad, Surat, Gujarat - 395005
			14. MSV, Olpad, Karanj Road, Surat, Gujarat - 394540	14. MSV, Olpad, Karanj Road, Surat, Gujarat - 394540	14. MSV, Olpad, Karanj Road, Surat, Gujarat - 394540
			15. L. D. High School, Patelnagar, Plot No. 9, Station Road, Raj Nagar, Sachin, Surat, Gujarat - 394230	15. L. D. High School, Patelnagar, Plot No. 9, Station Road, Raj Nagar, Sachin, Surat, Gujarat - 394230	15. L. D. High School, Patelnagar, Plot No. 9, Station Road, Raj Nagar, Sachin, Surat, Gujarat - 394230
			16. Vaghecha Ashram Shala, Vaghecha, Near Shiv Mandir, Vaghecha Kadod, Bardoli, Surat, Gujarat - 394355	16. Vaghecha Ashram Shala, Vaghecha, Near Shiv Mandir, Vaghecha Kadod, Bardoli, Surat, Gujarat - 394355	16. Vaghecha Ashram Shala, Vaghecha, Near Shiv Mandir, Vaghecha Kadod, Bardoli, Surat, Gujarat - 394355
			17. Timba Aashramshala, Timba, Chhaprabhatha Road, Tadwadi, Surat, Gujarat - 394520	17. Timba Aashramshala, Timba, Chhaprabhatha Road, Tadwadi, Surat, Gujarat - 394520	17. Timba Aashramshala, Timba, Chhaprabhatha Road, Tadwadi, Surat, Gujarat - 394520
			18. Puni Aashramshala, Puni, Palsana, Surat, Gujarat - 394352	18. Puni Aashramshala, Puni, Palsana, Surat, Gujarat - 394352	18. Puni Aashramshala, Puni, Palsana, Surat, Gujarat - 394352
			19. Amalsadi Aashram Shala, Amalsadi, Palsana, Surat, Gujarat - 394350	19. Amalsadi Aashram Shala, Amalsadi, Palsana, Surat, Gujarat - 394350	19. Amalsadi Aashram Shala, Amalsadi, Palsana, Surat, Gujarat - 394350
			20. Gandhighar, Kaccholi, Amalsad, Gandevi, Navsari, Gujarat - 396370	20. Gandhighar, Kaccholi, Amalsad, Gandevi, Navsari, Gujarat - 396370	20. Gandhighar, Kaccholi, Amalsad, Gandevi, Navsari, Gujarat - 396370
			21. Lok Bharti School, Opposite Terapanth Bhavan, Inside Ashok Pan Street, City light Road, Surat, Gujarat - 395007	21. Lok Bharti School, Opposite Terapanth Bhavan, Inside Ashok Pan Street, City light Road, Surat, Gujarat - 395007	21. Lok Bharti School, Opposite Terapanth Bhavan, Inside Ashok Pan Street, City light Road, Surat, Gujarat - 395007
			22. Government Girls School, Pali, Nana, Rajasthan	22. Government Girls School, Pali, Nana, Rajasthan	22. Government Girls School, Pali, Nana, Rajasthan
			23. L. D. Engineering College, 120, Circular Road, University Area, Ahmedabad, Gujarat - 380015	23. L. D. Engineering College, 120, Circular Road, University Area, Ahmedabad, Gujarat - 380015	23. L. D. Engineering College, 120, Circular Road, University Area, Ahmedabad, Gujarat - 380015

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				Asset Name	Address
16	26th August 2021 to 7th March 2022	4,059,746	<ol style="list-style-type: none"> 1. MSV, Olpad, Karanj Road, Olpad, Surat, Gujarat - 394540 2. Z.M. Patel High school, Lavaccha Village, Dandi Road, Olpad, Surat, Gujarat - 394540 3. Vaghecha Ashram Shala, Vaghecha, Near Shiv Mandir, Vaghecha Kadod, Bardoli, Surat, Gujarat - 394355 4. Sharda Vidyalaya Ichhapore, Near 2nd Bus Stop, Hazira Road, Ichhapore, Surat, Gujarat - 394510 5. Dhansher Primary School, Dhanser, Olpad, Surat, Gujarat - 395005 6. Tena ni Rang Primary School, Tena ni Rang, Olpad, Surat, Gujarat - 395005 7. Bhandut Primary School, Bhandut, Olpad, Surat, Gujarat - 395005 8. Lavachha Primary School, Lavaccha Village, Dandi Road, Olpad, Surat, Gujarat - 394540 9. Asnaad High School, Asnaad, Olpad, Surat, Gujarat - 394540 10. Sanskar Bharti Vidhyalaya, Village - Bhadol, Olpad, Surat, Gujarat - 394530 11. MRC High School, Dihen, Olpad, Surat, Gujarat - 395005 12. Barbodhan Primary School, Barbodhan, Olpad, Surat, Gujarat - 395005 13. Sondha Meetha Aashramshala, Sonda Meetha, Olpad, Surat, Gujarat - 394540 14. Jawahar Vidhyalyay, Saniya Kande, Choryashi, Surat, Gujarat - 394210 15. Shree Dayalji Kasanji Bhatarkar Vidhyasankul, Shivani Park, Althan, Surat, Gujarat - 395017 16. L. D. High School, Patelnagar, Plot No. 9, Station Road, Raj Nagar, Sachin, Surat, Gujarat - 394230 17. Nav Chetan Vidhyalaya, Junagam, Hazira Road, Choryashi, Surat, Gujarat - 394510 18. R N Naik High School, Udhna, 214, Ranchod Nagar, Opposite City Shopping Centre, Udhna, Surat, Gujarat - 934210 19. Shree J R Patel Takarma Vibhag Madhyamik Shala, Takaram, Olpad, Surat, Gujarat - 394540 20. Shree Shidhh Shomeswar Vidhyalay, Saras, Olpad, Surat, Gujarat - 394540 	Education Software - Mynet School by Mediapro	<ol style="list-style-type: none"> 1. MSV, Olpad, Karanj Road, Olpad, Surat, Gujarat - 394540 2. Z.M. Patel High school, Lavaccha Village, Dandi Road, Olpad, Surat, Gujarat - 394540 3. Vaghecha Ashram Shala, Vaghecha, Near Shiv Mandir, Vaghecha Kadod, Bardoli, Surat, Gujarat - 394355 4. Sharda Vidyalaya Ichhapore, Near 2nd Bus Stop, Hazira Road, Ichhapore, Surat, Gujarat - 394510 5. Dhansher Primary School, Dhanser, Olpad, Surat, Gujarat - 395005 6. Tena ni Rang Primary School, Tena ni Rang, Olpad, Surat, Gujarat - 395005 7. Bhandut Primary School, Bhandut, Olpad, Surat, Gujarat - 395005 8. Lavachha Primary School, Lavaccha Village, Dandi Road, Olpad, Surat, Gujarat - 394540 9. Asnaad High School, Asnaad, Olpad, Surat, Gujarat - 394540 10. Sanskar Bharti Vidhyalaya, Village - Bhadol, Olpad, Surat, Gujarat - 394530 11. MRC High School, Dihen, Olpad, Surat, Gujarat - 395005 12. Barbodhan Primary School, Barbodhan, Olpad, Surat, Gujarat - 395005 13. Sondha Meetha Aashramshala, Sonda Meetha, Olpad, Surat, Gujarat - 394540 14. Jawahar Vidhyalyay, Saniya Kande, Choryashi, Surat, Gujarat - 394210 15. Shree Dayalji Kasanji Bhatarkar Vidhyasankul, Shivani Park, Althan, Surat, Gujarat - 395017 16. L. D. High School, Patelnagar, Plot No. 9, Station Road, Raj Nagar, Sachin, Surat, Gujarat - 394230 17. Nav Chetan Vidhyalaya, Junagam, Hazira Road, Choryashi, Surat, Gujarat - 394510 18. R N Naik High School, Udhna, 214, Ranchod Nagar, Opposite City Shopping Centre, Udhna, Surat, Gujarat - 934210 19. Shree J R Patel Takarma Vibhag Madhyamik Shala, Takaram, Olpad, Surat, Gujarat - 394540 20. Shree Shidhh Shomeswar Vidhyalay, Saras, Olpad, Surat, Gujarat - 394540

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				Asset Name	Address
			21. Shree A.V.T Saraswati Vidhyalaya, Vadadla, Aerthan Village, Palsana, Surat, Gujarat - 394317	21. Shree A.V.T Saraswati Vidhyalaya, Vadadla, Aerthan Village, Palsana, Surat, Gujarat - 394317	21. Shree A.V.T Saraswati Vidhyalaya, Vadadla, Aerthan Village, Palsana, Surat, Gujarat - 394317
			22. Suvali Primary School, Suvali, Choryashi, Surat, Gujarat - 394517	22. Suvali Primary School, Suvali, Choryashi, Surat, Gujarat - 394517	22. Suvali Primary School, Suvali, Choryashi, Surat, Gujarat - 394517
			23. Talad High School, Olpad, Surat, Gujarat - 394540	23. Talad High School, Olpad, Surat, Gujarat - 394540	23. Talad High School, Olpad, Surat, Gujarat - 394540
			24. Kudiyana Primary School, Kudiyana Village, Kudiyana, Olpad, Surat, Gujarat - 394540	24. Kudiyana Primary School, Kudiyana Village, Kudiyana, Olpad, Surat, Gujarat - 394540	24. Kudiyana Primary School, Kudiyana Village, Kudiyana, Olpad, Surat, Gujarat - 394540
			25. Mayur Dhvaj Vidhaylaya, Mora Village, Near Gram Panchayat, Choryashi, Surat, Gujarat - 394510	25. Mayur Dhvaj Vidhaylaya, Mora Village, Near Gram Panchayat, Choryashi, Surat, Gujarat - 394510	25. Mayur Dhvaj Vidhaylaya, Mora Village, Near Gram Panchayat, Choryashi, Surat, Gujarat - 394510
			26. Lok Bharti School, Opposite Terapanth Bhavan, Inside Ashok Pan Street, City light Road, Surat, Gujarat - 395007	26. Lok Bharti School, Opposite Terapanth Bhavan, Inside Ashok Pan Street, City light Road, Surat, Gujarat - 395007	26. Lok Bharti School, Opposite Terapanth Bhavan, Inside Ashok Pan Street, City light Road, Surat, Gujarat - 395007
			27. Pariya High School, Pardi, Udwarda, Valsad, Gujarat - 396180	27. Pariya High School, Pardi, Udwarda, Valsad, Gujarat - 396180	27. Pariya High School, Pardi, Udwarda, Valsad, Gujarat - 396180
			28. Gandhighar, Kaccholi, Amalsad, Gandevi, Navsari, Gujarat- 396370	28. Gandhighar, Kaccholi, Amalsad, Gandevi, Navsari, Gujarat- 396370	28. Gandhighar, Kaccholi, Amalsad, Gandevi, Navsari, Gujarat- 396370
			29. Asharam Shala, Village - Bilvan, Umarpada, Mandvi, Surat, Gujarat - 394445	29. Asharam Shala, Village - Bilvan, Umarpada, Mandvi, Surat, Gujarat - 394445	29. Asharam Shala, Village - Bilvan, Umarpada, Mandvi, Surat, Gujarat - 394445
			30. Asharam Shala, Village - Sathvav, Mandvi, Surat, Gujarat - 394160	30. Asharam Shala, Village - Sathvav, Mandvi, Surat, Gujarat - 394160	30. Asharam Shala, Village - Sathvav, Mandvi, Surat, Gujarat - 394160
			31. Asharam Shala, Village - Makanjar, Mandvi, Surat, Gujarat - 394160	31. Asharam Shala, Village - Makanjar, Mandvi, Surat, Gujarat - 394160	31. Asharam Shala, Village - Makanjar, Mandvi, Surat, Gujarat - 394160
			32. Asharam Shala, Village - Limdha, Mandvi, Surat, Gujarat - 394440	32. Asharam Shala, Village - Limdha, Mandvi, Surat, Gujarat - 394440	32. Asharam Shala, Village - Limdha, Mandvi, Surat, Gujarat - 394440
			33. Mor High School, Village - Mor, Olpad, Surat, Gujarat - 394530	33. Mor High School, Village - Mor, Olpad, Surat, Gujarat - 394530	33. Mor High School, Village - Mor, Olpad, Surat, Gujarat - 394530
			34. Junagam Primary School, Junagam, Hazira Road, Choryashi, Surat, Gujarat - 394510	34. Junagam Primary School, Junagam, Hazira Road, Choryashi, Surat, Gujarat - 394510	34. Junagam Primary School, Junagam, Hazira Road, Choryashi, Surat, Gujarat - 394510
			35. Bhatgam Primary School, Bhatgam, Olpad, Surat, Gujarat - 394540	35. Bhatgam Primary School, Bhatgam, Olpad, Surat, Gujarat - 394540	35. Bhatgam Primary School, Bhatgam, Olpad, Surat, Gujarat - 394540
			36. Mandroi Primary School, Mandroi, Olpad, Surat, Gujarat - 394540	36. Mandroi Primary School, Mandroi, Olpad, Surat, Gujarat - 394540	36. Mandroi Primary School, Mandroi, Olpad, Surat, Gujarat - 394540
			37. Karamla Primary School, Karamla, Olpad, Surat, Gujarat - 394130	37. Karamla Primary School, Karamla, Olpad, Surat, Gujarat - 394130	37. Karamla Primary School, Karamla, Olpad, Surat, Gujarat - 394130
			38. The Varad Sarvjanik High School, Rayam, Bardoli, Surat, Gujarat - 394355	38. The Varad Sarvjanik High School, Rayam, Bardoli, Surat, Gujarat - 394355	38. The Varad Sarvjanik High School, Rayam, Bardoli, Surat, Gujarat - 394355
			39. PKD Vidhyalaya, Atar, Valsad, Gujarat - 396020	39. PKD Vidhyalaya, Atar, Valsad, Gujarat - 396020	39. PKD Vidhyalaya, Atar, Valsad, Gujarat - 396020
			40. Godadhara High School, Godadhara, Surat, Gujarat - 395012	40. Godadhara High School, Godadhara, Surat, Gujarat - 395012	40. Godadhara High School, Godadhara, Surat, Gujarat - 395012
			41. Kharvasa Asharam Shala, Kharvasa, Choryashi, Surat, Gujarat - 394355	41. Kharvasa Asharam Shala, Kharvasa, Choryashi, Surat, Gujarat - 394355	41. Kharvasa Asharam Shala, Kharvasa, Choryashi, Surat, Gujarat - 394355

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				Asset Name	Address
			42. Ambetha Primary School, Ambhetha, Olpad, Surat, Gujarat - 395005 43. Mora Primary School, Mora Village, Near Gram Panchayat, Choryashi, Surat, Gujarat - 394510 44. Damka Primary School, Damka, Hazira Road, Choryashi, Surat, Gujarat - 394517 45. Mor Tunda Primary School, Mor Tunda Village, Olpad, Surat, Gujarat - 394530 46. Sarvodaya Vidhyalaya, Segvachama, Olpad, Surat, Gujarat - 395009 47. Timba Aashramshala, Timba, Chhaprabhatha Road, Tadwadi, Surat, Gujarat - 394520 48. Puni Aashramshala, Puni, Palsana, Surat, Gujarat - 394352 49. Amalsadi Aashram Shala, Amalsadi, Palsana, Surat, Gujarat - 394350		42. Ambetha Primary School, Ambhetha, Olpad, Surat, Gujarat - 395005 43. Mora Primary School, Mora Village, Near Gram Panchayat, Choryashi, Surat, Gujarat - 394510 44. Damka Primary School, Damka, Hazira Road, Choryashi, Surat, Gujarat - 394517 45. Mor Tunda Primary School, Mor Tunda Village, Olpad, Surat, Gujarat - 394530 46. Sarvodaya Vidhyalaya, Segvachama, Olpad, Surat, Gujarat - 395009 47. Timba Aashramshala, Timba, Chhaprabhatha Road, Tadwadi, Surat, Gujarat - 394520 48. Puni Aashramshala, Puni, Palsana, Surat, Gujarat - 394352 49. Amalsadi Aashram Shala, Amalsadi, Palsana, Surat, Gujarat - 394350
17	25th January 2022 to 11th March 2022	862,812	1. Rasul Chandkha Pathan, Sajed Babukha Pathan, Saber Babukha Pathan, Subhankha Mahebubkha Pathan, Moshinali Muktar Pathan, Taher Subhan Pathan, Abu Bakar Makbul Pathan, Fakir Imam Shaikh, Altaf Ayyubkha Pathan, Ramdas Janappa Jadhav, Shahenshaha Mohamad Sharif Shaikh, Abdul Wahed Nuruddin Shaikh, Daniyal Sudnyan Nirmal, Javed Subhan Pathan, Nisar Nijam Pathan and Khalil Yasin Pathan. (Residents of Nagzari, Ambad Block, Jalna, Maharashtra - 431204) 2. Jagannath Kondiba Gund, Tukaram Asruji Dukre, Gafur Shaikh Biban and Shaikh Matin Gafur Shaikh. (Residents of Chambharwadi, Ambad Block, Jalna, Maharashtra - 431204) 3. Kishor Shivaji Doifode, Raju Bhaurav Channe, Bhagwan Bhaurao Channe, Pralhad Baburao Shirase, Bhagubai Pandurang Auti, Sanjivani Bapurav Pokharkar, Subhash Jadhav, Kishor Sarjerav Dighule, Sanjay Keshavrav Jadhav, Dwarakabai Baburav Parande, Bhaurav Kakasaheb Hande, Ankush Murlidhar Doifode, Laxman Ravsaheb Hande and Vaijinath Namdev Doifode. (Residents of Village - Antarwali Khandi, Paithan, Aurangabad, Maharashtra - 431107)	Farm Pond	1. Nagzari, Ambad Block, Jalna, Maharashtra - 431204 2. Chambharwadi, Ambad Block, Jalna, Maharashtra - 431204 3. Village - Antarwali Khandi, Paithan, Aurangabad, Maharashtra - 431107

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				Asset Name	Address
			<p>4. Mirabai Ramesh Chavan, Tarabai Gorakh Chavan, Gautam Sandu Vahule, Shriram Hari Chavan and Gorakh Hari Chavan (Residents of Village - Dabhrol, Paithan, Aurangabad, Maharashtra - 431107)</p> <p>5. Rohidas Balu Rathod, Village - Devgaon Tanda, Paithan, Aurangabad, Maharashtra - 431107</p>		<p>4. Village - Dabhrol, Paithan, Aurangabad, Maharashtra - 431107</p> <p>5. Village - Devgaon Tanda, Paithan, Aurangabad, Maharashtra - 431107</p>
18	23rd February 2022 to 16th March 2022	1,358,273	Grampanchayat, Devgaon, Paithan, Aurangabad, Maharashtra - 431107	Check Dam	Grampanchayat, Devgaon, Paithan, Aurangabad, Maharashtra - 431107
19	21st April 2021 to 15th March 2022	7,538,914	Larsen & Toubro Public Charitable Trust, Landmark A, 1st Floor, Suren Road, Opposite PVR Cinemas, Near Western Express Highway (WEH) Metro Station, Andheri East, Mumbai, Maharashtra - 400093	<p>1. Air cooler, Digital Radiography and Endo Mate TC2, Heart Start Onsite</p> <p>2. ECG Machine</p> <p>3. Laboratory Software, American Power Conversion, Desktops</p> <p>4. Phaco handpiece slim, Hospital Bed, Geyser, VATECH VR Sensor, Oxygen gas pipeline, Operating table, Auto Keratometer, Fundas Cameras, civil work of dismantling, cutting and removing of existing door, Brio Combination therapy unit and therapy Cart, Physiotherapy Equipment, Ventilator and Autoclave</p> <p>5. Force Traveller</p> <p>6. Fumigation machine, laptop, finger print scanner, LED TV, wireless router, chairs, sonography machine and water tank</p>	<p>1. L&T Health & Dialysis Centre, First Floor, TAM House, Tower B, Near Chhani Jakatnaka, Nava Yard Road, Vadodara, Gujarat - 390002</p> <p>2. L&T Coimbatore Health Centre, No.1/160 B, Eachanari - Chettipalayam Road, Seerapalayam Pudur, Coimbatore, Tamil Nadu - 641021</p> <p>3. L&T ART Centre, 1st Floor, Koldongri Municipal Dispensary, Opposite Garware, Sahar Road, Andheri East, Mumbai, Maharashtra - 400069</p> <p>4. Nirali A M Naik Charitable Health-Care Facility, Saki Vihar Road, Opposite Tunga Village Bus Stop, Powai, Mumbai, Maharashtra - 400072</p> <p>5. Samparc Malvali Centre, Near Malvali Railway Station, Maval, Pune, Maharashtra - 410405</p> <p>6. L&T Health and Dialysis Centre, Smith Park Apartment, Near Yogiraj Complex, Adajan Road, Surat, Gujarat - 395009</p>

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				Asset Name	Address
20	30th October 2021 to 19th January 2022	10,475,189	<ol style="list-style-type: none"> 1. Government U.P. School, Dangariguda, Koksara, Kalahandi, Odisha - 766017 2. M. L. High School, Attabira, Lakhnapur, Jharsuguda, Odisha - 768027 3. Shree Jagannath High School, Sagada, Boudh, Odisha - 762016 4. Bidyabhar Satrujit Bidyapitha, Sagar, Cuttack, Odisha - 754037 5. Head Master, Darlimunda High School, At PO Darlimunda, Nuapada, Odisha - 766105 6. Daijmahul Primary School, Karamdihi, Sundargarh, Odisha - 770002 7. Head Teacher, Mangalchak Primary School, PO - Terapekhia, Nandigram, Purba Medinipur, West Bengal - 721656 8. Khodhambari Union B.P.H.S School, Khodhambari, Nandigram Block - 2, PS - Nandigram, Purba Medinipur, West Bengal - 721650 9. Amritnagar High School, Amritnagar, Hazaribagh, Jharkhand - 825301 10. Government Upper Primary School, Village- Gandhigram-1, Deoli, Tonk, Rajasthan - 304804 11. Principal, Government Kasturba Ghandhi Girls Residential School, Chhoti Sarwa, Kushalgarh pkg-1, Rajasthan - 327602 12. Principal, Government Higher Secondary School, Dungra Bada, Sajjangarh pkg-2, Rajasthan - 327604 13. Principal, Government Secondary School, Potaliya Bada, Kushalgarh pkg-3, Rajasthan - 327801 14. Rajkiya Madhyamik Vidyalaya, Krishna Nagar (Village Kishanpura), RIICO Road, Bharatpur, Rajasthan - 321001 15. Government M. S. Hatkapura School, Ashoknagar, Rajghat, Madhya Pradesh - 473446 16. Government Girls Senior Secondary School, NIT 3, Faridabad, Haryana - 121001 17. Government Urdu Higher Primary School, Veerabhadra Nagar, Belagavi, Karnataka - 500016. 18. Upper Primary School, Aret Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 	Toilet blocks	<ol style="list-style-type: none"> 1. Government U.P. School, Dangariguda, Koksara, Kalahandi, Odisha - 766017 2. M. L. High School, Attabira, Lakhnapur, Jharsuguda, Odisha - 768027 3. Shree Jagannath High School, Sagada, Boudh, Odisha - 762016 4. Bidyabhar Satrujit Bidyapitha, Sagar, Cuttack, Odisha - 754037 5. Darlimunda High School, At PO Darlimunda, Nuapada, Odisha - 766105 6. Daijmahul Primary School, Karamdihi, Sundargarh, Odisha - 770002 7. Mangalchak Primary School, PO - Terapekhia, Nandigram, Purba Medinipur, West Bengal - 721656 8. Khodhambari Union B.P.H.S School, Khodhambari, Nandigram Block - 2, PS - Nandigram, Purba Medinipur, West Bengal - 721650 9. Amritnagar High School, Amritnagar, Hazaribagh, Jharkhand - 825301 10. Government Upper Primary School, Village- Gandhigram-1, Deoli, Tonk, Rajasthan - 304804 11. Government Kasturba Ghandhi Girls Residential School, Chhoti Sarwa, Kushalgarh pkg-1, Rajasthan - 327602 12. Government Higher Secondary School, Dungra Bada, Sajjangarh pkg-2, Rajasthan - 327604 13. Government Secondary School, Potaliya Bada, Kushalgarh pkg-3, Rajasthan -327801 14. Rajkiya Madhyamik Vidyalaya, Krishna Nagar (Village Kishanpura), RIICO Road, Bharatpur, Rajasthan - 321001 15. Government M. S. Hatkapura School, Ashoknagar, Rajghat, Madhya Pradesh - 473446 16. Government Girls Senior Secondary School, NIT 3, Faridabad, Haryana - 121001 17. Government Urdu Higher Primary School, Veerabhadra Nagar, Belagavi, Karnataka - 500016. 18. Upper Primary School, Aret Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325

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				Asset Name	Address
			19. Government Primary School, Beed Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 20. Upper Primary School, Dasana Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321 21. Upper Primary School, Hatai Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 22. Government Primary School, Pavatiya, Thaladhari Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 23. Upper Primary School, Rati Talai, Antaliya Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334 24. Government Primary School, Rod Ka Guda, Sukhar Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333		19. Government Primary School, Beed Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 20. Upper Primary School, Dasana Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321 21. Upper Primary School, Hatai Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 22. Government Primary School, Pavatiya, Thaladhari Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 23. Upper Primary School, Rati Talai, Antaliya Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334 24. Government Primary School, Rod Ka Guda, Sukhar Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333
21	4th August 2021	36,409	Head Teacher, Narayanpur Primary School, PO - Ganja Narayanpur, Purba Medinipur, West Bengal - 721648	Desktop	Narayanpur Primary School, PO - Ganja Narayanpur, Purba Medinipur, West Bengal - 721648
22	21st September 2021 to 24th March 2022	2,347,840	1. Benabad Junior High School, Benabad, Mejhia, Bankura, West Bengal - 722143 2. Pairasole Primary School, Pairasole, Mejhia, Bankura, West Bengal - 722143 3. Benabad Primary School, Benabad, Mejhia, Bankura, West Bengal - 722143 4. Natshala Primary School, Benabad, Bankura, West Bengal - 722143 5. Maraya Primary School, Amarkanan, Bankura, West Bengal - 722133 6. Mukundapur Thakamoni High School, Durlavpur, Mejhia, Bankura, West Bengal -722133 7. Office of the Head master, Government Sr. Primary School, Nokhadaiya, Kolayat, Bikaner, Rajasthan - 334001 8. Government Nodal Upper Primary School, Bishipada, Block - Ulunda, Subaranapur, Odisha - 767062 9. Government N.U.P. School, Dhanghara, Tusura, Balangir, Odisha - 767030	Benches and desks	1. Benabad Junior High School, Benabad, Mejhia, Bankura, West Bengal - 722143 2. Pairasole Primary School, Pairasole, Mejhia, Bankura, West Bengal - 722143 3. Benabad Primary School, Benabad, Mejhia, Bankura, West Bengal - 722143 4. Natshala Primary School, Benabad, Bankura, West Bengal - 722143 5. Maraya Primary School, Amarkanan, Bankura, West Bengal - 722133 6. Mukundapur Thakamoni High School, Durlavpur, Mejhia, Bankura, West Bengal -722133 7. Government Sr. Primary School, Nokhadaiya, Kolayat, Bikaner, Rajasthan - 334001 8. Government Nodal Upper Primary School, Bishipada, Block - Ulunda, Subaranapur, Odisha - 767062 9. Government N.U.P. School, Dhanghara, Tusura, Balangir, Odisha - 767030

Sr No.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	
				Asset Name	Address
			10. Zilla Parishad High School, Neredmet, Malkajgiri Madal, Medchal, Hyderabad - 500056 11. Government Madhyamik School, Satanwada, Shivpuri, Madhya Pradesh 12. Government High School, Satanwada, Shivpuri, Madhya Pradesh 13. Principal, Government Primary School, Malagaon, Satwas, Dewas, Madhya Pradesh 14. Principal of Government Sr. Secondary School Hamiri, Kalan, Jhunjhunu, Rajasthan - 333001 15. Government UP School, Kansbahal, Sundargarh, Odisha 16. Government Primary School, Bhagatpara, PO - Kansbahal, Sundargarh, Odisha 17. Government Primary School, Ranibandhtola, PO - Sagjore, Sundargarh, Odisha 18. Government Primary School, Gowalapara, PO - Kansbahal, Sundargarh, Odisha 19. Mission Primary School, Kalodihi, Sundargarh, Odisha 20. Government Upper Primary School, Kila Kumbhalgarh, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 21. The Secretary, Mahesh Shri Ramakrishna Ashram, 40 Ramakrishna Road, PO Rishra, Hooghly, West Bengal - 712248		10. Zilla Parishad High School, Neredmet, Malkajgiri Madal, Medchal, Hyderabad - 500056 11. Government Madhyamik School, Satanwada, Shivpuri, Madhya Pradesh 12. Government High School, Satanwada, Shivpuri, Madhya Pradesh 13. Government Primary School, Malagaon, Satwas, Dewas, Madhya Pradesh 14. Government Sr. Secondary School Hamiri, Kalan, Jhunjhunu, Rajasthan - 333001 15. Government UP School, Kansbahal, Sundargarh, Odisha 16. Government Primary School, Bhagatpara, PO - Kansbahal, Sundargarh, Odisha 17. Government Primary School, Ranibandhtola, PO - Sagjore, Sundargarh, Odisha 18. Government Primary School, Gowalapara, PO - Kansbahal, Sundargarh, Odisha 19. Mission Primary School, Kalodihi, Sundargarh, Odisha 20. Government Upper Primary School, Kila Kumbhalgarh, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 21. Mahesh Shri Ramakrishna Ashram, 40 Ramakrishna Road, PO Rishra, Hooghly, West Bengal - 712248
23	16th September 2021	1,149,486	1. Principal, Meera Girls College, Meera Marg, Opposite Hotel Meera, Madhuban, Udaipur, Rajasthan - 313001 2. Surpunch of Village Patelpara, Near Bachel, Dantewada District, Chhattisgarh - 494553 3. Government Ashram School, Rati Kasa, Surya Nagar, Vikramgarh, Palghar, Maharashtra - 401609 4. Government of NCT of Delhi, Plot No 7, Kh No. 240, B - Block, Inder Enclave, Near Nitari Pulia, Kirari Suleman Nagar, Delhi - 110086 5. Bhikusa High school, Sinnar, Nasik, Maharashtra - 422103	Solar lights	1. Meera Girls College, Meera Marg, Opposite Hotel Meera, Madhuban, Udaipur, Rajasthan 313001 2. Village Patelpara, Near Bachel, Dantewada District, Chhattisgarh - 494553 3. Government Ashram School, Rati Kasa, Surya Nagar, Vikramgarh, Palghar, Maharashtra - 401609 4. Government of NCT of Delhi, Plot No 7, Kh No. 240, B - Block, Inder Enclave, Near Nitari Pulia, Kirari Suleman Nagar, Delhi - 110086 5. Bhikusa High school, Sinnar, Nasik, Maharashtra - 422103

Sr No.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	
				Asset Name	Address
24	11th November 2021	167,000	Purva Madyamik Vidyalay, Bolthakaram, Amarwar, Duddhi, Sonbhadra, Uttar Pradesh	Solar panel with battery	Purva Madyamik Vidyalay, Bolthakaram, Amarwar, Duddhi, Sonbhadra, Uttar Pradesh
25	20th January 2022	879,997	District Education Officer, Patna, Koiritola, Rajendra Nagar, Near Moinul Haq Stadium Patna, Bihar - 800004	Toilet blocks and desks	Government Middle School, Harnichak, Beur, Anishabad, Patna, Bihar - 800002
26	7th March 2022	200,000	1. Krushi Tantra Vidyalaya, Vare, Karjat, Maharashtra 2. Chasole High School, Chasole, Murbad, Thane, Maharashtra	Borewell and water tank	1. Krushi Tantra Vidyalaya, Vare, Karjat, Maharashtra 2. Chasole High School, Chasole, Murbad, Thane, Maharashtra
27	7th March 2022	60,000	Zilha Parishad School, Ajnup, Shahapur, Thane, Maharashtra	Water tank	Zilha Parishad School, Ajnup, Shahapur, Thane, Maharashtra
28	7th March 2022	604,000	Swami Vivekanand Adivasi Madhyamik Ashram School, Chindhyachi Wadi, Post Vashala, Shahapur, Thane, Maharashtra	Construction of shed	Swami Vivekanand Adivasi Madhyamik Ashram School, Chindhyachi Wadi, Post Vashala, Shahapur, Thane, Maharashtra
29	29th November 2021 to 12th March 2022	35,620	1. Government Primary School, Mandiakudar Sundargarh, Odisha 2. (a) Government UP School, Badnuagaon, Sundargarh, Odisha (b) Government Primary School, Kadambahal, PO - Kansbahal, Sundargarh, Odisha	1. Almirah 2. Table and chairs	1. Government Primary School, Mandiakudar, Sundargarh, Odisha 2. (a) Government UP School, Badnuagaon, Sundargarh, Odisha (b) Government Primary School, Kadambahal, PO - Kansbahal, Sundargarh, Odisha
30	10th March 2022	2,952,381	1. Upper Primary School, Dasana Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321 2. (a) Government Primary School, Rodh Ka Guda, Sukhar Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 (b) Government Primary School, Shobhawato Ki Bhagal, Gram Panchayat Antaliya, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334	1. Resource room with furniture and projector screens 2. Resource room with furniture	1. Upper Primary School, Dasana Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321 2. (a) Government Primary School, Rodh Ka Guda, Sukhar Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 (b) Government Primary School, Shobhawato Ki Bhagal, Gram Panchayat Antaliya, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334
31	10th March 2022	3,886,504	1. Upper Primary School, Aret Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 2. Government Primary School, Beed Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 3. Upper Primary School, Aret Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325	Tube well, water storage tank and solar pumping system	1. Upper Primary School, Aret Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 2. Government Primary School, Beed Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 3. Upper Primary School, Aret Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325

Sr No.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	
				Asset Name	Address
32	3rd March 2022	407,060	4. Upper Primary School, Dasana Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321 5. Government Primary School, Pavatiya, Thaladhari Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 6. Government Primary School, Shobhawato Ki Bhagal, Gram Panchayat Antaliya, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334	Furniture	4. Upper Primary School, Dasana Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321 5. Government Primary School, Pavatiya, Thaladhari Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 6. Government Primary School, Shobhawato Ki Bhagal, Gram Panchayat Antaliya, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334
			1. Government Primary School, Rodh Ka Guda, Sukhar Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 2. Upper Primary School, Dasana Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321 3. Government Primary School, Pavatiya, Thaladhari Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 4. Government Primary School, Shobhawato Ki Bhagal, Gram Panchayat Antaliya, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334		1. Government Primary School, Rodh Ka Guda, Sukhar Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313333 2. Upper Primary School, Dasana Ki Bhagal, Majhera Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321 3. Government Primary School, Pavatiya, Thaladhari Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 4. Government Primary School, Shobhawato Ki Bhagal, Gram Panchayat Antaliya, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334
33	25th January 2022	1,673,673	1. Health Sub Centre, Antaliya, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334 2. (a) Health Sub Centre, Antaliya, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334 (b) Upper Primary School, Aret Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 3. (a) Upper Primary School, Rati Talai, Antaliya Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334 (b) Anganwadi, Nichli Bhagal, Antaliya Panchayat and Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321	1. Borewell 2. Motor pump operated through Solar charger 3. Alternate electricity through solar charger	1. Health Sub Centre, Antaliya, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334 2. (a) Health Sub Centre, Antaliya, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334 (b) Upper Primary School, Aret Ki Bhagal, Gawar Panchayat, Kelwara Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313325 3. (a) Upper Primary School, Rati Talai, Antaliya Panchayat, Antaliya Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313334 (b) Anganwadi, Nichli Bhagal, Antaliya Panchayat and Zone, Kumbhalgarh Block, Rajsamand, Rajasthan - 313321

Sr No.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	
				Asset Name	Address
34	30th September 2021	735,153	Project Officer, ICDS, Aanganwadi Jalpa, Post - Kookra, Bhim, Rajsamand, Rajasthan - 305921	1. Construction of stage, drinking water tank platform, ramp and stairs 2. Construction of boundary wall and drinking water tank platform	1. Aanganwadi Jalpa, Kookra, Bhim, Rajsamand, Rajasthan - 305921 2. (a) Aanganwadi Rajarel, Kookra, Bhim, Rajsamand, Rajasthan - 305921 (b) Aanganwadi Kookra, Kookra, Bhim, Rajsamand, Rajasthan - 305921
35	30th September 2021	1,567,576	Principal, Senior Secondary School Kookra, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of class room, drinking water tank platform, fencing wire of boundary wall, verandah and ramp	Senior Secondary School Kookra, Kookra, Bhim, Rajsamand, Rajasthan - 305921
36	30th September 2021	1,195,585	Head Master, Upper Primary School (Girls), Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of drinking water tank platform, classroom and ramp	Upper Primary School (Girls), Kookra, Bhim, Rajsamand, Rajasthan - 305921
37	30th September 2021	204,591	Head Master, Primary School, Japla, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of stage, drinking water tank platform and verandah	Primary School, Japla, Kookra, Bhim, Rajsamand, Rajasthan - 305921
38	30th September 2021	380,924	1. Head Master, Primary School, Jassuj Ka Kheda, Kookra, Bhim, Rajsamand, Rajasthan - 305921 2. Head Master, Primary School, Godarel, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of drinking water tank platform, stairs, ramp and platform	1. Primary School, Jassuj Ka Kheda, Kookra, Bhim, Rajsamand, Rajasthan - 305921 2. Primary School, Godarel, Kookra, Bhim, Rajsamand, Rajasthan - 305921
39	30th September 2021	1,358,448	Head Master, Primary School, Dungo Ka Wala, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of stage, classroom and stairs	Primary School, Dungo Ka Wala, Kookra, Bhim, Rajsamand, Rajasthan - 305921
40	28th February 2022	452,365	Project Officer, ICDS, Aanganwadi - Nichla Lasadiya, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of drinking water tank platform and boundary wall	1. Aanganwadi - Nichla Lasadiya, Kookra, Bhim, Rajsamand, Rajasthan - 305921 2. Aanganwadi - Rawat Ka Kheda, Kookra, Bhim, Rajsamand, Rajasthan - 305921
41	28th February 2022	1,226,982	Head Master, Government Primary School - Kashya, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of drinking water tank platform, boundary wall, plaster work and ramp	Government Primary School - Kashya, Kookra, Bhim, Rajsamand, Rajasthan - 305921
42	28th February 2022	1,577,111	Head Master, Government Upper Primary School, Kathon Ka Talab, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of class room, drinking water tank platform, boundary wall, stage and ramp	Government Upper Primary School, Kathon Ka Talab, Kookra, Bhim, Rajsamand, Rajasthan - 305921

Sr No.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	
				Asset Name	Address
43	28th February 2022	1,630,749	Head Master, Government Primary School, Mohariya, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of classroom, boundary wall, fencing wire, ramp, stairs, pathway and protection wall	Government Primary School, Mohariya, Kookra, Bhim, Rajsamand, Rajasthan - 305921
44	28th February 2022	947,399	Head Master, Government Primary School, Nichla Karkala, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of drinking water tank platform, boundary wall, stage and classroom	Government Primary School, Nichla Karkala, Kookra, Bhim, Rajsamand, Rajasthan - 305921
45	28th February 2022	1,371,305	Head Master, Government Primary School, Pathwari Ka Baadiya, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of class room, drinking water tank platform, boundary wall, fencing wire, ramp and drain	Government Primary School, Pathwari Ka Baadiya, Kookra, Bhim, Rajsamand, Rajasthan - 305921
46	28th February 2022	1,333,269	Head Master, Government Primary School, Rawat Ka Kheda, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of class room, drinking water tank platform, boundary wall and ramp	Government Primary School, Rawat Ka Kheda, Kookra, Bhim, Rajsamand, Rajasthan - 305921
47	28th February 2022	196,163	Head Master, Government Upper Primary School, Barla Choura, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of drinking water tank platform, ramp and boundary wall	Government Upper Primary School, Barla Choura, Kookra, Bhim, Rajsamand, Rajasthan - 305921
48	28th February 2022	324,319	Head Master, Government Upper Primary School, Upperla Karkala, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of drinking water tank platform, ramp and verandah	Government Upper Primary School, Upperla Karkala, Kookra, Bhim, Rajsamand, Rajasthan - 305921
49	28th February 2022	1,395,026	Principal, Government Senior Secondary School Lasadiya, Kookra, Bhim, Rajsamand, Rajasthan - 305921	Construction of class room, drinking water tank platform, boundary wall, fencing wire, verandah and ramp	Government Senior Secondary School Lasadiya, Kookra, Bhim, Rajsamand, Rajasthan - 305921
50	30th June 2021 to 30th August 2021	557,880	<ol style="list-style-type: none"> Mr. Govindharaj S/o Krishnaaiya, No.21/1, Mel Settikuppam, Sarakuppam, Settikuppam, Gudiyatham, Tamil Nadu - 635803 Mr. Karunakaran S/o Masilamani No. 78, Kowsiya Nagar, Ulli Village, Mettukollai, Gudiyatham, Tamil Nadu - 635813 Ms. Prema W/o Loganathan, No. 3/34, Rajakuppam, Dasrimandripatti, Paravakkal Gudiyatham, Tamil Nadu - 635803 Ms. Lavanya W/o Dheenabandu, No. 41/14, Periya Rajakuppam, Rajakuppam (PO), Paravakkal, Gudiyatham, Tamil Nadu - 635803 	Small pond	<ol style="list-style-type: none"> No.21/1, Mel Settikuppam, Sarakuppam, Settikuppam, Gudiyatham, Tamil Nadu - 635803 No. 78, Kowsiya Nagar, Ulli Village, Mettukollai, Gudiyatham, Tamil Nadu - 635813 No. 3/34, Rajakuppam, Dasrimandripatti, Paravakkal Gudiyatham, Tamil Nadu - 635803 No. 41/14, Periya Rajakuppam, Rajakuppam (PO), Paravakkal, Gudiyatham, Tamil Nadu - 635803

Sr No.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)		
				Asset Name	Address	
			5. Mr. Sundaramoorthy S/o Govindhan Rajakuppam, Rajamandripatti, Dasmandripatti, Paravakkal, Gudiyatham, Tamil Nadu - 635803 6. Mr. Dakshanamoorthy S/o Munisamy, No. 2/66, Pananthoppu Colony, Rajakuppam (PO), Paravakkal, Gudiyatham, Tamil Nadu - 635803 7. Mr. Govindhasamy S/o Veerasamy, No. 1/135, Rajakuppam (PO), Periya Paravakkal, Paravakkal, Gudiyatham, Tamil Nadu - 635803 8. Mr. Harish S/o Govindharaj No. 21/1, Mel Theru, Mel Settikuppam, Gudiyatham, Tamil Nadu - 635803 9. Ms. Dharani S/o Krishnaaiya, No. 29/15A, B N Palayam, Settikuppam, Gudiyatham, Tamil Nadu - 635803 10. Ms. Savitha W/o Sivakumar, No. 66/21, Pananthoppu Colony, Rajakuppam (PO), Paravakkal, Gudiyatham, Tamil Nadu - 635803 11. Mr. Dhanasekaran S/o Kesavan Mel Alangkuppam, Pogalur, Gudiyatham, Tamil Nadu - 635813 12. Mr. Purushothanam S/o Kannaaiya, No. 86, Rajakuppam, Rajamandripatti, Periya Paravakkal, Gudiyatham, Tamil Nadu - 635803	5. Rajamandripatti, Dasmandripatti, Paravakkal, Gudiyatham, Tamil Nadu - 635803 6. No. 2/66, Pananthoppu Colony, Rajakuppam (PO), Paravakkal, Gudiyatham, Tamil Nadu - 635803 7. No. 1/135, Rajakuppam (PO), Periya Paravakkal, Paravakkal, Gudiyatham, Tamil Nadu - 635803 8. No. 21/1, Mel Theru, Mel Settikuppam, Gudiyatham, Tamil Nadu - 635803 9. No. 29/15A, B N Palayam, Settikuppam, Gudiyatham, Tamil Nadu - 635803 10. No. 66/21, Pananthoppu Colony, Rajakuppam (PO), Paravakkal, Gudiyatham, Tamil Nadu - 635803 11. Pogalur, Gudiyatham, Tamil Nadu - 635813 12. No. 86, Rajakuppam, Rajamandripatti, Periya Paravakkal, Gudiyatham, Tamil Nadu - 635803		
51	29th November 2021	21,200	Dhan Foundation, 1A Vaidyanathapuram East, Kennet Cross Road, Madurai, Tamil Nadu - 625016	CANON MF 241 LASER PRINTER	Dhan Foundation, 1A Vaidyanathapuram East, Kennet Cross Road, Madurai, Tamil Nadu - 625016	

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 2022 and the percentage increase in remuneration of each Director and Company Secretary during FY 2022:

₹ crore

Name of the Director/KMP	Designation	Total Remuneration	Ratio (times) of remuneration of director to the median remuneration *	Percentage increase in Remuneration
Mr. A. M. Naik	Group Chairman	6.32	69.11	1.85%
Mr. S. N. Subrahmanyam	Chief Executive Officer & Managing Director	61.27	670.02	115.00%
Mr. R. Shankar Raman	Whole-time Director & Chief Financial Officer	28.62	313.00	116.38%
Mr. D. K. Sen	Whole-time Director & Sr. Executive Vice President (Development Projects)	11.83	129.40	137.77%
Mr. M. V. Satish	Whole-time Director & Sr. Executive Vice President (Buildings)	11.19	122.34	108.32%
Mr. J. D. Patil	Whole-time Director & Sr. Executive Vice President (Defence & Smart Technologies)	11.05	120.81	106.13%
Mr. Subramanian Sarma	Whole-time Director & Sr. Executive Vice President (Energy)	23.47	256.68	105.99% @
Mr. S. V. Desai	Whole-time Director & Sr. Executive Vice President (Civil Infrastructure)	12.55	137.19	261.47% @
Mr. T. Madhava Das	Whole-time Director & Sr. Executive Vice President (Utilities)	12.30	134.55	236.34% @
Mr. M. M. Chitale	Independent Director	0.67	7.32	(7.27%)
Mr. Subodh Bhargava #	Independent Director	0.66	7.25	–
Mr. M. Damodaran	Independent Director	0.65	7.07	0.78%
Mr. Vikram Singh Mehta	Independent Director	0.55	6.06	43.28% \$
Mr. Adil Zainulbhai	Independent Director	0.63	6.88	0.80%
Mr. Sanjeev Aga	Independent Director	0.54	5.86	(3.51%)
Mr. Narayanan Kumar	Independent Director	0.47	5.13	(1.98%)
Mr. Hemant Bhargava ^	Nominee of Life Insurance Corporation of India	0.34	3.76	10.10%
Mrs. Preetha Reddy	Independent Director	0.31	3.41	300.00% @
Mr. Sivaram Nair A	Company Secretary	1.98	21.63	19.39%

* 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 2022.

Ceased to be an Independent Director with effect from 29th March 2022 on completion of his term.

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

@ Impact of full year remuneration of new director/KMP appointed during FY 2020-21

\$ Current year remuneration includes the commission and sitting fees paid by L&T Hydrocarbon Engineering Limited.

B. Percentage increase in the median remuneration of all employees in FY 2022:

The median remuneration of employees of the Company during the financial year was ₹ 9.14 lakh. In the financial year, there was an increase of 6.67% in the median remuneration of employees.

C. Number of permanent employees on the rolls of the Company as on 31st March 2022:

There were 49,921 permanent employees on the rolls of Company as on 31st March 2022.

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**

The average percentage increase in the salaries of employees excluding key managerial personnel for the year 2021-22 was 17.42% whereas there is an increase in the key managerial remuneration by 66.01%. The increase in managerial remuneration is due to higher eligible profits, base adjustment and full year impact of remuneration to new Whole-time Directors who joined in the year 2020-21.

E. Affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Annexure 'E' to the Board Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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 **31st March 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** 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) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 15th August, 2021);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 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;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable as there was no reportable event during the financial year under review;**

- i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021);
- j. 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 Women Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors of the schedule of the Board and Committee Meetings and Agenda & detailed notes on agenda were sent at least seven days in advance 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:

- Non-Convertible Debentures amounting to ₹ 450 Crore (Rupees Four Hundred and Fifty Crore only) were duly redeemed on their respective due dates.
- The Company at its Board Meeting held on July 26, 2021, had considered and approved a Scheme of Arrangement for amalgamation of L&T Hydrocarbon Engineering Limited ("LTHE") (a Wholly-owned Subsidiary of the Company) with the Company. ("the Scheme"). The said Scheme was approved vide order of the National Company Law Tribunal, Mumbai bench dated 28th January 2022.
- In supersession of the Special Resolution passed at the 75th Annual General Meeting (AGM) held on 13th August, 2020, members at the 76th AGM held on 05th August 2021, passed a Special Resolution authorising the Board of Directors to raise funds through issuance of convertible bonds and/or equity shares through depository receipts, including by way of Qualified Institutions Placement, in one or more tranches upto an amount not exceeding ₹ 4500 Crore or US \$600 Million, whichever is higher.
- Raised ₹ 450 crore (Rupees Four Hundred and Fifty Crore only), by way of receipt of call money pursuant to First Balance Payment notice of ₹ 2,50,000 each on the 18,000 Non - Convertible Debentures of ₹ 10 Lac each on 12th April 2021.
- The Board of Directors at its meeting held on 24th March 2022, approved long term borrowings upto ₹ 10,000 crore (Rupees Ten Thousand Crore), including refinancing, through external commercial borrowings, term loans, non-convertible debentures or any other instrument as may be appropriate.

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.: 606/2019

S. N. Ananthasubramanian

Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206D000266600

Date : 04th May, 2022

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 31st March, 2022**, 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.: 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206D000266600

Date : 04th May, 2022
Place : Thane

Annexure 'F' to the Board Report

NOMINATION AND REMUNERATION POLICY

(As per Companies Act, 2013)

The Board of Directors of Larsen & Toubro Limited ("the Company") had constituted the "Nomination and Remuneration Committee" which is in compliance with the requirements of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

1. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Act read along with the applicable rules thereto and Regulation 19 of LODR. The Key Objectives of the Committee would be:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out by the Board or the Nomination & Remuneration Committee or by an Independent External Agency and review its implementation and compliance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Devising a policy on Board diversity;

2. DEFINITIONS:

2.1. Act means the Companies Act, 2013 or Companies Act, 1956 as may be applicable and Rules framed thereunder, as amended from time to time.

2.2. Board means Board of Directors of the Company.

2.3. Directors mean Directors of the Company.

2.4. Executive Directors means the Executive Chairman if any, Chief Executive Officer and Managing Director, Deputy Managing Director, if any and Whole-time Directors.

2.5. Key Managerial Personnel (KMP) 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 3 non-executive Directors, half of them being independent.
- 4.2** Minimum two (2) members or one-third of the members whichever is greater including atleast one Independent Director shall constitute a quorum for the Committee meeting.
- 4.3** Membership of the Committee shall be disclosed in the Annual Report.
- 4.4** Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1** Chairperson of the Committee shall be an Independent Director.
- 5.2** Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3** In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4** Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held atleast once in a year and at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

- 7.1** A member of the Committee is not entitled to be present/participate in discussion when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2** The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1** Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.2** Determining the appropriate size, diversity and composition of the Board;
- 10.3** Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.4** Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.5** Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.6** Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 10.7** Delegating any of its powers to one or more of its members or the Secretary of the Committee;

- 10.8** Recommend any necessary changes to the Board; and
- 10.9** Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 11.1** To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate 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.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
One International Center Tower 3,
32nd Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

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, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 (“SA”)s 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 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 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) to the Standalone Financial Statements</p>
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Revenue recognition – accounting for construction contracts

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:</p> <ul style="list-style-type: none"> • 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. • We selected a sample of contracts with customers and performed the following procedures: <ol style="list-style-type: none"> a. Obtained and read contract documents for each selection, change orders, and other documents that were part of the agreement. 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. 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.

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 amount of judgement. Assessing the recoverability of contract assets related to overdue milestones and amounts overdue against invoices raised which have remained unsettled for a significantly long period after the end of the contractual credit period also involves a significant amount of judgment. Refer to Note Nos. [1](ii)(e), [1](ii)(m) 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, 2022 and the date when the financial statements are approved by the Company's Board of Directors included the following:</p> <ul style="list-style-type: none"> • 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, 2022 and the date when the financial statements are approved by the Board of Directors and the impact thereof on the carrying amount of the related contract assets. Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices. • We selected a sample of contracts assets with corresponding trade receivables that were overdue and evaluated the basis for management's conclusions regarding the (1) evidence supporting the execution of work for which the contract assets were recognised; (2) reasons for the delays in recovery of invoices and the basis on which recoverability of the contract assets was assessed; (3) impact on the allowance for expected credit losses; and (4) adjusting events after the reporting date i.e. March 31, 2022 and the date when the financial statements are approved by the Board of Directors and the impact thereof on the carrying amount of the related contract assets. • In respect of the sample contracts, we compared previous estimates relating to recoverability of contract assets and compared it with actual collections during the year.

Impairment of Investment in a Subsidiary

Key audit matter description	<p>As at March 31, 2022, the Company held investment with a carrying amount of ₹ 2,439.00 crore (excluding ₹ 3,726.70 crore in inter corporate deposits and ₹ 1,145.63 crore in debentures) in L&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, 2022. 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) 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 included the following:</p> <ul style="list-style-type: none"> • We tested the effectiveness of controls over forecasts of future traffic, revenue, free cash flows and selection of the discount rate; • We evaluated the reasons for variation between the management's previous estimate of traffic, revenue and cash flow forecasts and obtained our understanding of the manner in which revised forecasts were obtained; • With the assistance of our fair value specialists who have specialised skill and knowledge, we evaluated the reasonableness of the methodology and discount rate by testing the source information underlying the determination of the discount rate and mathematical accuracy of the calculations; and • We performed a sensitivity analysis on the discount rate to assess the extent of change in discount rate that would be required for the investment to be impaired.

Information Other than the Financial Statements and Auditor's Report Thereon ('other information')

The Boards of Directors of the Company is responsible for the preparation of other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 system 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 included in the standalone financial statements of which we are the independent auditors. For the other entities 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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 29 joint operations included in the standalone financial statements, whose financial information reflects total assets of ₹ 2,972.06 crore as at March 31, 2022, total revenues of ₹ 3,217.48 crore, total net loss after tax (net) of ₹ 187.97 crore, total comprehensive loss (net) of ₹ 187.97 crore and net cash inflows of ₹ 97.18 crore for the year ended March 31, 2022, 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, is based solely on the reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.
- We did not audit the financial information of 1 joint operation included in the standalone financial statements, whose financial information reflects total assets of ₹ 1,067.79 crore as at March 31, 2022, total revenues of ₹ 352.96 crore, total net profit after tax (net) of ₹ 11.91 crore, total comprehensive profit (net) of ₹ 11.91 crore and net cash inflows of ₹ 5.10 crore for the year ended March 31, 2022, respectively, as considered in the standalone financial statements. The financial information of this joint operation has not been audited by the auditor whose financial information has 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 this joint operation, is based solely on the financial information certified by the management of the Company. According to the information and explanations given to us by the Management, the financial information of this entity is not material to the Company.

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 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 based on the consideration of the reports of the 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 company 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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;
 - 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 (which are material either individually or in the 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 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 (which are material either individually or in the aggregate) 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 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.
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)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

UDIN: 22039826AIVCQV7676

Place: Mumbai

Date: May 12, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Larsen and Toubro Limited (the "Company") as of March 31, 2022 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 over financial reporting 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 over financial reporting 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor of the joint operation which is a company incorporated in India, in terms of their 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on internal financial controls system over financial reporting of the joint operation referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 over financial reporting 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)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
UDIN: 22039826AIVCQV7676

Place: Mumbai

Date: May 12, 2022

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, 2022	Carrying value in the financial statements as at March 31, 2022	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
Land - Undivided Land at 171, SP Mukherjee Road, Kolkata, West Bengal (Area- 3925 sq ft)	0.13	0.13	SVM Industries	No	30 years (Since 1992)	Conveyance deed is pending to be executed.
Building - 4 flats - 171, SP Mukherjee Road, Kolkata, West Bengal	0.15	0.12	SVM Industries	No	29 years (Since 1993)	Appeal is pending before the High Court of Calcutta
Freehold Land – Hazira West	1.01	1.01	1. Magan Kuber * 2. Kashiben Patel 3. Ishwar Prema	No	10 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, 2022 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 and stood guarantee during the year and details of which are given below:

₹ crore			
Particulars	Loans	Guarantees	Security
A. Aggregate amount granted / provided during the year:			
- Subsidiaries	3,473.25	9,816.00	NIL
- Joint Venture	NIL	NIL	NIL
- Associates	NIL	NIL	NIL
- Others	NIL	NIL	NIL
B. Balance Outstanding as at balance sheet date in respect of above cases*			
- Subsidiaries	5,255.52	12,616.00	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:

₹ crore						
Name of the entity	Nature	Amount	Due Date	Extent of Delay	Remarks, if any	
L&T Sapura Shipping Private Limited	Interest on Bridge Loan for Working Capital	1.71	December 31, 2021	90 days	Interest accrued for the quarter ended December 2021 remains unpaid	
L&T Sapura Shipping Private Limited	Interest on Bridge Loan for Working Capital	1.79	March 31, 2022	1 day	Interest accrued for the quarter ended March 2022 remains unpaid	

Refer to Note No. 63(b)(ii) to the Standalone Financial Statements.

- (d) In respect of loans granted by the Company, there is no amount overdue for more than 90 days at the balance sheet date.
- (e) During the year loans aggregating to ₹ 193.14 crore fell due from certain parties have 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
Hi-Tech Rock Products and Aggregates Limited	24.66	0.71%
L&T Sapura Shipping Private Limited	168.48	4.85%

Refer to Note No. 63(b) 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 and corresponding 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 and corresponding cess and other material statutory dues in arrears as at March 31, 2022 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, 2022 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	Disallowance of credits claimed in Tran-1	Assistant Commissioner	2017-18 and 2018-19	0.95	0.95
	Disallowance of credits claimed in Tran-1	Assistant Joint Commissioner	2017-18	16.25	14.86
	Disallowance of Input Tax Credit	Commissioner (Appeals)	2018-19	85.86	80.49
The Central Excise Act, 1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Dispute regarding questions of law, classification dispute, Rate disputes and other matters	Supreme Court	2011-12 to 2015-16	0.09	–
	Dispute regarding questions of law, classification dispute and other matters	High Court	2005-06 to 2012-13, 2014-15 to 2017-18	169.26	149.89
	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.	CESTAT	2003-04, 2005-06 to 2017-18	1,219.40	1,169.49
	Dispute of question of law, Disallowance of CENVAT credit, short payment of service tax, pending forms, service tax rate dispute, valuation dispute and other matters.	Commissioner (Appeals)	2006-07, 2012-13 to 2017-18 and 2021-22	5.86	4.41
	Disallowance of CENVAT credit, short payment of service tax, pending forms, service tax rate dispute, valuation dispute and other matter	Deputy Commissioner	2014-15 to 2017-18	0.15	0.15
	Differential Custom Duty	DGFT	2016-17	1.05	0.79

₹ 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 of questions of law, Classification dispute, Tax levied on goods-in-transit, labour charges & disallowance of input tax credit on deemed export sales, Taxability of sub- contractor turnover, rate of tax for declared goods and non- submission of forms	Supreme Court of India	2006-07 to 2015-16	760.37	741.34
	Disallowance of sales-in-transit, Taxability of subcontractor turnover, Disallowance of labour charges, Dispute regarding questions of law, classification dispute, local VAT and Works contract disputes	High Court	1986-87, 1987-88, 1993-94, 1994-95, 1999-00 to 2012-13, 2015-16	211.62	197.94
	Non submission of Forms, classification disputes, inter-state sale turnover, Rate of tax of declared goods, Labour & service charges disallowed, Disallowance of exemptions claimed for imports & Sales in transit, Sale mismatch & levy of tax on import of goods through Way bill, Road permit issue and other	Sales Tax/VAT Tribunal	1989-90, 1991-92, 1993-94 to 2017-18	827.48	658.38
	Non Submission of forms, subcontractor turnover and interest related disputes and CAG notice for interest on non-submission of C, E1 & F Forms	CAG	2010-11, 2015-16	11.28	9.91
	Demand for pending Forms	Special Objection Hearing Authority	2012-13 to 2015-16	0.63	0.61
	Sale in Transit disallowance & WCT TDS related disputes	Rajasthan Tax Board	2006-07 to 2016-17	239.34	234.25
	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	Joint commissioner Appeals/ Additional Commissioner Appeals/ Deputy Commissioner Appeals/Assistant Commissioner Appeals/ Commissioner Appeals	1989-90, 1996-97 to 2017-18	1,378.42	1,210.09
	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods and other matters	Assistant Commissioner/ Deputy Commissioner/ Additional Commissioner/ Joint Commissioner/ Commissioner	1996-97 to 1999-00, 2001-02 to 2017-18	1,748.62	1,666.47
	Subcontractor Turnover, ITC disallowed and Labor & Like Charges Disallowed	Special commissioner	2008-09, 2010-11, 2012-13 to 2017-18	161.50	161.00
	Non-Submission of forms, subcontractor turnover related disputes and Arbitrary enhancement of turnover	Assessing Officer	1999-00 to 2005-06, 2007-08, 2009-10 to 2017-18	17.91	14.73
The Mumbai Municipal Corporation Act, 1888	Property Tax for various development works at Powai, Mumbai, Property Tax on open land (Unutilised FSI) and Property Tax on Land under construction	Supreme Court of India	2010-11 to 2021-22	136.12	70.84
Income Tax Act, 1961	Demands arising out of Regular Assessment/ Reassessment	High court	1994-95	7.98	7.98
	Demands arising out of Regular Assessment/ Reassessment	Income Tax Appellate Tribunal (ITAT)	2004-05, 2009-10, 2011-12, 2012-13	718.39	254.69
	Demands arising out of Regular Assessment/ Reassessment	CIT(A)	2011-12, 2014-15 to 2018-19	2,428.08	2,245.21

- (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 wilful 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 clause (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 (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)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

UDIN: 22039826AIVCQV7676

Place: Mumbai

Date: May 12, 2022

Balance Sheet as at March 31, 2022

		₹ crore	
	Note	As at 31-3-2022	As at 31-3-2021
ASSETS:			
Non-current assets			
Property, plant and equipment	2	7908.37	8198.54
Capital work-in-progress	2	571.50	238.71
Investment property	3	589.64	408.36
Goodwill		47.29	47.29
Other Intangible assets	4	147.29	70.83
Intangible assets under development	4	11.26	48.01
Right-of-use assets	54(b)	420.59	440.07
Financial assets			
Investments	5	27049.50	27180.62
Loans	6	4084.58	2853.52
Other financial assets	7	523.80	531.78
		31657.88	30565.92
Deferred tax assets (net)	44(e)	1140.30	754.27
Other non-current assets	8	3990.30	3898.29
Sub-total - Non-current assets		46484.42	44670.29
Current assets			
Inventories	9	3132.51	2877.57
Financials assets			
Investments	10	18478.22	22232.95
Trade receivables	11	36347.35	33331.60
Cash and cash equivalents	12	5718.23	3524.95
Other bank balances	13	780.28	650.59
Loans	14	249.60	257.87
Other financial assets	15	2182.44	2513.99
		63756.12	62511.95
Other current assets	16	55129.23	49855.81
Sub-total - Current assets		122017.86	115245.33
TOTAL ASSETS		168502.28	159915.62

Balance Sheet as at March 31, 2022 (contd.)

	Note	As at 31-3-2022	As at 31-3-2021	₹ crore
EQUITY AND LIABILITIES:				
Equity				
Equity share capital	17	281.01	280.91	
Other equity	18	66833.04	61456.91	
Total equity		67114.05	61737.82	
Liabilities				
Non- current liabilities				
Financial liabilities				
Borrowings	19	12968.41	16646.73	
Lease liability		53.98	76.24	
Other financial liabilities	20	145.25	94.25	
		13167.64	16817.22	
Provisions	21	645.27	655.90	
Other non-current liabilities	22	7.84	–	
Sub-total - Non-current liabilities		13820.75	17473.12	
Current liabilities				
Financial liabilities				
Borrowings	23	2097.39	6827.90	
Current maturities of long-term borrowings	24	5232.49	999.56	
Lease liability		124.44	114.03	
Trade payables:	25			
Due to micro enterprises and small enterprises		473.67	448.30	
Due to others		44911.67	40321.48	
Other financial liabilities	26	3317.63	2451.53	
		56157.29	51162.80	
Other current liabilities	27	28888.84	27474.76	
Provisions	28	1861.48	1650.38	
Current tax liabilities (net)		659.87	416.74	
Sub-total - Current liabilities		87567.48	80704.68	
TOTAL LIABILITIES		101388.23	98177.80	
TOTAL EQUITY AND LIABILITIES		168502.28	159915.62	
CONTINGENT LIABILITIES	29			
COMMITMENTS (capital and others)	30			
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 to 65			

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

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

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

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

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

M. M. CHITALE
Independent Director
(DIN 00101004)

Statement of Profit and Loss for the year ended March 31, 2022

	Note	2021-22	2020-21
₹ crore			
Continuing operations			
INCOME:			
Revenue from operations	31	101000.41	87255.48
Other income[net]	32	3612.65	3360.29
Total Income		<u>104613.06</u>	<u>90615.77</u>
EXPENSES:			
Manufacturing ,construction and operating expenses	33		
Cost of raw materials components consumed		12590.86	12293.75
Construction materials consumed		31445.49	22869.85
Purchase of stock-in-trade		1070.62	1226.68
Stores, spares and tools consumed		2718.52	1701.07
Sub-contracting charges		25166.38	21993.33
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(1944.37)	362.10
Other manufacturing, construction and operating expenses		10517.85	9183.68
		81565.35	69630.46
Employee benefits expense	34	7396.88	6398.20
Sales, administration and other expenses	35	2982.68	2917.34
Finance costs	36	1754.24	2381.71
Depreciation, amortisation, impairment and obsolescence	37	1172.50	1150.68
Total Expenses		<u>94871.65</u>	<u>82478.39</u>
Profit before exceptional items and tax		9741.41	8137.38
Tax expenses			
Current tax	44(a)	2405.17	1847.72
Deferred tax	44(a)	(275.92)	323.70
		2129.25	2171.42
Net profit after tax (before exceptional items) from continuing operations		7612.16	5965.96
Exceptional items before tax	59	290.06	(2818.65)
Tax expense on exceptional items		22.77	-
Exceptional items (net of tax)		267.29	(2818.65)
Net profit after tax from continuing operations		7879.45	3147.31
Discontinued operations			
Profit before tax from discontinued operations	39(a)(i)	-	11199.23
Tax expense of discontinued operations	44(a)	-	2548.75
Net profit after tax from discontinued operations		-	8650.48
Net profit after tax from continuing operations & discontinued operations		7879.45	11797.79
Other comprehensive income			
A Items that will not be reclassified to Profit or Loss:			
Gain/(loss) on remeasurement of the defined benefits plan		77.53	52.63
Income tax (expenses)/income on remeasurments of the defined benefits plan		(19.51)	(13.27)
		58.02	39.36
Carried forward - other comprehensive income		58.02	39.36

Statement of Profit and Loss for the year ended March 31, 2022 (contd.)

	Note	2021-22	2020-21	₹ crore
Brought forward - other comprehensive income		58.02		39.36
B Items that will be reclassified to Profit or Loss:				
Debt instruments through other comprehensive income		(177.90)	239.46	
Income tax (expenses)/income on debt instruments through other comprehensive income		40.70	(54.79)	
		(137.20)		184.67
Exchange differences in translating the financial statements of foreign operations		(26.59)	17.56	
Income tax (expenses)/income on exchange differences in translating the financial statements of foreign operations		6.69	(4.42)	
		(19.90)		13.14
Effective portion of gains/(losses) on hedging instruments in a cash flow hedge		69.17	218.43	
Income tax (expenses)/income on effective portion of gains/(losses) on hedging instruments in a cash flow hedge		(8.59)	(69.74)	
		60.58		148.69
Cost of hedging reserve		3.06	11.80	
Income tax (expenses)/income on cost of hedging reserve		(0.77)	(2.97)	
		2.29		8.83
Other comprehensive income for the year (net of tax)		(36.21)		394.69
Total comprehensive income for the year		7843.24	12192.48	
Earnings per share (EPS) of ₹ 2 each from continuing operations:				
Basic earnings per equity share (₹)	49	56.09		22.41
Diluted earnings per equity share (₹)	49	56.03		22.39
Earnings per share (EPS) of ₹ 2 each from discontinued operations:				
Basic earnings per equity share (₹)	49	–		61.61
Diluted earnings per equity share (₹)	49	–		61.54
Earnings per share (EPS) of ₹ 2 each from continuing operations & discontinued operations:				
Basic earnings per equity share (₹)	49	56.09		84.02
Diluted earnings per equity share (₹)	49	56.03		83.93
Face value per equity share (₹)		2.00		2.00
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 to 65			

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

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

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

M. M. CHITALE
Independent Director
(DIN 00101004)

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

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share capital

Particulars	2021-22		2020-21	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,40,45,55,297	280.91	1,40,38,92,022	280.78
Add: Shares issued on exercise of employee stock options during the year	4,73,826	0.10	6,63,275	0.13
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,50,29,123	281.01	1,40,45,55,297	280.91

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	
Balance as at 1-4-2020	10.52	(25.77)	-	8599.60	99.92	533.53	25669.50	16957.17	(4.14)	(61.31)	115.55	51894.57
Change on account of business combination	0.32	-	-	-	-	-	1.21	838.62	-	120.17	-	960.32
Restated balance at 1-4-2020	10.84	(25.77)	-	8599.60	99.92	533.53	25670.71	17795.79	(4.14)	58.86	115.55	52,854.89
Profit for the year (a)	-	-	-	-	-	-	-	11797.79	-	-	-	11797.79
Other comprehensive income (b)	-	-	-	-	-	-	-	39.36	13.14	157.52	184.67	394.69
Total comprehensive income for the year (a+b)	-	-	-	-	-	-	-	11837.15	13.14	157.52	184.67	12192.48
Issue of equity shares	-	-	-	68.05	-	-	-	-	-	-	-	68.05
Transfer to non-financial assets/liabilities	-	-	-	-	-	-	-	-	-	(1.86)	-	(1.86)
Transfer from/(to) general reserve	-	-	-	-	(6.54)	(394.88)	401.42	-	-	-	-	-
Employee share options (net)	-	-	-	-	(5.76)	-	-	-	-	-	-	(5.76)
Transfer to capital redemption reserve	-	-	260.00	-	-	-	-	(260.00)	-	-	-	-
Special dividend	-	-	-	-	-	-	-	(2527.66)	-	-	-	(2527.66)
Dividend paid for previous year	-	-	-	-	-	-	-	(1123.23)	-	-	-	(1123.23)
Balance as at 31-3-2021	10.84	(25.77)	260.00	8667.65	87.62	138.65	26072.13	25722.05	9.00	214.52	300.22	61456.91

Statement of Changes in Equity for the year ended March 31, 2022 (contd.)

₹ crore

Particulars	Reserves and surplus						Items of Other Comprehensive Income					Total other equity
	Capital reserve	Capital reserve on business combination	Capital redemption reserve	Securities premium	Employee share options (net)	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Hedging reserve	Debt instruments through other comprehensive income	
Balance as at 1-4-2021	10.84	(25.77)	260.00	8667.65	87.62	138.65	26072.13	25722.05	9.00	214.52	300.22	61456.91
Profit for the year (c)	-	-	-	-	-	-	-	7879.45	-	-	-	7879.45
Other comprehensive income (d)	-	-	-	-	-	-	-	58.02	(19.90)	62.87	(137.20)	(36.21)
Total comprehensive income for the year (c+d)	-	-	-	-	-	-	-	7937.47	(19.90)	62.87	(137.20)	7843.24
Issue of equity shares	-	-	-	51.09	-	-	-	-	-	-	-	51.09
Transfer to non-financial assets/liabilities	-	-	-	-	-	-	-	-	-	1.12	-	1.12
Transfer from/(to) general reserve	-	-	-	-	(7.30)	-	7.30	-	-	-	-	-
Employee share options (net)	-	-	-	-	9.06	-	-	-	-	-	-	9.06
Dividend paid for previous year	-	-	-	-	-	-	-	(2528.38)	-	-	-	(2528.38)
Balance as at 31-3-2022	10.84	(25.77)	260.00	8718.74	89.38	138.65	26079.43	31131.14	(10.90)	278.51	163.02	66833.04

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

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

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

M. M. CHITALE
Independent Director
(DIN 00101004)

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

Mumbai, May 12, 2022

Statement of Cash Flows for the year ended March 31, 2022

	₹ crore	
	2021-22	2020-21
A. Cash flow from operating activities:		
Profit before tax (excluding exceptional items) from:		
Continuing operations	9741.41	8137.38
Discontinued operations	–	11199.23
Profit before tax including discontinued operations (excluding exceptional items)	9741.41	19336.61
Adjustments for:		
Gain on transfer of discontinued operations	–	(11078.33)
Dividend received	(1619.06)	(1034.40)
Depreciation, amortisation, impairment and obsolescence (net)	1172.50	1150.68
Exchange difference on items grouped under financing/investing activities	(122.69)	(28.09)
Effect of exchange rate changes on cash and cash equivalents	(18.95)	51.27
Finance cost	1754.24	2381.71
Interest income	(1045.82)	(948.73)
(Profit)/loss on sale of fixed assets (net)	(14.78)	(477.41)
(Profit)/loss on sale of investments (net) [including fair valuation]	(506.09)	(1076.69)
Impairment of non-current investment	0.29	277.71
Employee stock option-discount forming part of employee benefits expense	49.11	43.89
Non-cash items related to discontinued operations	–	2.83
Operating profit before working capital changes	9390.16	8601.05
Adjustments for:		
(Increase)/decrease in trade and other receivables	(8128.79)	2519.02
(Increase)/decrease in inventories	(219.84)	26.90
Increase/(decrease) in trade payables and customer advances	7253.98	364.98
Cash (used in)/generated from operations	8295.51	11511.95
Direct taxes refund/(paid) [net]	(2296.72)	(1951.11)
Net cash (used in)/from operating activities	5998.79	9560.84
B. Cash flow from investing activities:		
Purchase of fixed assets	(1410.29)	(781.32)
Sale of fixed assets (including advance received)	60.45	631.80
Investment in subsidiaries, associates and joint venture companies	(542.83)	(2272.05)
Divestment of stake in subsidiary companies	785.02	–
Net proceeds from transfer of NxT business undertaking	107.58	–
Net proceeds/(payments) for transfer of discontinued operations (net of tax)	(49.24)	10845.76
(Purchase)/sale of current investments (net)	4012.85	(13127.63)
Change in other bank balances and cash not available for immediate use	62.41	12.32
Long term deposits/loans (given) - subsidiaries, associates, joint venture companies and third parties	(1677.12)	(1743.04)
Long term deposits/loans repaid - subsidiaries, associates, joint venture companies and third parties	857.25	1698.96
Short term deposits/loans (given)/repaid (net) - subsidiaries, associates, joint venture companies and third parties	(147.85)	158.58
Interest received	848.71	822.08
Dividend received from subsidiaries and joint venture companies	1615.19	1016.03
Dividend received from other investments	3.74	15.34
Net cash (used in)/from investing activities	4525.87	(2723.17)

Statement of Cash Flows for the year ended March 31, 2022 (contd.)

	₹ crore	
	2021-22	2020-21
C. Cash flow from financing activities:		
Proceeds from fresh issue of share capital (including share application money) [net]	10.97	15.85
Proceeds from non-current borrowings [refer Note 43]	450.00	9117.73
Repayment of non-current borrowings [refer Note 43]	(18.00)	(3396.88)
(Repayments of)/Proceeds from other borrowings (net) [refer Note 43]	(4713.97)	(6823.60)
Settlement of derivative contracts related to borrowings	143.82	66.73
Interest paid on lease liability	(13.24)	(14.36)
Principal repayment on lease liability [refer Note 43]	(96.33)	(117.04)
Dividends paid	(2528.38)	(3650.89)
Interest paid (including cash flows from interest rate swaps)	(1595.23)	(1895.69)
Net cash (used in)/from financing activities	(8360.36)	(6698.15)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	2164.30	139.52
Cash and cash equivalents at beginning of the year [refer Note 14]	3524.95	3442.70
Effect of exchange rate changes on cash and cash equivalents	28.98	(57.27)
Cash and cash equivalents at end of the year [refer Note 14]	5718.23	3524.95

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.
- Fixed assets include 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

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer
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(DIN 02255382)

M. M. CHITALE
Independent Director
(DIN 00101004)

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

Mumbai, May 12, 2022

Notes forming part of the 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)

Significant Accounting Policies

(a) Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments 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 12, 2022.

(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 the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Amounts in the financial statements are presented in Indian 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 decimal places.

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

Operating cycle for the business activities of the Company covers the duration of the specific project 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 Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies (contd.)

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

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 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.

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

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

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 on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

- 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.

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

- E. Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (B) *supra*.
- F. Commission income is recognised as 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 application is made to the government authorities and to the extent there is no uncertainty towards its receipt.
- D. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(f) Exceptional items

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

(g) Property, plant and equipment (PPE)

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

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

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 *infra*).

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 Act, 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 PPE *supra*.

(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;
 - 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.

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

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 and intangible assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

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

- (i) in the case of an individual asset, at the higher of the fair value less costs to sell 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 to sell 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 (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset.

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

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

(k) Employee Benefits

- (i) Short-term employee benefits:

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

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.

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

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) Long-term employee benefits:

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

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

(Also refer to policy on depreciation, *supra*)

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

(m) Financial instruments

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

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

- 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.

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.

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. 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.

(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

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

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.

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.

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

- iv) Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income/(expenditure)(net)".
- v) Segment result 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/(expenditure)(net)".
- vii) Segment results have not been 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 includes the fair value of the employee stock options which is accounted as employee compensation cost [Note 1(ii)(r) *supra*] and is allocated to the segment.
- x) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.

(u) Taxes on income

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

(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.

Notes forming part of the Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

Contingent liability is disclosed in case of:

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

Contingent assets are disclosed where an inflow of economic benefits is probable.

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

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

(x) Commitments

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

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

(z) Statement of Cash Flows

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

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

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

(aa) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions 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 Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies (contd.)

(ab) Business Combination

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

The financial information in the financial statements in respect of prior periods is restated from the beginning of the preceding period in the financial statements if the business combination date is prior to that date. However, if business combination date is after that date, the financial information in the financial statements is restated from the date of business combination.

The gain/loss net of tax on transfer of business within common control entities is recognised in the statement of profit and loss account by the transferor entity.

(ac) Recent Pronouncement:

On March 23, 2022, Ministry of Corporate Affairs amended Ind AS 16 (specifying accounting of net sale proceeds generated while preparing the asset for its intended use), Ind AS 37 (specifying the composition of the cost of fulfilling the contract), Ind AS 103 (specifying the criteria for applying acquisition method for recognising assets and liabilities) and Ind AS 109 (specifying which fees to be included to apply 10 per cent test). These amendments are effective from April 1, 2022 and will not have material impact on Company's financial statements.

Notes forming part of the Financial Statements (contd.)

NOTE [2]

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

₹ crore

Class of assets	Cost/Valuation					Depreciation					Impairment			Book value		
	As at 1-4-2021	Additions	Trf (to)/ from investment property/ inventories	Foreign currency fluctuation	Deductions	As at 31-3-2022	Up to 31-3-2021	For the year	Trf (to)/ from investment property	Foreign currency fluctuation	Deductions	Up to 31-3-2022	As at 31-3-2022	Up to 31-3-2021	As at 31-3-2022	As at 31-3-2021
Land																
Freehold	729.54	11.69	(183.75)	-	-	557.48	-	-	-	-	-	-	-	-	557.48	729.54
Leasehold	144.01	-	-	-	-	144.01	9.56	1.60	-	-	-	11.16	-	-	132.85	134.46
Sub total -Land	873.55	11.69	(183.75)	-	-	701.49	9.56	1.60	-	-	-	11.16	-	-	690.33	864.00
Buildings	3195.89	58.97	(5.18)	0.53	7.37	3242.84	548.03	108.61	(1.60)	0.53	1.79	653.78	87.35	87.35	2501.71	2560.51
Plant & equipment																
Owned	7099.43	786.20	(2.29)	3.19	164.25	7722.28	3728.64	689.40	(0.35)	3.16	125.26	4295.59	15.02	15.02	3411.67	3355.77
Leased out	162.72	-	-	-	-	162.72	157.23	3.45	-	-	-	160.68	-	-	2.04	5.49
Sub total- Plant & equipment	7262.15	786.20	(2.29)	3.19	164.25	7885.00	3885.87	692.85	(0.35)	3.16	125.26	4456.27	15.02	15.02	3413.71	3361.26
Computers	503.11	59.88	-	0.08	21.28	541.79	365.90	71.10	-	0.08	19.51	417.57	-	-	124.22	137.21
Office equipment	272.63	22.40	(0.05)	0.29	5.72	289.55	181.52	33.85	(0.03)	0.30	5.38	210.26	0.01	0.01	79.28	91.10
Furniture & fixtures	154.50	9.19	(2.18)	0.04	8.47	153.08	95.44	16.43	(1.89)	0.03	6.83	103.18	0.24	0.24	49.66	58.83
Vehicles	265.02	26.00	-	0.33	33.70	257.65	151.23	28.42	-	0.31	23.11	156.85	-	-	100.80	113.79
Other assets																
Ships	264.00	0.24	-	-	-	264.24	50.34	20.68	-	-	-	71.02	-	-	193.22	213.66
Dredged Channel	679.69	-	-	-	-	679.69	233.90	31.92	-	-	-	265.82	-	-	413.87	445.78
Breakwater Structures	226.00	-	-	-	-	226.00	31.44	5.01	-	-	-	36.45	-	-	189.55	194.57
Aircraft	195.22	-	-	-	-	195.22	37.38	10.48	-	-	-	47.86	-	-	147.36	157.84
Leasehold Improvements	-	4.75	-	-	-	4.75	-	0.09	-	-	-	0.09	-	-	4.66	-
Sub total - Other assets	1364.91	4.99	-	-	-	1369.90	353.06	68.18	-	-	-	421.24	-	-	948.66	1011.85
Total	13891.76	979.32	(193.45)	4.46	240.79	14441.30	5590.61	1021.04	(3.87)	4.41	181.88	6430.31	102.62	102.62	7908.37	8198.54
Previous year	12622.30	1709.34	(53.37)	(6.79)	379.72	13891.76	4881.33	962.27	(10.55)	(15.80)	226.64	5590.61	104.60	102.62		
Add: Capital work-in-progress [refer Note 2(k)]															571.50	238.71
															8479.87	8437.25

a) Cost of buildings includes ownership accommodations:

- (i) A. in various co-operative societies, shop-owners' associations and non-trading corporations: ₹ 68.21 crore, including 2610 shares of ₹ 50 each, 75 shares of ₹ 100 each. (previous year: in various co-operative societies, shop-owners' associations and non-trading corporations: ₹ 68.26 crore, including 2615 shares of ₹ 50 each, 75 shares of ₹ 100 each).
- B. in various apartments: ₹ 8.82 crore. (previous year: ₹ 8.82 crore).
- C. in various co-operative societies: ₹ 0.36 crore (previous year: ₹ 0.36 crore) for which share certificates are yet to be issued.
- D. in proposed co-operative societies ₹ 30.59 crore. (previous year: ₹ 30.59 crore).
- (ii) ownership accommodations of ₹ 11.75 crore representing undivided share in properties at various locations. (previous year: ₹ 11.75 crore).

Notes forming part of the Financial Statements (contd.)

NOTE [2]

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

- b) Additions during the year and capital work-in-progress of buildings include ₹ 8.83 crore (previous year: ₹ 27.75 Crore) being borrowing cost capitalised in accordance with Accounting Standard (Ind AS) 23 "Borrowing Costs".
- c) The rate used to determine the amount of borrowing costs eligible for capitalisation is 6.23% (previous year: 5.71%).
- d) Owned assets given on operating lease have been presented separately under respective class of assets as "Leased out" pursuant to Ind AS 116 "Leases".
- e) Cost as at April 1, 2021 of individual assets has been reclassified wherever necessary.
- f) 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.
- g) 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 & 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)	Useful life adopted (in years)
1.	Aircrafts	–	20	18
2.	Vehicles	Motor Cars	8	7

- A Assets used in Heavy Engineering Business:

Sr. No	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & equipment	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 Financial Statements (contd.)

NOTE [2]

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

B Assets used in Shipbuilding Business:

Asset category	Sub-category of Assets	Useful life as per Schedule II (in years)	Revised Useful life adopted based on technical evaluation (in years)
(i) Breakwater Structures	Breakwater & Rock Bund	30 ^[1]	50
(ii) Dredged Channel	Ship lift structures, Control system, Chiller units, Condition monitoring system, Ship position system, Ship transfer system, other ship lift related structures	30 ^[1]	20
	Land berth and piled platforms	30 ^[1]	40
	Tower cranes	15	25
(iii) Plant & equipment	Rails	15	20
	Diesel Generator	15	12
	Air-Conditioner & refrigeration equipment	15	12
(iv) Buildings	Production shops	30	50
	Internal roads	5	15
(v) Vehicles	Motor Cars	8	7

^[1] Represents licence period as per agreement executed with the Tamil Nadu Maritime Board, renewable on expiry.

C Assets used in Defence Engineering Business:

Sr. No	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Buildings	Factory Buildings	30	5 - 50
		Non-Factory Buildings	3 – 60	2-60
2.	Plant & equipment	General	8 – 15	1 – 30
		Canteen equipment	8	1 – 8
		Photographic equipment	15	5-8
		Laboratory equipment	10	1-8
		Electrical installation	10	1-21
		Air conditioning and refrigeration equipment	12	1-12
3.	Computer		3 – 6	1 – 8
4.	Office equipment		4 – 5	1 – 15
5.	Furniture & fixture		10	1 – 20
6.	Vehicles	Motor cars	8	7

Notes forming part of the Financial Statements (contd.)

NOTE [2]

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

D Assets used in Construction business:

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

In addition to above any assets purchased for project site with acquisition value less than ₹ 50,000 for above 5 categories of Asset, full cost is depreciated in the same financial year.

E Assets used in Hydrocarbon business

Category	Sub Class	Useful Life as per Schedule II (in years)	Useful life adopted (in years)
Buildings	Office building	60	5-60
	Housing colony	50	5-60
Ships		20	15-25
Software	Specialised software	6	Depending on life of Software
Plant & equipment	General	12	8-30
	Tunneling and transmission Line Equipments	10	8-30
	Cranes < 100 Tons	15	8-30
	Heavy Lift Equipment		
	Concreting Equipment	15	8-30
	Road Making Equipment	15	8-30
	Crushing Equipment	15	8-30
	Piling Equipment	15	8-30
	Pipeline Equipment	15	8-30
	Welding Equipment	15	8-30
	Others	15	8-30
	Plant & Machinery	15	8-30
	Earth-moving Equipment	15	8-30
Computers	Laptop/Desktop	3	3-6
	Servers & Storage & Network Switches & Routers	6	3-6
	Office Equipments		
Office Equipments	Fax/Printers/Scanner (MFD), Desktop Inkjet/LaserJet Printers, Switchers		
	Audio Video & Projectors	4	4-30
	Other Office Equipments	5	4-30
	Water Cooler	5	4-30
	Assets deployed at project sites	5	4-30
Air-condition and Refrigeration	Assets deployed at Office		
	Assets deployed at project sites	12	4-30
Canteen Equipments	Assets deployed at Office		
	Assets deployed at project sites	8	4-30
Photographic Equipments	Assets deployed at Office		
	Assets deployed at project sites	15	4-30
Laboratory Equipments	Assets deployed at Office		
	Assets deployed at project sites	8	4-30

Notes forming part of the 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)	Useful life adopted (in years)
Electrical Installations	HT/LT Electric Sub-station	22	4-30
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

- 1) Assets with Acquisition value less than ₹ 5,000/- is depreciated in the same financial year.
- 2) P&M and Office equipment at project sites costing below ₹ 50,000/- is depreciated in the same financial year.

j) Carrying value of Property, plant and equipment hypothecated as collateral for certain borrowings and / or commitments as at March 31, 2022 - ₹ 1479.32 crore (as at March 31, 2021: ₹ 1476.49 crore)

k) Ageing of Capital work-in-progress

₹ crore

Particulars	As at 31-3-2022					As at 31-3-2021				
	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	472.53	91.94	7.04	–	571.50	204.48	33.45	0.77	–	238.71
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
Total capital work-in-progress	472.53	91.94	7.04	–	571.50	204.48	33.45	0.77	–	238.71

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

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

Description of property	Gross carrying value as at March 31, 2022 (₹ crore)	Carrying value in the financial statements as at March 31, 2022 (₹ 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
Land - Undivided Land at 171, SP Mukherjee Road, Kolkata, West Bengal (Area- 3925 sq ft)	0.13	0.13	SVM Industries	No	30 years (Since 1992)	Conveyance deed is pending to be executed. Appeal is pending before the High Court of Calcutta.
Building - 4 flats - 171, SP Mukherjee Road, Kolkata, West Bengal	0.15	0.12	SVM Industries	No	29 years (Since 1993)	Conveyance deed is pending to be executed. Appeal is pending before the High Court of Calcutta.
Freehold Land- Hazira West	1.01	1.01	1. Magan Kuber * 2. Kashiben Patel 3. Ishwar Prema	No	10 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 owner, possession is with L&T.

Notes forming part of the Financial Statements (contd.)

NOTE [3]

Investment Property

₹ crore

Class of assets	Cost				Depreciation				Book Value			
	As at 1-4-2021	Additions	Transferred from PPE/(to) inventories	Deductions	As at 31-3-2022	As at 31-3-2021	Additions	Transferred from PPE/(to) inventories	Deductions	As at 31-3-2022	As at 31-3-2021	As at 31-3-2021
Land	47.68	–	146.37	–	194.05	–	–	–	–	–	194.05	47.68
Buildings	429.23	51.21	0.41	–	480.85	68.55	16.49	0.23	–	85.27	395.58	360.68
Total	476.92	51.21	146.78	–	674.91	68.55	16.49	0.23	–	85.27	589.64	408.36
Previous year	509.49	–	49.55	82.12	476.92	55.37	17.48	7.57	11.87	68.55	–	–
Add: Capital work-in-progress											–	–
											589.64	408.36

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

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

- (b) Disclosure pursuant to Ind AS 40 “Investment Property”

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

₹ crore

Sr. No.	Particulars	2021-22	2020-21
1	Rental income derived from investment property	103.31	124.40
2	Direct operating expenses pertaining from investment property that generated rental income	49.14	58.21
3	Direct operating expenses pertaining from investment property that did not generate rental income	–	4.24

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

₹ crore

Particulars	2021-22	2020-21
Fair valuation by:		
(i) independent registered valuers ⁽¹⁾	1225.00	56.75
(ii) independent unregistered valuers ⁽¹⁾	70.12	1159.66
(iii) internal architectural department	1110.35	865.66
Total fair value	2405.47	2082.07

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

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

Notes forming part of the Financial Statements (contd.)

NOTE [4]

Other intangible assets & Intangible assets under development

₹ crore

Class of assets	Cost			Amortisation				Book Value		
	As at 1-4-2021	Additions	Deductions	As at 31-3-2022	Up to 31-3-2021	For the year	Deductions	Up to 31-3-2022	As at 31-3-2022	As at 31-3-2021
Specialised Software	255.54	11.81	0.10	267.25	210.31	12.90	0.09	223.12	44.12	45.23
Technical knowhow	99.85	–	–	99.85	74.25	7.20	–	81.45	18.40	25.60
New Product Design and Development	6.26	–	–	6.26	6.26	–	–	6.26	0.00	(0.00)
Platforms and Courses	–	88.39	–	88.39	–	3.62	–	3.62	84.77	–
Total	361.65	100.20	0.10	461.75	290.83	23.72	0.09	314.46	147.29	70.83
Previous year	355.29	12.23	5.87	361.65	254.94	40.58	4.69	290.83		
Add: Intangible assets under development [refer Note 4(c)]									11.26	48.01
									158.55	118.84

(a) Additions during the year

₹ crore

Class of assets	FY 2021-22			FY 2020-21		
	Internal Development	Acquired - External	Total	Internal Development	Acquired - External	Total
Specialised software	2.11	9.70	11.81	–	8.28	8.28
Technical knowhow	–	–	–	–	2.78	2.78
New product design and development	–	–	–	–	1.17	1.17
Platforms and courses	88.39	–	88.39	–	–	–
Total	90.50	9.70	100.20	–	12.23	12.23

(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	1	10
2.	Technical knowhow	1	10
3.	New product design and development	1	6
4.	Platforms and courses	5	5

(c) Ageing of intangible assets under development

₹ crore

Particulars	As at 31-3-2022					As at 31-3-2021				
	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	11.14	0.12	–	–	11.26	48.01	–	–	–	48.01
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
Total capital work-in-progress	11.14	0.12	–	–	11.26	48.01	–	–	–	48.01

As on the date of 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 Financial Statements (contd.)

NOTE [5]

Non-current Assets: Financial Assets - Investments

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Investment in equity instruments		
(a) Subsidiary companies	25328.58	25465.89
(b) Associate companies	4.42	4.42
(c) Joint venture companies	1642.10	1640.09
(d) Other companies	74.40	70.22
	<u>27049.50</u>	<u>27180.62</u>

Details of Non-current Assets: Financial Assets - Investments

Particulars	Face value per unit	Number of units		
		As at 31-3-2022	As at 31-3-2022	As at 31-3-2021
	₹		₹ crore	₹ crore
(A) Investments in fully paid equity instruments				
(a) Subsidiary companies:				
(i) Investments in fully paid equity instruments:				
L&T Valves Limited	100	18,00,000	161.23	161.23
Bhilai Power Supply Company Limited	10	49,950	0.05	0.05
Hi-Tech Rock Products & Aggregates Limited	10	50,000	0.05	0.05
Kesun Iron & Steel Company Private Limited [Net of provision ₹ 95,000 (previous year: ₹ 95,000)]	10	9,500	–	–
L&T Aviation Services Private Limited	10	4,56,00,000	45.60	45.60
L&T Capital Company Limited	10	50,000	0.05	0.05
L&T Cassidian Limited [Net of provision ₹ 0.05 crore] [previous year provision: ₹ 0.05 crore]	10	50,000	–	–
L&T Finance Holdings Limited (quoted)	10	1,63,92,29,920	5918.65	5375.82
L&T Metro Rail (Hyderabad) Limited	10	2,43,89,99,999	2439.00	2439.00
L&T Hydrocarbon Saudi Company LLC (Formerly Larsen & Toubro ATCO Saudi LLC) [₹ 130.39 (previous year: ₹ 130.39)]	SAR 1000	1,000	–	–
L&T Power Development Limited [Net of provision ₹ 668.00 crore (previous year: ₹ 829.00 crore)]	10	3,11,27,00,000	2444.70	2283.70
L&T Power Limited	10	51,157	0.05	0.05
L&T Electromech LLC [₹ 171.7 (previous year: ₹ 171.7)]	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 ⁽¹⁾	10	1,65,45,50,000	1654.55	1654.55
Mindtree Limited (quoted)	10	10,05,27,734	9567.93	9567.93
L&T Modular Fabrication Yard LLC [₹ 171.7 (previous year: ₹ 171.7)]	OMR 1	20,19,230	–	–
L&T Innovation Campus (Chennai) Limited (formerly known as L&T Electricals and Automation Limited)	10	74,38,796	40.36	40.36
L&T Kuwait Construction General Contracting Company WLL [₹ 66.04 (previous year: ₹ 66.04)]	KWD 1000	980	–	–
L&T Technology Services Limited (quoted)	2	7,79,86,899	805.25	805.25
Larsen & Toubro Infotech Limited (quoted)	1	12,97,84,034	108.05	108.05
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 Hydrocarbon International FZE	AED 1000	150	–	0.29
Larsen & Toubro LLC	USD 1	50,000	0.23	0.23
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	10	36,00,000	21.85	21.85
L&T Global Holdings Limited	USD 100	80,000	53.16	53.16
		–	<u>23721.38</u>	<u>23017.84</u>

Notes forming part of the Financial Statements (contd.)

NOTE [5]

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

Particulars	Face value per unit ₹	Number of units		
		As at 31-3-2022	As at 31-3-2022 ₹ crore	As at 31-3-2021 ₹ crore
(ii) Preference share considered equity as per terms:				
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, March 30, 2027.	2	82,60,00,000	826.00	826.00
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, May 12, 2027	2	4,80,00,000	48.00	48.00
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, July 14, 2027	2	4,22,50,000	42.25	42.25
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, September 3, 2027	2	4,20,00,000	42.00	42.00
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, July 17, 2029 [previous year net of provision: ₹ 586.00 crore]	2	–	–	840.85
L&T Realty Developers Limited - 12% Non-cumulative and optionally convertible redeemable at par preference shares, May 26, 2025.	10	64,83,00,000	648.30	648.30
			1606.55	2447.40
(iii) Other equity investments:				
L&T Aviation Services Private Limited			0.65	0.65
			0.65	0.65
Total - (a) = (i)+(ii)+(iii)			25328.58	25465.89
(b) Associate companies:				
Gujarat Leather Industries Limited [Net of provision ₹ 0.56 crore (previous year: ₹ 0.56 crore)]	10	7,35,000	–	–
Magtorq Private Limited	100	9,000	4.42	4.42
			4.42	4.42
(c) Joint Venture companies:				
(i) Investments in fully paid equity instruments:				
Ahmedabad-Maliya Tollway Limited [₹ 1000 (previous year: ₹ 1000)]	10	100	–	–
L&T Chennai-TADA Tollway Limited [₹ 1000 (previous year: ₹ 1000)]	10	100	–	–
L&T Howden Private Limited	10	1,50,30,000	15.03	15.03
L&T Chiyoda Limited	10	45,00,000	4.50	4.50
L&T Hydrocarbon Caspian LLC	AZM 10	9,250	0.36	0.36
L&T Sapura Shipping Private Limited	10	9,53,11,850	95.31	95.31
L&T Sapura Offshore Private Limited	10	6,000	0.01	0.01
L&T Infrastructure Development Projects Limited [Net of provision ₹ 1723 crore (previous year: ₹ 1723 crore)]	10	32,10,59,096	1021.48	1021.48
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 Rajkot-Vadinar Tollway Limited [₹ 1000 (previous year: ₹ 1000)]	10	100	–	–
L&T Samakhiali Gandhidham Tollway Limited	10	13,000	0.01	0.01
L&T Special Steels and Heavy Forgings Private Limited [Net of provision ₹ 419.28 crore (previous year: ₹ 419.28 crore)]	10	41,92,84,000	–	–
L&T Transportation Infrastructure Limited	10	1,08,64,000	10.86	10.86
L&T-Sargent & Lundy Limited	10	27,82,736	0.82	0.82
PNG Tollway Limited [₹ 1000 (previous year: ₹ 1000)]	10	100	–	–
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
L&T Halol-Shamlaji Tollway Limited [(previous year: ₹ 1000)] ^[2]	10	100	–	–
			1630.73	1630.73
(ii) Other equity investments:				
L&T - MHI Power Boilers Private Limited			2.24	2.24
L&T - MHI Power Turbine Generators Private Limited			9.13	7.12
			11.37	9.36

Notes forming part of the Financial Statements (contd.)

NOTE [5]

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

Particulars	Face value per unit	Number of units		
		As at 31-3-2022	As at 31-3-2022	As at 31-3-2021
	₹		₹ crore	₹ crore
(iii) Preference shares-(equity portion):				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024 [Net of provision ₹ 78.33 crore (previous year: ₹ 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: ₹ 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: ₹ 84.41 crore)]	10	14,20,80,000	—	—
			1642.10	1640.09
Total - (c) = (i)+(ii)+(iii)				
(d) Other companies:				
International Seaport Dredging Limited [Net of provision ₹ 15.90 crore (previous year: ₹ 15.90 crore)]	10000	15,899	—	—
BBT Elevated Road Private Limited	10	1,00,000	0.10	0.10
Utmal Multi purpose Service Co-operative Society Limited (B Class) [₹ 30,000 (previous year: ₹ 30,000)]	100	300	—	—
Tidel Park Limited [refer Note 53(f)]	10	40,00,000	69.32	63.23
VP Global Fibre and Yarns Private Limited [₹ 22,900 (previous year: ₹ 22,900)]	100	229	—	—
New Vision Wind Power Private Limited [₹ 27,000 (previous year: ₹ 27,000)]	10	2,700	—	—
The New India Assurance Company Limited	10	4,45,803	4.98	6.88
L&T Halol-Shamlaji Tollway Limited [Net of provision ₹ 1000] ^[2]	10	100	—	—
			74.40	70.22
Total - (A) =(a)+(b)+(c)+(d)				
(B) Investment in preference shares of Joint Venture companies:				
(Fair value debt portion):				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024 [Net of provision ₹ 77.77 crore (previous year: ₹ 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: ₹ 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: ₹ 56.28 crore)]	10	14,20,80,000	—	—
			—	—
Total - (B)				
Total Non current Investment =(A)+(B)				
			27049.50	27180.62

Details of quoted/unquoted investments:

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
(a) Aggregate amount of quoted investments and market value thereof;		
Book Value	16417.71	15874.88
Market Value	176195.93	109342.27
(b) Aggregate amount of unquoted investments;		
Book Value	10631.79	11305.74
(c) Aggregate amount of Impairment in value of investments	3300.57	4047.57

^[1] L&T Seawoods Limited, a wholly owned subsidiary has received the approval from The National Company Law Tribunal, Mumbai Bench, for the reduction of its paid-up equity share capital from ₹ 1654.55 crore (1,65,45,50,000 shares of ₹ 10 each) to ₹ 1354.55 crore (1,35,45,50,000 shares of ₹ 10 each). As the approval is received on April 4, 2022, the cancellation of 30,00,00,000 equity shares of ₹ 10 each by returning cash of ₹ 300 crore to the Company is effected in financial year 2022-23.

^[2] Ceased to be a joint venture w.e.f. October 21, 2021

Notes forming part of the Financial Statements (contd.)

NOTE [6]

Non-current Assets: Financials Assets - Loans

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Unsecured loan and advances to related parties:		
Subsidiary companies, considered good	3923.29	2853.13
Subsidiary companies, considered doubtful	283.48	277.70
Less: Allowance for expected credit loss	283.48	277.70
	-	-
Joint venture companies, considered good	1891.60	1730.38
Less: Allowance for expected credit loss	1730.38	1730.38
	161.22	-
Unsecured other loans, considered good	0.07	0.39
	4084.58	2853.52

NOTE [7]

Non current Assets: Financial Assets - Others

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Unsecured security deposits, considered good:	179.87	161.45
Less: Allowance for expected credit loss	39.86	37.79
	140.01	123.66
Fixed deposits with banks (maturity more than 12 months)	0.36	2.89
Cash and bank balances not available for immediate use [refer Note 7(a)]	94.29	283.85
Forward contract receivables	129.74	100.06
Embedded derivative receivables	2.39	1.75
Premium receivable on financial guarantee contracts	77.73	6.12
Other receivables	79.28	13.45
	523.80	531.78

Note 7(a)

Particulars of cash and bank balances not available for immediate use

Sr. No.	Particulars	₹ crore	
		As at 31-3-2022	As at 31-3-2021
1	Amount received (including interest accrued thereon) from customers of property development business – to be handed over to housing society on its formation.	27.71	27.02
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.	16.09	27.78
3	Other bank balances (including interest accrued thereon) not available for immediate use being security offered for bids submitted, loans availed, acquisition etc.	601.04	616.43
	Total	644.84	671.23
	Less: Amount reflected under current assets [refer Note 13]	550.55	387.38
	Amount reflected under other financial assets - non-current [refer Note 7]	94.29	283.85

Notes forming part of the Financial Statements (contd.)

NOTE [8]

Other non-current assets

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Capital advances:		
Secured	0.92	0.61
Unsecured	107.37	31.02
Advance recoverable other than in cash	1802.28	1807.49
Current tax receivable (net)	2079.73	2059.17
	<u>3990.30</u>	<u>3898.29</u>

NOTE [9]

Current Assets: Inventories

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Raw materials [includes goods-in-transit ₹ 27.64 crore (previous year: ₹ 3.86 crore)]	403.90	396.97
Components [includes goods-in-transit ₹ 7.80 crore (previous year: ₹ 1.48 crore)]	188.99	102.97
Construction materials [includes goods-in-transit ₹ 116.74 crore (previous year: ₹ 39.17 crore)]	150.83	59.78
Manufacturing work-in-progress	272.15	212.23
Finished goods	16.65	3.57
Stock-in-trade [includes goods-in-transit ₹ 32.73 crore (previous year: ₹ 44.34 crore)]	319.61	361.31
Stores and spares [includes goods-in-transit ₹ 1.76 crore (previous year: ₹ 4.60 crore)]	148.10	156.27
Loose tools	5.79	2.71
Property development related work-in-progress	1620.82	1567.90
Property development project - completed property	5.67	13.86
	<u>3132.51</u>	<u>2877.57</u>

Note : During the year ₹ 28.06 crore (previous year: ₹ 5.19 crore) was recognised as expense towards write-down of inventories (net).

NOTE [10]

Current Assets: Financial Assets - investments

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
(A) Government and trust securities	2146.25	869.51
(B) Debentures and bonds		
(i) Subsidiary companies	2228.72	2659.72
(ii) Joint venture companies	698.81	884.37
(iii) Other debentures & bonds	5024.60	5731.81
	7952.13	9275.90
(C) Mutual funds	5961.14	11787.56
(D) Collateral borrowing and lending obligation (CBLO)	1499.57	299.98
(E) Commercial paper	919.13	—
	<u>18478.22</u>	<u>22232.95</u>

Notes forming part of the 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 31-3-2022	As at 31-3-2022	As at 31-3-2021
	₹		₹ crore	₹ crore
Debentures and Bonds (quoted):				
(i) Subsidiary companies:				
9.10% L&T Finance Limited NCD April 13, 2022	1000	200,000	20.12	21.06
9.00% L&T Finance Limited NCD April 15, 2024	1000	153,800	17.70	18.15
8.92% L&T Finance Limited NCD October 6, 2021	1000000	–	–	5.34
7.75% L&T Finance Limited NCD July 10, 2025	1000000	1,450	160.25	162.02
8.93% L&T Finance Limited NCD August 8, 2022	1000000	250	25.78	26.84
8.25% L&T Finance Limited NCD June 24, 2023	1000000	250	26.26	27.03
8.50% L&T Finance Limited Sr.C NCD March 17, 2023	1000000	–	–	80.66
7.95% L&T Finance Limited NCD July 28, 2025	1000000	1,300	144.59	145.30
7.90% L&T Finance Limited NCD July 13, 2024	1000000	–	–	223.28
7.30% L&T Finance Limited NCD September 8, 2023	1000000	–	–	541.76
8.50% L&T Finance Limited NCD January 17, 2023	1000000	–	–	75.07
8.50% L&T Finance Limited NCD February 17, 2023	1000000	–	–	16.11
8.55% L&T Finance Limited NCD November 29, 2022	1000000	–	–	108.92
7.15% L&T Finance Limited NCD September 16, 2024	1000000	1,000	106.42	107.25
6.75% L&T Finance Limited NCD November 3, 2024	1000000	2,000	204.36	205.27
7.85% L&T Finance Limited NCD July 9, 2025	1000000	900	99.81	100.36
6.55% L&T Finance Limited NCD November 3, 2028	1000000	2,750	277.79	304.15
9.81% L&T Metro Rail (Hyderabad) Limited June 18, 2035	1000000	1,780	216.79	91.51
9.81% L&T Metro Rail (Hyderabad) Limited November 2, 2035	1000000	2,490	305.96	61.57
9.85% L&T Metro Rail (Hyderabad) Limited January 28, 2036	1000000	1,570	189.60	30.27
6.68% L&T Metro Rail (Hyderabad) Limited SR C April 30, 2027	1000000	4,220	433.29	–
9.50% L&T Metro Rail (Hyderabad) Limited SR-F NCD November 26, 2030	1000000	–	–	183.50
9.55% L&T Metro Rail (Hyderabad) Limited SR-F NCD September 28, 2030	1000000	–	–	124.30
Total- (i)			2228.72	2659.72
(ii) Joint Venture companies:				
8.50% Kudgi Transmission Limited SR-D NCD April 25, 2021	1000000	–	–	15.16
8.50% Kudgi Transmission Limited SR-E NCD April 25, 2022	1000000	120	12.98	13.48
8.80% Kudgi Transmission Limited April 25, 2023	1000000	150	16.80	–
8.80% Kudgi Transmission Limited April 25, 2024	1000000	170	19.47	–
8.80% Kudgi Transmission Limited April 25, 2025	1000000	180	20.89	–
8.80% Kudgi Transmission Limited April 25, 2026	1000000	200	23.47	–
8.80% Kudgi Transmission Limited April 25, 2027	1000000	210	24.81	–
9.14% Kudgi Transmission Limited SR-K NCD April 25, 2028	1000000	230	27.86	28.39
9.14% Kudgi Transmission Limited SR-L NCD April 25, 2029	1000000	240	29.26	29.74
9.14% Kudgi Transmission Limited SR-M NCD April 25, 2030	1000000	270	33.06	33.61
9.14% Kudgi Transmission Limited SR-N NCD April 25, 2031	1000000	280	34.38	34.73
9.14% Kudgi Transmission Limited SR-O NCD April 25, 2032	1000000	290	35.63	35.21
9.50% Kudgi Transmission Limited SR-P NCD April 25, 2033	1000000	310	38.99	38.72
9.50% Kudgi Transmission Limited SR-Q NCD April 25, 2034	1000000	330	41.44	41.42
9.50% Kudgi Transmission Limited SR-R NCD April 25, 2035	1000000	360	45.08	45.12
9.50% Kudgi Transmission Limited SR-S NCD April 25, 2036	1000000	390	48.63	48.74
9.50% Kudgi Transmission Limited SR-T NCD April 25, 2037	1000000	410	50.89	51.33
9.50% Kudgi Transmission Limited SR-U NCD April 25, 2038	1000000	350	43.63	43.90
9.50% Kudgi Transmission Limited SR-V NCD April 25, 2039	1000000	960	120.14	120.67
9.50% Kudgi Transmission Limited SR-W NCD April 25, 2040	1000000	250	31.40	31.50
8.60% L&T Infrastructure Development Project Limited NCD December 26, 2026	1000000	–	–	272.65
Total- (ii)			698.81	884.37

Notes forming part of the Financial Statements (contd.)

NOTE [10] (contd.)

Details of quoted/unquoted investments:

₹ crore		
Particulars	As at 31-3-2022	As at 31-3-2021
(a) Aggregate amount of quoted current investments and market value thereof;		
Book Value	10098.38	10145.41
Market Value	10098.38	10145.41
(b) Aggregate amount of unquoted current investments;		
Book Value (Accounted based on NAV)	5961.14	11787.56
Book Value	2418.70	299.98

NOTE [11]

Current Assets: Financial Assets - Trade receivables

₹ crore		
Particulars	As at 31-3-2022	As at 31-3-2021
Secured, considered good	4.86	–
Less: Allowance for expected credit loss	–	–
	4.86	–
Unsecured, considered good	38884.29	35452.34
Less: Allowance for expected credit loss	2618.76	2247.47
	36265.53	33204.87
Credit Impaired	939.94	885.80
Less: Allowance for expected credit loss	862.98	759.07
	76.96	126.73
	36347.35	33331.60

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

₹ crore							
Particulars	As at 31-3-2022						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	
Undisputed:							
- Considered good	23905.65	8135.95	1758.83	1545.72	916.40	1487.72	37750.27
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	6.09	17.29	72.92	145.90	72.12	442.90	757.22
Disputed:							
- Considered good	34.04	–	25.35	85.08	12.26	982.15	1138.88
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	45.18	137.54	182.72
Gross trade receivables	23945.78	8153.24	1857.10	1776.70	1045.96	3050.31	39829.09
Less: Allowance for expected credit loss							3481.74
Total							36347.35

Notes forming part of the Financial Statements (contd.)

NOTE [11]

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

₹ crore

Particulars	As at 31-3-2021						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	
Undisputed:							
- Considered good	21294.87	7017.45	2560.33	1621.96	654.99	1075.14	34224.74
- Increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	11.06	118.81	52.63	29.27	82.66	400.70	695.13
Disputed:							
- Considered good	94.82	19.01	32.11	57.44	107.46	916.76	1227.60
- Increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	8.74	35.19	-	146.74	190.67
Gross trade receivables	21400.75	7155.27	2653.81	1743.86	845.11	2539.34	36338.14
Less: Allowance for expected credit loss							3006.54
Total							<u>33331.60</u>

NOTE [12]

Current Assets: Financials Assets - Cash and cash equivalents

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
Balance with banks	3831.27	2973.74
Cheques and draft on hand	278.04	343.37
Cash on hand	3.67	3.70
Fixed deposits with banks (maturity less than 3 months)	1605.25	204.14
	<u>5718.23</u>	<u>3524.95</u>

NOTE [13]

Current Assets: Financials Assets - Other bank balances

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
Fixed deposits with banks	77.23	109.39
Earmarked balances with banks-unclaimed dividend	129.35	127.78
Earmarked balances with banks-Section4(2)(1)(D) of RERA ^[1]	-	3.46
Margin money deposits with banks	23.15	22.58
Cash and bank balances not available for immediate use [refer Note 7(a)]	550.55	387.38
	<u>780.28</u>	<u>650.59</u>

^[1] Real Estate (Regulation and Development) Act, 2016

Notes forming part of the Financial Statements (contd.)

NOTE [14]

Current Assets: Financial Assets - Loans

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Unsecured loan and advances to related parties:		
Subsidiary companies, considered good	82.79	95.08
Subsidiary companies, considered doubtful	5.45	–
Less: Allowance for expected credit loss	5.45	–
	–	–
Associate/Joint venture companies, considered good	166.71	162.53
Other unsecured loans, considered good	0.10	0.26
	249.60	257.87

NOTE [15]

Current Assets: Financial Assets - Others

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Unsecured security deposits, considered good	340.11	356.11
Less: Allowance for expected credit loss	0.45	0.57
	339.66	355.54
Advances to related parties:		
Subsidiary companies	634.80	699.97
Less: Allowance for expected credit loss	6.03	–
	628.77	699.97
Associate companies	4.83	0.30
Joint venture companies	115.68	53.18
Less: Allowance for expected credit loss	6.04	5.08
	109.64	48.10
Advances recoverable in cash	611.58	744.87
Premium receivable on financial guarantee contracts	36.65	9.41
Forward contract receivable	402.82	604.74
Embedded derivative receivable	48.49	51.06
Doubtful advances:		
Deferred credit sale of ships	27.11	27.11
Other loans and advances	232.49	295.78
	259.60	322.89
Less: Allowance for expected credit loss	259.60	322.89
	–	–
	2182.44	2513.99

Notes forming part of the Financial Statements (contd.)

NOTE [16]

Other current assets

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Contract Assets [refer Note 41(d)]		
Due from customers (construction and project related activity)	33429.11	30631.64
Retention money including unbilled revenue	15354.22	13761.41
	48783.33	44393.05
Advance recoverable other than in cash	6319.19	5399.27
Government grants receivable	26.71	63.49
Other loans and advances	1.60	11.72
Less: Allowance for expected credit loss	1.60	11.72
	-	-
	55129.23	49855.81

NOTE [17]

Equity share capital

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

Particulars	As at 31-3-2022		As at 31-3-2021	
	Number of shares	₹ crore	Number of shares	₹ crore
Authorised: ^[1]				
Equity shares of ₹ 2 each	40,18,50,00,000	8037.00	25,12,50,00,000	5025.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	1,40,50,29,123	281.01	1,40,45,55,297	280.91

^[1] Pursuant to the approval of the Scheme of Arrangement of merger of L&T Hydrocarbon Engineering Limited with the Company, the authorised share capital of L&T Hydrocarbon Engineering Limited is added to the authorised share capital of the Company, w.e.f Appointed Date i.e. April 1, 2021.

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

Particulars	2021-22		2020-21	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,40,45,55,297	280.91	1,40,38,92,022	280.78
Add: Shares issued on exercise of employee stock options during the year	4,73,826	0.10	6,63,275	0.13
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,50,29,123	281.01	1,40,45,55,297	280.91

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital (contd.)

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

Name of the shareholders	As at 31-3-2022		As at 31-3-2021	
	Number of shares	Shareholding %	Number of shares	Shareholding %
L&T Employees Trust	19,25,58,158	13.70	19,25,58,158	13.71
Life Insurance Corporation of India	16,69,42,875	11.88	19,24,67,386	13.70

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

Particulars	As at 31-3-2022		As at 31-3-2021	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	Number of equity shares to be issued as fully paid	₹ crore (at face value)
Employee stock options granted and outstanding ^[1]	17,18,419	0.34 ^[2]	17,81,564	0.36 ^[2]

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

^[2] The equity shares will be issued at a premium of ₹ 38.30 crore (previous year: ₹ 42.74 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, 2022 are 46,67,64,755 (period of five years ended March 31, 2021: 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, 2022 – Nil (period of five years ended March 31, 2021: Nil).

(h) Stock option schemes

i. Terms:

A. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested equally over a period of 4 years [5 years in the case of series 2006(A)], subject to the discretion of the management and fulfillment of certain conditions.

B. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

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

Sr. No.	Series reference	2003(B)		2006(A)	
		2021-22	2020-21	2021-22	2020-21
1	Grant price - (₹)	7.80	7.80	267.10	267.10
2	Grant dates	23-5-2003 onwards		1-7-2007 onwards	
3	Vesting commences on	23-5-2004 onwards		1-7-2008 onwards	
4	Options granted and outstanding at the beginning of the year	1,73,150	1,45,935	16,08,414	23,75,454
5	Options lapsed	7,130	4,875	1,32,958	1,75,675
6	Options granted	1,78,839	1,04,000	3,71,930	-
7	Options exercised	64,900	71,910	4,08,926	5,91,365
8	Options granted and outstanding at the end of the year, of which	2,79,959	1,73,150	14,38,460	16,08,414
	Options vested	10,450	23,575	3,89,610	4,84,082
	Options yet to vest	2,69,509	1,49,575	10,48,850	11,24,332
9	Weighted average remaining contractual life of options (in years)	5.67	5.74	4.29	4.23

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital (contd.)

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

Particulars	2021-22		2020-21	
	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	17,81,564	241.90	25,21,389	252.09
(B) Options granted	5,50,769	182.90	1,04,000	7.80
(C) Options allotted	4,73,826	231.58	6,63,275	238.99
(D) Options lapsed	1,40,088	253.90	1,80,550	260.10
(E) Options granted and outstanding at the end of the year	17,18,419	224.86	17,81,564	241.90
(F) Options exercisable at the end of the year out of (E) <i>supra</i>	4,00,060	260.33	5,07,657	255.06

iv. Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1635.25 (previous year: ₹ 1001.47) 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 2021-22 is ₹ 49.11 crore (previous year: ₹ 45.63 crore) net of recoveries of ₹ Nil (previous year: ₹ 0.40 crore) from its group companies towards the stock options granted to deputed employees, pursuant to the employee stock option schemes (Note 34). The entire amount pertains to equity-settled employee share-based payment plans. [expense related to held for sale business ₹ Nil (previous year: ₹ 2.14 crore)]

vi. During the year, the Company has recovered ₹ 2.15 crore (previous year: ₹ 1.25 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 ₹ 1113.62 (previous year: ₹ 834.24) 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	2021-22	2020-21
(i)	Weighted average risk-free interest rate	5.41 %	4.81 %
(ii)	Weighted average expected life of options	3.77 years	2.85 years
(iii)	Weighted average expected volatility	31.02%	35.39%
(iv)	Weighted average expected dividends over the life of the option	₹ 67.82 per option	₹ 51.22 per option
(v)	Weighted average share price	₹ 1311.86 per option	₹ 884.83 per option
(vi)	Weighted average exercise price	₹ 182.90 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, 2022 is ₹ 89.36 crore (previous year: ₹ 87.62 crore), including ₹ 31.70 crore (previous year: ₹ 38.78 crore) for which the options have been vested to employees as at March 31, 2022.

(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 stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund-raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0.30:1 as at March 31, 2022 (as at March 31, 2021 0.40:1).

During the year ended March 31, 2022, the Company paid the final dividend of ₹ 18 per equity share for the year ended March 31, 2021 amounting to ₹ 2528.38 crore.

The Board of directors, at their meeting held on May 12, 2022 recommended the final dividend of ₹ 22 per equity share for the year ended March 31, 2022, subject to approval from shareholders. On approval, the total dividend outgo is expected to be ₹ 3091.06 crore based on number of shares outstanding as at March 31, 2022.

Notes forming part of the Financial Statements (contd.)

NOTE [18]

Other equity

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Capital reserve ^[1]	10.84	10.84
Capital reserve on business combination ^[2]	(25.77)	(25.77)
Capital redemption reserve ^[3]	260.00	260.00
Securities premium	8718.74	8667.65
Employee share options (net)		
Employee share options outstanding	130.62	124.48
Deferred employee compensation expense	(41.24)	(36.86)
	89.38	87.62
Debenture redemption reserve ^[4]	138.65	138.65
General reserve ^[5]	26079.43	26072.13
Retained earnings	31131.14	25722.05
Foreign currency translation reserve	(10.90)	9.00
Hedging reserve		
Cash flow hedging reserve	283.23	221.53
Cost of hedging reserve	(4.72)	(7.01)
	278.51	214.52
Debt instruments through other comprehensive income	163.02	300.22
	<u>66833.04</u>	<u>61456.91</u>

^[1] **Capital reserve:** It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years.

^[2] **Capital reserve on business combination:** It arises on transfer of business between entities under common control. It represents the difference, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor [refer Note 1(ii)(ab)].

^[3] **Capital redemption reserve:** Created on redemption of preference shares out of profits in accordance with of Section 55(2)(c) the Companies Act, 2013.

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

^[5] **General reserve:** The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Non-current liabilities: Financial Liabilities- Borrowings

Particulars	As at 31-3-2022			As at 31-3-2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Redeemable non-convertible fixed rate debentures [refer Note 19(a)(i)&(ii)]	1328.89	9526.94	10855.83	1328.48	13263.90	14592.38
Redeemable non-convertible inflation linked debentures [refer Note 19(a)(iii)]	–	129.94	129.94	–	126.15	126.15
Term loan from banks [refer Note 19(b)]	–	1982.64	1982.64	–	1928.20	1928.20
	1328.89	11639.52	12968.41	1328.48	15318.25	16646.73

₹ crore

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

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31-3-2022 ₹ crore	As at 31-3-2021 ₹ crore	Interest for the year 2021-22	Terms of repayment for debentures outstanding as at 31-3-2022
1	10,00,000	October 25, 2012	301.92	301.84	9.10% p.a. payable annually	Redeemable at face value at the end of 15 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
2	10,00,000	October 25, 2012	269.77	269.69	9.10% p.a. payable annually	Redeemable at face value at the end of 14 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
3	10,00,000	October 25, 2012	269.81	269.73	9.10% p.a. payable annually	Redeemable at face value at the end of 13 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
4	10,00,000	October 25, 2012	269.88	269.79	9.10% p.a. payable annually	Redeemable at face value at the end of 12 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
5	10,00,000	October 25, 2012	269.94	269.86	9.10% p.a. payable annually	Redeemable at face value at the end of 11 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
Total			1381.32	1380.91		
Less:			52.43	52.43		Current maturity of long term borrowings [refer Note 24]
			1328.89	1328.48		Borrowings non-current [refer Note 19]

Security:

13,310 fully paid redeemable non-convertible debentures having face value of 10,00,000/- each issued on private placement basis are secured by :

- First pari-passu charge over certain assets of the Company with security asset cover of 1.25 times; and
- Charge on the designated account under the Debenture Trust Deed.

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Non-current liabilities: Financial Liabilities- Borrowings (contd.)

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

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31-3-2022 ₹ crore	As at 31-3-2021 ₹ crore	Interest for the year 2021-22	Terms of repayment for debentures outstanding as at 31-3-2022
1	10,00,000	April 10,2012	273.63	273.49	9.75% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
2	10,00,000	April 18, 2019	1612.53	1612.04	7.87% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
7	10,00,000	May 22, 2019	2137.88	2137.13	8.02% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
9	10,00,000	January 24, 2020	1062.71	1062.47	6.72% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
10.	10,00,000	April 20,2020	1332.93	1330.66	7.20% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
11.	10,00,000	May 6,2020	1540.43	1538.23	7.25% p.a. payable annually	Redeemable at face value at the end of 4th year from the date of allotment.
12.	10,00,000	April 28,2020	2665.30	2661.09	7.70% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.
13.	10,00,000	April 23,2020	–	477.91	6.60% p.a. payable annually	
14.	10,00,000	April 23,2020	479.58	479.55	7.00% p.a. payable annually	Redeemable at face value at the end of 2nd year from the date of allotment.
15.	10,00,000	April 23,2020	2614.13	2611.51	7.25% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
16.	2,50,000	April 23,2020	483.77	483.78	8.00% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
17.	2,50,000	April 23,2021	483.83	–	8.00% p.a. payable annually	Redeemable at face value at the end of 9th year from the date of allotment.
Total			14686.72	14667.86		
Less:			5159.78	926.05	Current maturity of long-term borrowings [refer Note 24]	
Less:			–	477.91	Short Term Unsecured Debentures [refer Note 23]	
			9526.94	13263.90	Borrowings –noncurrent [refer Note 19]	

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Non-current liabilities: Financial Liabilities- Borrowings (contd.)

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

Face value per debenture (₹)	Date of allotment	As at 31-3-2022 ₹ crore	As at 31-3-2021 ₹ crore	Interest for the year 2021-22	Terms of repayment for debentures outstanding as on 31.3.2022
10,00,000	May 23, 2013	131.67 ⁽¹⁾	127.75 ⁽¹⁾	1.65% p.a. payable on Inflation Adjusted Principal as on the date of coupon payment	Redeemable at the end of 10th year from the date of allotment. Redemption value calculated as [(Average Ref WPI (on Maturity Date) / Average Ref WPI (on Issue Date)) x Face Value] with Floor Rate as 3 % and Cap Rate as 12%. WPI here refers to Wholesale Price Index
	Less:	1.73	1.60	Current Liabilities: Financial Liabilities-Current maturities of Long term borrowings [refer Note 24]	
		129.94	126.15	Non-Current liabilities: Financial Liabilities – Borrowings [refer Note 19]	

⁽¹⁾ The principal amount has been calculated as [(Average Ref WPI as at reporting period/Average Ref WPI (as at 23/5/2013)) x Face Value]

19(b) Details of term Loans (Unsecured):

Sr. No.	As at 31-3-2022 ₹ crore	As at 31-3-2021 ₹ crore	Rate of Interest for the year 2021-22	Terms of repayment of term loan outstanding as at 31-3-2022
1	1128.86	1087.56	USD LIBOR + Spread ⁽¹⁾	Repayable on April 14, 2025
2	541.93	521.60	USD LIBOR + Spread ⁽¹⁾	Repayable on October 8, 2023
3	133.46	128.46	USD LIBOR + Spread ⁽¹⁾	Repayable on April 8, 2023
4	133.46	128.46	USD LIBOR + Spread ⁽¹⁾	Repayable on April 8, 2024
5	41.22	52.99	9.00% p.a. payable monthly	Repayable on October 19, 2023
6	22.26	28.61	8.40% p.a. payable monthly	Repayable on May 7, 2023
7	–	730.86		
Total	2001.19	2678.54		
Less:	18.55	19.48	Current maturity of long-term borrowings [refer Note 24]	
Less:	–	730.86	Short Term Unsecured Loan [refer Note 23]	
	1982.64	1928.20	Borrowings noncurrent [refer Note 19]	

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

19(c) Annual disclosure as Large Corporate pursuant to SEBI circular dated November 26, 2018.

Annexure A :

Sr. No.	Particulars	Details
1	Name of the Company	Larsen & Toubro Limited
2	CIN	L9999MH1946PLC004768
3	Outstanding borrowings of the Company as at 31st March 2022	₹ 15244 Crore ⁽¹⁾
4	Highest Credit Rating during the previous financial year along with name of the Credit Rating Agency	<ul style="list-style-type: none"> • CRISIL AAA (Stable) by CRISIL Limited • ICRA AAA (Stable) by ICRA Limited • IND AAA(Stable) by India Ratings and Research Private Limited
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

⁽¹⁾ Figure pertains to long-term borrowings with original maturity of more of than one year (excludes External Commercial Borrowings and inter-corporate borrowings between the Company and its subsidiaries)

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Non-current liabilities: Financial Liabilities- Borrowings (contd.)

Annexure B

- Name of the Company: Larsen & Toubro Limited
- CIN: L99999MH1946PLC004768
- Report filed for FY (T): 2021-22
- Details of the borrowings:

Sl. No.	Particulars	Details
1	2-year block period [(T), (T+1)]	FY 2021-22 & FY 2022-23
2	Incremental borrowings done in 2021-22 (T) (a)	₹ 450.00 crore ⁽¹⁾
3	Mandatory borrowing to be done through debt securities in 2021-22 (T) [(b) = (25% of a)]	₹ 112.50 crore
4	Actual borrowing done through debt securities in 2021-22 (T) (c)	₹ 450.00 crore
5	Shortfall in the borrowing through debt securities, if any, for 2021-22 (T-1) carried forward to FY(T) (d)	Nil
6	Quantum of (d), which has been met from (c) (e)	Nil
7	Shortfall, if any, in the mandatory borrowing through debt securities for 2021-22 (T) {after adjusting for any shortfall in borrowing for 2020-21 (T-1) which was carried forward to 2021-22 (T)}	Nil

⁽¹⁾ Figure pertains to long-term borrowings with original maturity of more than one year (excludes External Commercial Borrowings and inter-corporate borrowings between the Company and its subsidiaries)

- Details of penalty to be paid, if any, in respect to previous block (all figures in ₹ crore):

Sl. No.	Particulars	Details
1	2-years block period [(T-1), (T)]	FY 2020-21 & FY 2021-22
2	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	Nil

NOTE [20]

Non-current liabilities: Other financial liabilities

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Forward contract payables	15.37	32.84
Embedded derivative payables	13.17	13.84
Financial guarantee contracts	78.76	6.23
Due to others (Mainly includes liabilities towards capital goods)	37.95	41.34
	<u>145.25</u>	<u>94.25</u>

NOTE [21]

Non-current liabilities: Provisions

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Employee pension scheme	345.63	348.86
Post-retirement medical benefits plan	299.64	307.04
	<u>645.27</u>	<u>655.90</u>

Notes forming part of the Financial Statements (contd.)

NOTE [22]

Other non- current liabilities

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Other Payables (Deferred income on day one fair valuation of financial instrument)	7.84	–
	<u>7.84</u>	<u>–</u>

NOTE [23]

Current liabilities: Financial Liabilities - Borrowings

Particulars	₹ crore					
	As at 31-3-2022			As at 31-3-2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans repayable on demand from banks	–	46.00	46.00	–	22.74	22.74
Short-term loan and advances from banks	–	1773.67	1773.67	–	3494.54	3494.54
Short-term debentures [refer Note 19(a)(ii)]	–	–	–	–	477.91	477.91
Commercial paper	–	–	–	–	2737.40	2737.40
Loans from related parties:						
Subsidiary companies	–	83.98	83.98	–	4.40	4.40
Joint venture companies	–	193.74	193.74	–	90.91	90.91
	<u>–</u>	<u>2097.39</u>	<u>2097.39</u>	<u>–</u>	<u>6827.90</u>	<u>6827.90</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: ₹ 6932 crore as at March 31, 2022 (March 31, 2021: ₹ 10182 crore)

23(c) 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. 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 Financial Statements (contd.)

NOTE [24]

Current liabilities: Financial liabilities - Current maturities of long-term borrowings

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Secured:		
Redeemable non-convertible fixed rate debentures [refer Note 19(a)(i)]	52.43	52.43
Unsecured:		
Redeemable non-convertible fixed rate debentures [refer Note 19(a)(ii)]	5159.78	926.05
Term loans from banks [refer Note 19(b)]	18.55	19.48
Redeemable non-convertible floating rate debentures [refer Note 19(a)(iii)]	1.73	1.60
	<u>5232.49</u>	<u>999.56</u>

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

NOTE [25]

Current liabilities: Financial liabilities - Other trade Payables

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Acceptances	162.80	343.99
Due to related parties:		
Subsidiary companies	745.40	1002.92
Associate companies	7.67	14.01
Joint venture companies	1771.17	1761.12
	<u>2524.24</u>	<u>2778.05</u>
Due to others	42224.63	37199.44
	<u>44911.67</u>	<u>40321.48</u>

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

Particulars	As at 31-3-2022						Total
	Unbilled Dues	Not due	Outstanding for the following periods from the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
Micro and small enterprises	36.27	417.20	18.32	0.51	0.45	0.92	473.67
Others	17859.55	20245.47	4911.97	736.38	271.35	876.99	44901.71
Disputed:							
Micro and small enterprises	–	–	–	–	–	–	–
Others	–	8.44	–	–	0.19	1.33	9.96
Total	<u>17895.82</u>	<u>20671.11</u>	<u>4930.29</u>	<u>736.89</u>	<u>271.99</u>	<u>879.24</u>	<u>45385.34</u>

Notes forming part of the Financial Statements (contd.)

NOTE [25]

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

₹ crore

Particulars	As at 31-3-2021						Total
	Unbilled Dues	Not due	Outstanding for the following periods from the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
Micro and small enterprises	49.08	368.78	27.88	1.04	0.55	0.83	448.16
Others	17514.68	15129.19	5806.58	423.90	525.38	901.29	40301.02
Disputed:							
Micro and small enterprises	–	–	–	–	–	0.14	0.14
Others	–	16.76	1.04	–	–	2.66	20.46
Total	17563.76	15514.73	5835.50	424.94	525.93	904.92	40769.78

NOTE [26]

Current liabilities - Other financial liabilities

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
Unclaimed dividend	129.35	127.78
Forward contract payable	346.90	319.51
Embedded derivative payable	84.29	55.38
Financial guarantee contracts	37.44	9.74
Due to others ^{[1][2]}	2719.65	1939.12
	3317.63	2451.53

^[1] Due to others include due to directors ₹ 89.75 crore (previous year: ₹ 36.96 crore)

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

NOTE [27]

Other current liabilities

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
Contract liabilities [refer Note 41(d)]		
Due to customers (Construction related activity)	11307.00	11143.41
Advances from customers	15264.06	14036.37
	26571.06	25179.78
Other payables ^[1]	2317.78	2294.98
	28888.84	27474.76

^[1] mainly includes liabilities towards joint ventures, statutory dues & employee benefits.

Notes forming part of the Financial Statements (contd.)

NOTE [28]

Current liabilities - provisions

₹ crore		
Particulars	As at 31-3-2022	As at 31-3-2021
Provision for employee benefits:		
Gratuity	97.67	83.08
Compensated absences	615.38	605.21
Employee pension scheme	25.93	29.09
Post-retirement medical benefits plan	13.38	13.30
	752.36	730.68
Other Provisions [refer Note 50]	1109.12	919.70
	<u>1861.48</u>	<u>1650.38</u>

NOTE [29]

Contingent liabilities

₹ crore		
Particulars	As at 31-3-2022	As at 31-3-2021
(a) Claims against the Company not acknowledged as debts	3105.76	2989.58
(b) Sales tax/GST liability that may arise in respect of matters in appeal	263.21	292.64
(c) Excise duty/service tax/customs duty liability that may arise including those in respect of matters in appeal/challenged by the Company in Writ	341.37	179.47
(d) Income tax liability that may arise in respect of which the Company is in appeal	2546.93	359.38
(e) Corporate and bank guarantees for debt given on behalf of subsidiary companies/joint venture companies	12871.12	5534.67
(f) Corporate and bank guarantees for performance given on behalf of subsidiary companies/joint venture companies	29856.81	13899.75
(g) Contingent liabilities, incurred in relation to interests in joint operations	6520.74	7042.11
(h) Share in contingent liabilities of joint operations for which the Company is contingently liable	57.01	61.95
(i) Contingent liabilities in respect of liabilities of other joint operators of joint operations	4405.09	4875.31
(j) Indemnities for performance given on behalf of third parties	324.60	479.43

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 five, 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 nine, 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 Financial Statements (contd.)

NOTE [30]

Commitments

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) on:		
(i) Property, plant & equipment	1892.06	1658.27
(ii) Intangible assets	3.44	–
	1895.50	1658.27
(b) Funding committed by way of equity/loans to subsidiary companies	477.57	14.00

NOTE [31]

Revenue from operations

	₹ crore	
Particulars	2021-22	2020-21
Sales and service:		
Construction and project related activity	95458.20	81906.37
Manufacturing and trading activity	2857.52	2645.51
Property development activity	537.81	62.25
Engineering and service fees	158.86	188.68
Servicing	1233.93	1031.75
Commission	137.48	116.57
	100383.80	85951.13
Other operational income:		
Profit/(loss) on sale of investment properties	–	426.21
Technical fees	4.75	7.16
Lease rentals	65.51	74.20
Income from services to Group companies	89.58	73.02
Premium earned (net) on related forward exchange contracts	46.59	50.50
Miscellaneous income	410.18	673.26
	616.61	1304.35
	101000.41	87255.48

Notes forming part of the Financial Statements (contd.)

NOTE [32]

Other income

	₹ crore	
Particulars	2021-22	2020-21
Interest income:		
Subsidiary and associate companies	275.42	216.97
Others	780.09	733.74
	1055.51	950.71
Dividend income:		
Subsidiary companies	1458.49	844.68
Joint venture companies	156.83	174.38
Others	3.74	15.34
	1619.06	1034.40
Net gain/(loss) on fair valuation of investments	(9.04)	70.42
Net gain/(loss) on sale of investments	515.13	1006.28
	506.09	1076.70
Net gain/loss on derivatives at fair value through profit or loss	70.88	(52.11)
Net gain/(loss) on sale of property, plant and equipment	14.78	51.19
Lease rentals	95.83	88.75
Miscellaneous income (net of expenses)	250.50	210.65
	3612.65	3360.29

Notes forming part of the Financial Statements (contd.)

NOTE [33]

Manufacturing, construction and operating expenses

	₹ crore	
Particulars	2021-22	2020-21
Cost of raw materials, components consumed:		
Raw materials and components	12755.52	12383.54
Less: Scrap sales	164.66	89.79
	12590.86	12293.75
Construction materials consumed	31445.49	22869.85
Purchase of stock-in-trade	1070.62	1226.68
Stores, spares and tools consumed	2718.52	1701.07
Sub-contracting charges	25166.38	21993.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade and property development :		
Closing stock:		
Finished goods	16.65	3.57
Stock-in-trade	324.10	360.03
Work-in-progress	7425.48	5458.26
	7766.23	5821.86
Less: Opening stock:		
Finished goods	3.57	18.12
Stock-in-trade	360.03	308.36
Work-in-progress	5458.26	5857.48
	5821.86	6183.96
	(1944.37)	362.10
Other manufacturing ,construction and operating expenses:		
Power and fuel	2054.12	1369.62
Royalty and technical know-how fees	4.38	57.50
Packing and forwarding	567.90	497.88
Rent hire charges	2623.82	2129.71
Engineering, professional, technical and consultancy fees	1612.56	1554.15
Insurance	450.92	435.34
Rates and taxes	681.13	583.66
Travelling and conveyance	779.91	712.89
Repairs to plant and equipment	112.14	63.76
Repairs to buildings	24.33	21.28
General repairs and maintenance	566.64	546.17
Bank guarantee charges	315.32	310.08
Provision/(reversal) for foreseeable losses on construction contracts	(38.61)	37.16
Other provisions	164.64	136.79
Miscellaneous expenses	598.65	727.69
	10517.85	9183.68
	81565.35	69630.46

Notes forming part of the Financial Statements (contd.)

NOTE [34]

Employee benefits expense

	₹ crore	
Particulars	2021-22	2020-21
Salaries, wages and bonus	6626.74	5736.54
Contribution to and provision for :		
Provident fund and pension fund	165.40	154.01
Superannuation/employee pension schemes	29.83	11.41
Gratuity funds	85.93	75.51
	281.16	240.93
Expenses on employees stock option schemes	49.11	43.89
Employee medical and other insurance premium expenses	96.94	99.81
Staff welfare expenses	607.85	539.80
Recoveries on account of deputation	(264.92)	(262.77)
	<u>7396.88</u>	<u>6398.20</u>

NOTE [35]

Sales, administration and other expenses

	₹ crore	
Particulars	2021-22	2020-21
Power and fuel	58.75	49.64
Packing and forwarding	52.36	43.26
Professional fees	425.99	343.15
Audit fees	7.78	6.91
Insurance	58.42	60.80
Rent & hire charges	114.52	101.68
Rates and taxes	62.29	(1.17)
Travelling and conveyance	188.12	145.33
Repairs to buildings	16.49	21.39
General repairs and maintenance	236.19	207.13
Directors' fees	1.07	1.13
Telephone, postage and telegrams	108.09	100.06
Advertising and publicity	53.19	29.59
Stationery and printing	37.33	36.03
Commission:		
Distributors and agents	22.30	16.95
Others	1.92	2.20
	24.22	19.15
Bank charges	77.98	77.43
Miscellaneous expenses	410.58	404.33
Bad debts and advances written off (net of written back)	179.15	389.83
Less: Allowance for expected credit loss written back	156.66	375.97
	22.49	13.86
Corporate social responsibility	131.67	157.49
Allowance for expected credit loss (net)	1056.35	703.96
Exchange (gain)/loss (net)	(142.09)	36.68
Provision with respect to loans given to subsidiary companies	0.90	277.70
Other provisions	45.46	175.11
Recoveries from subsidiary and associates	(65.47)	(93.30)
	<u>2982.68</u>	<u>2917.34</u>

Notes forming part of the Financial Statements (contd.)

NOTE [35] (a)

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

₹ crore

Sr. No.	Nature of expenses	2021-22				2020-21			
		Note 33	Note 34	Note 35	Total	Note 33	Note 34	Note 35	Total
1	Power and fuel	2054.12	–	58.75	2112.87	1369.62	–	49.64	1419.26
2	Packing and forwarding	567.90	–	52.36	620.26	497.88	–	43.26	541.14
3	Insurance	450.92	96.94	58.42	606.28	435.34	99.81	60.80	595.95
4	Rent hire charges	2623.82	–	114.52	2738.34	2129.71	–	101.68	2231.39
5	Rates and taxes	681.13	–	62.29	743.42	583.66	–	-1.17	582.49
6	Travelling and conveyance	779.91	–	188.12	968.03	712.89	–	145.33	858.22
7	Repairs to buildings	24.33	–	16.49	40.82	21.28	–	21.39	42.67
8	General repairs and maintenance	566.64	–	236.19	802.83	546.17	–	207.13	753.30
9	Miscellaneous expenses	598.65	–	410.58	1009.23	727.69	–	404.33	1132.02

NOTE [36]

Finance costs

₹ crore

Particulars	2021-22	2020-21
Interest expenses	1689.77	2376.98
Other borrowing costs	–	0.10
Exchange loss	64.47	4.63
	<u>1754.24</u>	<u>2381.71</u>

NOTE [37]

Depreciation, amortisation, impairment and obsolescence

₹ crore

Particulars	2021-22	2020-21
Depreciation on:		
Property, plant and equipment	1021.04	962.27
Right of use assets	104.00	122.80
Investment property	16.49	17.48
	<u>1141.53</u>	<u>1102.55</u>
Amortisation of intangible assets	23.72	40.58
Impairment of property, plant and equipment	–	0.10
Obsolescence on property, plant and equipment	7.25	7.45
	<u>1172.50</u>	<u>1150.68</u>

NOTE [38]

Disclosure pursuant to Ind AS 103 "Business Combinations":

L&T Hydrocarbon Engineering Limited (LTHE), a wholly owned subsidiary, is merged with the Company under a Scheme of Arrangement approved by National Company Law Tribunal, Mumbai on January 28, 2022. The merger is effective from the appointed date April 1, 2021. LTHE has a registered office in Mumbai, India and is engaged in the business of EPC solutions for the global Oil & Gas industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation, and commissioning.

No fresh shares are issued to effect the merger as LTHE is a wholly owned subsidiary of the Company. Further the merger is accounted in accordance with the Scheme of Arrangement and accounting standards using pooling of interest method, involving the following:

- The assets and liabilities of LTHE are reflected at their carrying amounts. No adjustment is made to reflect the fair values, or recognise any new asset or liability.
- The balance of the Retained earnings appearing in the financial statements of the LTHE is aggregated with the corresponding balance appearing in the financial statements of the Company.
- Restating the financials of the Company from April 1, 2020.

Notes forming part of the Financial Statements (contd.)

NOTE [39]

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

During the year 2020-21, the Company completed the divestment of Electrical & Automation (E&A) business which was classified as discontinued operation.

(a) The operating profit from E&A business upto the date of divestment and the gain on divestment have been shown below:

Particulars	₹ crore
	2020-21
(i) Revenue from operations	1262.74
(ii) Total expense	1141.83
(iii) Profit before tax (i)-(ii)	120.91
(iv) Tax expense	27.21
(v) Profit after tax (iii)-(iv)	93.70
(vi) Gain on transfer of E&A business before tax	11078.32
(vii) Tax on above (including related deferred tax reversal)	2521.54
(viii) Gain on transfer E&A business (net of tax) (vi)-(vii)	8556.78
(ix) Other Comprehensive Income	(2.63)

(b) Major classes of assets and liabilities of E&A business transferred:

Particulars	₹ crore
	As at August 31, 2020
Group(s) of assets classified as held for sale:	
Property, plant and equipment	655.04
Capital work-in-progress	11.22
Intangible assets	174.97
Intangible assets under development	130.46
Loans	2.03
Inventories	641.50
Trade receivables	701.11
Other assets	231.69
Total	2548.02
Liabilities related to group(s) of assets classified as held for sale:	
Trade payables	591.74
Provisions	91.32
Other liabilities	347.67
Total	1030.73
Carrying amount of net assets sold	1517.29

(c) Summarised Statement of Cash Flows of discontinued operations:

Particulars	₹ crore
	2020-21
Cash flow from operating activities	(2.48)
Cash flow from investing activities ⁽¹⁾	(60.37)
Cash flow from financing activities	—

Activities related to borrowings and investments of surplus funds were managed at Corporate and accordingly formed part of unallocable corporate assets/liabilities (refer Note 40). There were no borrowings or investments specifically allocable to E&A business.

⁽¹⁾ represents additions & deletions to property, plant and equipment and intangible assets adjusted for movement of (a) capital work-in-progress for property, plant and equipment and (b) Intangible assets under development during the year.

Notes forming part of the Financial Statements (contd.)

NOTE [40]

Disclosure pursuant to Ind AS 108 "Operating Segment"

(a) Information about reportable segments:

Particulars	For the year ended 31-3-2022			For the year ended 31-3-2021		
	External	Inter-segment	Total	External	Inter-segment	Total
Revenue						
Infrastructure	69157.59	427.74	69585.33	58079.21	284.94	58364.15
Hydrocarbon	17351.47	12.03	17363.50	16004.75	6.62	16011.37
Power	4418.84	29.35	4448.19	3176.56	16.08	3192.64
Heavy Engineering	2723.94	314.52	3038.46	2711.42	306.81	3018.23
Defence Engineering	3218.00	8.40	3226.40	3409.99	0.13	3410.12
Electrical & Automation (discontinued operations)	–	–	–	1217.93	44.81	1262.74
Others	4130.57	23.46	4154.03	3873.55	65.80	3939.35
Sub-total	101000.41	815.50	101815.91	88473.41	725.19	89198.60
Revenue of discontinued operations	–	–	–	(1217.93)	(44.81)	(1262.74)
Inter-segment revenue		(815.50)	(815.50)		(680.38)	(680.38)
Total	101000.41	–	101000.41	87255.48	–	87255.48
Segment result (Profit /(loss) before interest and tax)						
Infrastructure			4956.38			4274.41
Hydrocarbon			1551.38			1267.68
Power			139.38			111.08
Heavy Engineering			470.11			489.02
Defence Engineering			533.48			616.98
Electrical & Automation (discontinued operations)			–			120.91
Others			552.46			708.32
Total			8203.19			7588.40
Result of discontinued operations			–			(120.91)
Inter-segment margins on capital jobs			–			(11.11)
Unallocable corporate income net of expenditure			3292.46			3062.71
Finance cost			(1754.24)			(2381.71)
Exceptional items[Note 59]			290.06			(2818.65)
Profit before tax			10031.47			5318.73
Current tax			(2427.94)			(1847.72)
Deferred tax			275.92			(323.70)
Net profit after tax from continuing operations			7879.45			3147.31
Profit before tax from discontinued operations			–			11199.23
Tax expense of discontinued operations			–			(2548.75)
Net profit after tax from discontinued operations			–			8650.48
Net profit after tax from continuing operations & discontinued operations			7879.45			11797.79

₹ crore

Particulars	Segment Assets		Segment Liabilities	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Infrastructure	78516.42	71165.97	56504.01	48169.76
Hydrocarbon	11618.71	9212.21	9195.80	10654.59
Power	5840.27	5518.52	4757.17	4672.13
Heavy Engineering	2894.59	3165.49	1314.82	1430.07
Defence Engineering	4806.78	5843.61	3732.45	3766.94
Electrical & Automation (discontinued operations)	–	–	–	–
Others	7225.62	6616.69	3989.02	3819.33
Total	110902.39	101522.49	79493.27	72512.82
Unallocable corporate assets/liabilities	58610.12	59386.55	22905.19	26658.40
Inter-segment assets/liabilities	(1010.23)	(993.42)	(1010.23)	(993.42)
Total assets/liabilities	168502.28	159915.62	101388.23	98177.80

Notes forming part of the 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 expense		Additions to non-current assets	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31-3-2022	31-3-2021	31-3-2022	31-3-2021	31-3-2022	31-3-2021	31-3-2022	31-3-2021	31-3-2022	31-3-2021
Infrastructure	697.03	667.67	36.31	33.53	194.80	276.08	4.58	6.02	1863.02	1111.21
Hydrocarbon	112.82	127.03	2.56	3.58	–	–	–	–	491.36	61.32
Power	32.33	35.58	0.91	0.48	–	–	–	–	53.30	55.88
Heavy Engineering	46.41	47.21	1.18	0.82	–	–	–	–	42.17	36.32
Defence Engineering	116.76	136.69	1.83	1.14	–	–	–	–	84.26	56.83
Electrical & Automation [Discontinued operations]	–	0.69	–	2.14	–	–	–	–	–	66.58
Others	41.82	41.88	2.18	2.39	–	–	–	–	740.76	600.10
Total	1047.17	1056.75	44.97	44.08	194.80	276.08	4.58	6.02	3274.87	1988.24
Unallocated corporate	125.33	95.46	4.14	1.95	(194.80)	(276.08)	(4.58)	(6.02)	2023.26	1809.22
Inter-segment	–	(0.84)	–	–	–	–	–	–	(264.01)	(1020.78)
Total	1172.50	1151.37	49.11	46.03	–	–	–	–	5034.12	2776.68

Note : There is no impairment in non-financial assets of the segments. Unallocable corporate expenses include impairment loss of Nil for the year ended March 31, 2022 (previous year: ₹ 0.10 crore)

(b) Geographical information

₹ crore

Particulars	Revenue by location of project	
	For the year ended 31-3-2022	For the year ended 31-3-2021
India(i)	80901.40	66015.45
Foreign countries:		
United Arab Emirates	2258.32	1753.59
Saudi Arabia	3632.35	4712.36
Qatar	2112.02	1620.11
Kuwait	1658.85	2919.31
Other countries	10437.47	11452.59
Total foreign countries (ii)	20099.01	22457.96
Total (i+ii)	101000.41	88473.41
Less: Discontinued operations	–	1217.93
Total	101000.41	87255.48

Particulars	Non-current assets	
	As at 31-3-2022	As at 31-3-2021
India (i)	13455.49	12999.29
Foreign countries (ii)	230.75	350.81
Total (i+ii)	13686.24	13350.10

Notes forming part of the Financial Statements (contd.)

NOTE [40]

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

- (c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.
- (d) The Company's reportable segments are organised based on the nature of products and services offered by these segments.
- (e) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:

(i) Basis of identifying Operating segments:

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are regularly reviewed by the 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 six reportable segments as described under "segment composition" below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

ii) Reportable segments

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

iii) Segment profit

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the corporate executive management.

iv) Segment composition

- **Infrastructure segment** comprises engineering and construction of (a) building and factories, (b) transportation infrastructure, (c) heavy civil infrastructure, (d) power transmission & distribution, (e) water & effluent treatment systems and (f) minerals & metals.
- **Hydrocarbon segment** comprises EPC solutions for the global Oil & Gas industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation, and commissioning.
- **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages.
- **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas and Thermal & Nuclear Power.
- **Defence Engineering segment** comprises (a) design, development, serial production and through life-support of equipment, systems and platforms for Defence and Aerospace sectors and (b) design, construction, and repair/refit of defence vessels.
- **Electrical & Automation segment** (upto the date of transfer and disclosed as discontinued operation) comprises manufacture and sale of low and medium voltage switchgear components, custom-built low and medium voltage switchboards, electronic energy meters/protection (relays) systems and control & automation products.
- **Others segment** includes realty, smart world & communication projects (including military communications), marketing and servicing of construction & mining machinery and parts thereof and manufacture, sale of rubber processing machinery and digital platforms - (i) SuFin for B2B e-commerce & (ii) EduTech, for higher education and professional skilling.

Notes forming part of the 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, 2022:

₹ crore

Segment	Revenue as per Ind AS 115			Other Revenue	Total as per Statement of Profit and Loss/ Segment reporting
	Domestic	Foreign	Total		
Infrastructure	55784.32	13177.66	68961.98	195.61	69157.59
Hydrocarbon	12320.82	4971.55	17292.37	59.10	17351.47
Power	4150.46	264.56	4415.02	3.82	4418.84
Heavy Engineering	1597.04	1084.26	2681.30	42.64	2723.94
Defence Engineering	2796.35	418.70	3215.05	2.95	3218.00
Others	3995.67	130.60	4126.27	4.30	4130.57
Total	80644.66	20047.33	100691.99	308.42	101000.41

ii. For the year ended March 31, 2021:

₹ crore

Segment	Revenue as per Ind AS 115			Other Revenue	Total as per Statement of Profit and Loss/ Segment reporting
	Domestic	Foreign	Total		
Infrastructure	45137.26	12579.42	57716.68	362.53	58079.21
Hydrocarbon	8863.43	7125.84	15989.27	15.48	16004.75
Power	3003.68	148.25	3151.93	24.63	3176.56
Heavy Engineering	1176.67	1491.86	2668.53	42.89	2711.42
Defence Engineering	2579.36	823.24	3402.60	7.39	3409.99
Electrical & Automation (discontinued operations)	1050.25	158.23	1208.48	9.45	1217.93
Others	3328.74	108.95	3437.69	435.86	3873.55
Total	65139.39	22435.79	87575.18	898.23	88473.41
Less: Electrical & Automation (discontinued operations)	1050.25	158.23	1208.48	9.45	1217.93
Revenue for continuing operations	64089.14	22277.56	86366.70	888.78	87255.48

(b) Out of the total revenue recognised under Ind AS 115 during the year, ₹ 95882.14 crore (previous year: ₹ 82646.59 crore) is recognised over a period of time and ₹ 4809.85 crore (previous year: ₹ 4928.59 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	
	2021-22	2020-21	2021-22	2020-21
Balance as at April 1	3006.54	2871.49	1142.75	983.03
Changes in loss allowance for expected credit loss:				
Provision/(reversal) of allowance for expected credit loss	411.24	297.07	379.24	141.77
Additional provision (net) towards credit impaired receivables	185.62	205.58	77.25	17.95
Written off as bad debts	(121.66)	(367.60)	–	–
Balance as at March 31	3481.74	3006.54	1599.24	1142.75

Notes forming part of the 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	2021-22			2020-21		
	Contract Assets	Contract Liabilities	Net contract balances	Contract Assets	Contract Liabilities	Net contract balances
Opening balance as at April 01	44393.05	25179.78	19213.27	48198.00	25675.33	22522.67
Closing balance as at March 31	48783.33	26571.06	22212.27	44393.05	25179.78	19213.27
Net increase/(decrease)	4390.28	1391.28	2999.00	(3804.95)	(495.55)	(3309.40)

₹ crore

- i. During the current year, increase in net contract balances is primarily due to higher revenue recognition as compared to progress bills raised.
During the previous year, decrease in net contract balances is primarily due to higher progress bills raised as compared to revenue recognition.
- ii. Revenue recognised from opening balance of contract liabilities amounts to ₹ 5589.58 crore (previous year: ₹ 5896.41 crore)
- iii. Revenue recognised from the performance obligation satisfied (or partially satisfied) upto previous year (arising out of contract modifications) amounts to ₹ 10.19 crore (previous year: ₹ 26.40 crore)

(e) Cost to obtain the contract:

- i. Amortisation in Statement of Profit and Loss: Nil (previous year: Nil)
- ii. Recognised as contract assets at March 31, 2022: Nil (previous year: Nil)

(f) Reconciliation of contracted price with revenue during the year:

Particulars	2021-22	2020-21
Opening contracted price of orders as at start of the year ⁽¹⁾	701910.49	675424.00
Add:		
Fresh orders/change orders received (net)	104359.55	131925.57
Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net)	2620.01	(20881.89)
Increase/(decrease) due to exchange rate movements (net)	585.84	(1203.27)
Less:		
Orders completed during the year	55660.22	80749.97
On account of business transfer	-	2603.95
Closing contracted price of orders as at the end of the year ⁽¹⁾	753815.67	701910.49
Total Revenue recognised during the year :	100691.99	87575.18
a. Revenue out of orders completed during the year	6731.81	6262.44
b. Revenue out of orders under execution at the end of the year (I)	93960.18	81312.74
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	344714.14	312712.25
Increase/(decrease) due to exchange rate movements (III)	(434.38)	(323.95)
Balance revenue to be recognised in future viz. Order book (IV)	315575.73	308209.45
Closing contracted price of orders as at the end of the year ⁽¹⁾ (I+II+III+IV)	753815.67	701910.49

₹ crore

⁽¹⁾ 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, 2022	315575.73	130487.43	96242.11	56898.50	18900.06	4689.65	8357.98
As at March 31, 2021	308209.45	114926.17	102087.76	61709.27	16998.38	5676.86	6811.01

₹ crore

Notes forming part of the 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 31-3-2022			As at 31-3-2021		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Inventories	9	1726.46	1406.05	3132.51	2207.29	670.28	2877.57
Trade receivables	11	34436.45	1910.90	36347.35	32303.21	1028.40	33331.60
Loans	14	249.60	–	249.60	257.87	–	257.87
Other financial assets	15	2115.35	67.09	2182.44	2512.75	1.23	2513.99
Other current assets	16	46426.90	8702.33	55129.23	41965.41	7890.40	49855.81

₹ crore

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

Particulars	Note	As at 31-3-2022			As at 31-3-2021		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Trade payables:							
Due to micro enterprises and small enterprises		378.96	94.72	473.67	328.25	120.05	448.30
Due to others	25	42,800.99	2110.68	44911.67	38008.99	2312.49	40321.48
Lease Liability		70.15	54.29	124.44	75.37	38.66	114.03
Other financial liabilities	26	3295.44	22.19	3317.63	2429.01	22.52	2451.53
Other current liabilities	27	24356.50	4532.34	28888.84	22808.98	4665.78	27474.76
Provisions	28	1480.32	381.16	1861.48	1224.10	426.28	1650.38

₹ 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, 2020	7990.00	13795.12	3555.48	208.14	25548.74
2	Additions to lease liability	–	–	–	109.15	109.15
3	Changes from financing cash flows	9117.73	(6823.60)	(3396.88)	(117.04)	(1219.79)
4	Changes on lease termination/lease concessions	–	–	–	(9.98)	(9.98)
5	The effect of changes in foreign exchange rates	(63.20)	(125.57)	(1.29)	–	(190.06)
6	Interest accrued	601.76	(18.05)	(157.31)	–	426.40
7	Other changes (transfer within categories)	(999.56)	–	999.56	–	–
8	Balance as at March 31, 2021	16646.73	6827.90	999.56	190.27	24664.46
9	Additions to lease liability	–	–	–	86.30	86.30
10	Changes from financing cash flows	450.00	(4713.97)	(18.00)	(96.33)	(4378.30)
11	Changes on lease termination/lease concessions	–	–	–	(1.82)	(1.82)
12	The effect of changes in foreign exchange rates	39.94	20.05	–	–	59.99
13	Interest accrued	1064.23	(36.59)	(981.56)	–	46.08
14	Other changes (transfer within categories)	(5232.49)	–	5232.49	–	–
15	Balance as at March 31, 2022	12968.41	2097.39	5232.49	178.42	20476.71

₹ crore

Notes forming part of the 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:

	₹ crore	
Particulars	2021-22	2020-21
Proceeds from non-current borrowings	450.00	9117.73
Repayment of non-current borrowings	(18.00)	(3396.88)
(Repayments)/proceeds from other borrowings (net)	(4713.97)	(6823.60)
Repayment of lease liability	(96.33)	(117.04)
Total changes from financing cash flows (refer to Sr.No 3 & 10 <i>supra</i>)	(4378.30)	(1219.79)

NOTE [44]

Disclosure pursuant to Ind AS 12 "Income Taxes":

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

	₹ crore	
Sr. No. Particulars	2021-22	2020-21
1. Profit or Loss section		
(i) Current Income tax :		
Current income tax expense	2424.86	3943.32
Tax expense of earlier years	3.08	5.73
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	(275.92)	771.12
Income tax expense reported in Profit or Loss [(i)+(ii)]	2152.02	4720.17
Income tax expense is attributable to:		
Profit from continuing operations (including exceptional items)	2152.02	2171.42
Profit from discontinued operation	–	2548.75
	2152.02	4720.17
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	19.51	13.27
	19.51	13.27
(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	71.85	(2.45)
	71.85	(2.45)
(B) Deferred tax:		
On mark to market gain/(loss) on cash flow hedges	(63.26)	72.19
Net gain/(loss) on cost of hedge reserve	0.77	2.97
Net gain/(loss) on fair value of debt securities	(40.70)	54.79
On foreign currency translation of joint operations	(6.69)	4.42
	(109.88)	134.37
Income tax expense reported in the OCI section [(i)+(ii)]	(18.52)	145.19

Notes forming part of the 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	2021-22	2020-21
(1)	Profit before tax from:		
	Continuing Operations (including exceptional items)	10031.47	5318.73
	Discontinued Operations	–	11199.23
		10031.47	16517.96
(2)	Corporate tax rate as per Income Tax Act, 1961	25.17%	25.17%
(3)	Tax on Accounting profit (3)=(1)*(2)	2524.72	4157.24
(4)	(i) Tax on expenses not tax deductible:		
	(A) Corporate social responsibility	33.14	39.08
	(B) Tax on employee perquisites borne by the Company	3.04	2.52
	(ii) Tax effect on impairment recognised on which deferred tax asset is not recognised	–	795.33
	(iii) Effect of current tax related to earlier years	3.08	5.73
	(iv) Effect of lower tax rate on long term capital gains	(12.96)	(266.65)
	(v) Tax effect of losses in joint operation of current year on which no deferred tax benefit is recognised	3.48	6.95
	(vi) Effect of deduction with respect to dividend income	(407.49)	(260.34)
	(vii) Reversal of deferred tax on brought forward losses on utilisation as set off against gains	–	103.51
	(viii) Tax effect on various other items	5.01	136.80
	Total effect of tax adjustments [(i) to (viii)]	(372.70)	562.93
(5)	Tax expense recognised during the year (5)=(3)+(4)	2152.02	4720.17
(6)	Effective tax Rate (6)=(5)/(1)	21.45%	28.58%

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

Particulars	As at 31-3-2022			As at 31-3-2021		
	Base Amount (₹ crore)	Deferred Tax (₹ crore)	Expiry date	Base Amount (₹ crore)	Deferred Tax (₹ crore)	Expiry date
Capital loss	682.79	156.22	FY 2029-30	–	–	

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

₹ crore

Sr. No.	Particulars	As at 31-3-2022		As at 31-3-2021	
		Base Amount	Deferred Tax	Base Amount	Deferred Tax
1.	Deductible temporary differences towards provision for diminution in value of investments on which DTA not created	5380.05	1278.86	6127.05	1449.77
2.	Temporary differences arising out of revaluation of tax base of assets (on account of indexation benefit)	7965.30	1822.46	7026.37	1607.63
	Total	13345.35	3101.32	13153.42	3057.40

Notes forming part of the 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

₹ crore

Sr. No.	Particulars	Balance Sheet		Statement of Profit and Loss	
		As at 31-3-2022	As at 31-3-2021	2021-22	2020-21
1.	Disputed statutory liability claimed on payment basis u/s 43B of the Income Tax Act, 1961	194.34	175.19	19.15	41.91
2.	Items disallowed u/s 43B of Income Tax Act, 1961	(321.23)	(270.63)	(50.61)	58.82
3.	Provision for doubtful debt and advances	(1325.05)	(1105.37)	(219.67)	(41.67)
4.	Difference in book depreciation and income tax depreciation	282.30	327.06	(44.76)	(140.20)
5.	Gain/(loss) on derivative transactions	7.88	70.59	–	–
6.	Deferred tax on capital losses	–	–	–	787.94
7.	Other temporary differences	21.46	48.89	19.97	64.32
	Deferred tax expense/(income)			(275.92)	771.12
	Net deferred tax (assets)/liabilities	(1140.30)	(754.27)		

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

₹ crore

Sr. No.	Particulars	2021-22	2020-21
1.	Balance as at April 1	(754.27)	(1660.12)
2.	Tax (income)/expense during the period recognised in:		
	(i) Statement of Profit and Loss in Profit or Loss section	(275.92)	771.12
	(ii) Statement of Profit and Loss under OCI section	(109.88)	134.37
	(iii) Hedge reserve (other than through OCI)	(0.23)	0.36
3.	Balance as at March 31	(1140.30)	(754.27)

Notes forming part of the 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 ₹ 100.65 crore (previous year: ₹ 94.32 crore out of which ₹ 5.88 crore pertains to discontinued operations) is recognised as an expense.
- ii Defined benefit plans:[Note [1](k)(ii)(B)]:
- a) The amount recognised in Balance Sheet are as follows:

Particulars	Gratuity Plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
	₹ crore							
A) Present value of defined benefit obligation								
- Wholly funded	677.74	628.00	–	–	–	–	3618.59	3417.58
- Wholly unfunded	97.67	83.08	313.02	320.34	371.56	377.95	–	–
	775.41	711.08	313.02	320.34	371.56	377.95	3618.59	3417.58
Less: Fair value of plan assets	659.28	626.66	–	–	–	–	3887.73	3727.53
Amount to be recognised as liability/(asset)	116.13	84.42	313.02	320.34	371.56	377.95	(269.14)	(309.95)
B) Amounts reflected in the Balance Sheet								
Liabilities	116.13	84.42	313.02	320.34	371.56	377.95	28.46	26.62
Assets	–	–	–	–	–	–	–	–
Net liability/(asset)	116.13	84.42	313.02	320.34	371.56	377.95	28.46	26.62
Net liability/(asset) - current	116.13	84.42	13.38	13.30	25.93	25.36	28.46 ^[1]	26.62 ^[1]
Net liability/(asset) - Non current	–	–	299.64	307.04	345.63	352.59	–	–

^[1] Employer's and employee's contribution due towards Provident Fund

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

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	₹ crore							
1 Current service cost	85.93	77.71	13.54	13.25	2.98	4.03	88.70	82.90
2 Interest cost	37.77	38.63	20.23	20.03	23.52	23.62	268.79	268.87
3 Interest income on plan assets	(39.40)	(35.71)	–	–	–	–	(268.79)	(268.87)
4 Actuarial losses/(gains) - others	(0.69)	(5.00)	(27.95)	(4.72)	(18.32)	5.25	–	–
5 Actuarial losses/(gains) - difference between actual return on plan assets and interest income	(30.57)	(48.16)	–	–	–	–	66.50	(111.85)
6 Past service cost	–	–	–	–	10.22	–	–	–
7 Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	(66.50)	111.85
8 Amount capitalised out of the above/recovered from S&A	–	(0.01)	–	(0.02)	–	–	–	–
Total (1 to 8)	53.04	27.47	5.82	28.54	18.40	32.90	88.70	82.90
i Amount included in "Employee benefits expense"	85.92	75.50	13.54	12.79	13.20	4.03	88.70	79.79
ii Amount included as part of "Finance cost"	(1.62)	2.93	20.23	20.03	23.52	23.62	–	–
iii Amount included as part of "Other comprehensive income"	(31.26)	(53.16)	(27.95)	(4.72)	(18.32)	5.25	–	–
iv Amount included in "Profit from discontinued operations"	–	2.20	–	0.44	–	–	–	3.11
Total (i+ii+iii+iv)	53.04	27.47	5.82	28.54	18.40	32.90	88.70	82.90
Actual return on plan assets	69.96	83.87	–	–	–	–	202.29	380.73

Notes forming part of the 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:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Opening balance of the present value of defined benefit obligation	711.09	766.78	320.34	316.16	377.95	369.13	3417.58	3178.15
Add: Current service cost	85.93	77.71	13.54	13.25	2.98	4.03	88.70	82.90
Add: Interest cost	37.77	38.63	20.22	20.03	23.52	23.62	268.79	268.87
Add: Contribution by plan participants								
i) Employee	–	–	–	–	–	–	225.24	246.99
ii) Transfer-in/(out)	–	(4.83)	–	–	–	–	84.25	70.58
Add/(less): Actuarial losses/(gains) arising from changes in:								
i) demographic assumptions	(0.28)	(0.95)	6.86	3.69	–	6.00	–	–
ii) financial assumptions	(31.81)	8.36	(29.54)	8.16	(16.71)	–	–	–
iii) experience adjustments	31.39	(12.49)	(5.27)	(16.56)	(1.62)	(0.75)	–	–
Less: Benefits paid	(60.53)	(158.93)	(13.13)	(24.39)	(24.78)	(24.08)	(465.97)	(429.91)
Add: Past service cost	–	–	–	–	10.22	–	–	–
Add: Business transfer	–	(0.70)	–	–	–	–	–	–
Add/(less): Translation adjustments	1.86	(2.50)	–	–	–	–	(0.00)	(0.00)
Closing balance of the present value of defined benefit obligation	775.42	711.09	313.02	320.34	371.56	377.95	3618.59	3417.58

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

₹ crore

Particulars	Gratuity plan		Trust-managed provident fund plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Opening balance of the fair value of the plan assets	626.66	554.11	3727.53	3362.79
Add: Interest income on plan assets ⁽¹⁾	39.40	35.71	268.79	268.87
Add/(Less): Actuarial gains/(losses)				
Difference between actual return on plan assets and interest income	30.57	48.16	(66.50)	111.85
Add: Contribution by the employer	1.01	111.41	81.52	83.53
Add/(less): Transfer in/(out)	–	(0.82)	84.25	70.59
Add: Contribution by plan participants	–	–	258.11	259.81
Less: Benefits paid	(38.36)	(121.91)	(465.97)	(429.90)
Closing balance of the plan assets	659.28	626.66	3887.73	3727.54

⁽¹⁾ 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 ₹ 17.71 crore (previous year: ₹ 0.92 crore) towards its gratuity plan and ₹ 100.49 crore (previous year: ₹ 81.06 crore) towards its trust-managed provident fund plan during the year 2021-22.

Notes forming part of the 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 31-3-2022			As at 31-3-2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	2.90	2.90	–	48.70	48.70
Equity instruments	26.35	–	26.35	19.98	–	19.98
Debt instruments - Corporate bonds	215.05	–	215.05	261.80	0.31	262.10
Debt instruments - Central government bonds	169.90	–	169.90	186.78	–	186.78
Debt instruments - State government bonds	145.80	–	145.80	106.67	–	106.67
Debt instruments - PSU bonds	19.85	–	19.85	23.53	–	23.53
Mutual funds – Equity	24.10	45.83	69.93	23.21	23.41	46.63
Mutual funds – Debt	–	–	–	–	3.17	3.17
Mutual funds – Others	–	3.90	3.90	–	2.90	2.90
Insurer managed funds	–	–	–	–	–	–
Fixed deposits	–	3.37	3.37	–	3.44	3.44
Special deposit schemes	–	1.48	1.48	–	1.48	1.48
Other (payables)/receivables	–	0.76	0.75	–	(78.72)	(78.72)
Closing balance of the plan assets	601.05	58.24	659.28	621.97	4.69	626.66

₹ crore

Particulars	Trust-managed provident fund plan					
	As at 31-3-2022			As at 31-3-2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	18.59	18.59	–	34.82	34.82
Equity instruments	146.46	–	146.46	70.41	–	70.41
Debt instruments - Corporate bonds	1,187.32	–	1,187.32	1,081.76	23.77	1,105.53
Debt instruments - Central government bonds	696.10	–	696.10	828.84	–	828.84
Debt instruments - State government bonds	1,054.53	–	1,054.53	833.74	–	833.74
Debt instruments - PSU bonds	395.46	–	395.46	455.15	–	455.15
Mutual funds – Equity	52.66	150.76	203.42	77.96	99.62	177.58
Mutual funds – Debt	–	–	–	–	17.61	17.61
Mutual funds – Others	–	30.19	30.19	–	2.78	2.78
Fixed deposits	–	–	–	–	1.02	1.02
Special deposit schemes	–	155.49	155.49	–	200.03	200.03
Other (payables)/receivables	0.17	(0.00)	0.17	0.01	(0.01)	(0.00)
Closing balance of the plan assets	3532.70	355.03	3887.73	3347.88	379.64	3727.52

₹ crore

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

Plans	As at 31-3-2022	As at 31-3-2021
1) Gratuity plan	7.38	7.69
2) Post-retirement medical benefit plan	14.16	14.53
3) Company pension plan	7.52	8.01

Notes forming part of the 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 31-3-2022	As at 31-3-2021
i) Discount rate:		
a) Gratuity plan	7.05%	6.47%
b) Company pension plan	7.05%	6.47%
c) Post-retirement medical benefit plan	7.05%	6.47%
ii) Annual increase in healthcare costs (refer note vii <i>infra</i>)	5.00%	5.00%
iii) Salary Growth rate:		
a) Gratuity plan	6.00%	6.00%
b) Company pension plan	9.00%	9.00%

- iv) Attrition Rate:

- a) For gratuity plan the attrition rate varies from 1% to 10% (previous year: 1% to 11%) for various age groups.
b) For Company pension plan, the attrition rate varies from 0% to 2% (previous year: 0% to 2%) for various age groups.
c) For post-retirement medical benefit plan, the attrition rate varies from 1% to 11% (previous year: 1% to 11%) for various age groups.

- v) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- vi) The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long-term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and Loss.

- vii) The obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits. At present, healthcare cost, as indicated in the principal actuarial assumption given *supra*, has been assumed to increase at 5.00% p.a.

- viii) (A) One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of gratuity plan:

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2021-22	2020-21	2021-22	2020-21
	Impact of change in salary growth rate	53.61	52.08	(47.59)
Impact of change in discount rate	(46.78)	(45.55)	53.61	52.39

₹ 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	
	2021-22	2020-21	2021-22	2020-21
	Impact of change in discount rate	(26.45)	(28.02)	30.37

₹ 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	
	2021-22	2020-21	2021-22	2020-21
	Impact of change in healthcare cost	22.66	22.49	(18.59)
Impact of change in discount rate	(40.25)	(41.29)	50.83	52.57

₹ crore

Notes forming part of the 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) *supra*. Employees do not contribute to any of these plans.

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

i) The Company will assess the impact of Code on Wages, 2019 and the Code on Social Security, 2020 and give effect in the financial statements when the date of implementation of these codes and the Rules/Schemes thereunder are notified.

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 ₹ 93.53 crore (previous year: ₹ 242.54 crore).
- (ii) The Company's defence manufacturing facility is eligible for certain incentives under Gujarat Aerospace and Defence Policy, 2016. Income accounted towards such incentives amounts to ₹ 13.05 crore (previous year: Nil).

Notes forming part of the 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 ^[1]	Subsidiary	No
4	L&T Power Limited	Subsidiary	Yes
5	L&T Aviation Services Private Limited	WOS	Yes
6	L&T Capital Company Limited	WOS	Yes
7	L&T Infra Contractors Private Limited ^[2]	WOS of L&T Capital Company Limited	No
8	Larsen & Toubro International FZE	WOS of L&T Global Holdings Limited	Yes
9	L&T Global Holdings Limited	WOS	Yes
10	Larsen & Toubro Heavy Engineering LLC	Subsidiary	Yes
11	L&T Modular Fabrication Yard LLC	Subsidiary	Yes
12	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Subsidiary	No
13	Larsen & Toubro Kuwait Construction General Contracting Company WLL	WOS	Yes
14	Larsen Toubro Arabia LLC	Subsidiary	Yes
15	L&T Hydrocarbon Saudi Company	WOS	Yes
16	Larsen & Toubro Electromech LLC	Subsidiary	Yes
17	L&T Hydrocarbon International FZE ^[3]	WOS	No
18	L&T Geostructure Private Limited	Subsidiary	Yes
19	L&T Geo – L&T JV for Maharatangarh project	WOS of L&T Geostructure Private Limited	No
20	L&T Geo – L&T UJV CMRL CS	WOS of L&T Geostructure Private Limited	No
21	L&T Infrastructure Engineering Limited	WOS	Yes
22	Larsen & Toubro (Oman) LLC	Subsidiary of Larsen & Toubro International FZE	Yes
23	Larsen & Toubro Qatar LLC ^[4]	WOS of Larsen & Toubro International FZE	No
24	Larsen & Toubro Saudi Arabia LLC	Subsidiary	Yes
25	Larsen & Toubro T&D SA (Proprietary) Limited	Subsidiary of Larsen & Toubro International FZE	No
26	Larsen & Toubro (East Asia) SDN. BHD.	WOS of Larsen & Toubro International FZE	Yes
27	Hi-Tech Rock Products and Aggregates Limited	WOS	Yes
28	L&T Realty Developers Limited	WOS	Yes
29	L&T Innovation Campus (Chennai) Limited ^[5]	WOS	Yes
30	L&T Seawoods Limited	WOS	Yes
31	L&T Asian Realty Project LLP	WOS of L&T Seawoods Limited	Yes
32	L&T Parel Project Private Limited ^[6]	WOS of L&T Seawoods Limited	Yes
33	Chennai Vision Developers Private Limited	WOS of L&T Realty Developers Limited	Yes
34	L&T Vision Ventures Limited ^[7]	Subsidiary of L&T Realty Developers Limited	Yes
35	L&T Westend Project LLP	Subsidiary of L&T Realty Developers Limited	No
36	LTR SSM Private Limited ^[8]	Subsidiary of L&T Realty Developers Limited	No
37	L&T Valves Limited	WOS	Yes
38	L&T Valves Arabia Manufacturing LLC	WOS of L&T Valves Limited	No
39	L&T Valves USA LLC	WOS of L&T Valves Limited	No
40	L&T Finance Holdings Limited	Subsidiary	Yes
41	L&T Finance Limited	WOS of L&T Finance Holdings Limited	Yes
42	L&T Investment Management Limited	WOS of L&T Finance Holdings Limited	Yes
43	L&T Mutual Fund Trustee Limited	WOS of L&T Finance Holdings Limited	Yes
44	L&T Infra Credit Limited ^[9]	WOS of L&T Finance Limited	Yes
45	L&T Infra Investment Partners Advisory Private Limited	WOS of L&T Finance Limited	Yes
46	L&T Infra Investment Partners Trustee Private Limited	WOS of L&T Finance Limited	Yes

Notes forming part of the 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)
47	L&T Financial Consultants Limited	WOS of L&T Finance Holdings Limited	Yes
48	Mudit Cement Private Limited	WOS of L&T Financial Consultants Limited	Yes
49	L&T Infra Investment Partners	Subsidiary of L&T Finance Limited	No
50	Larsen & Toubro Infotech Limited	Subsidiary	Yes
51	Syncordis Software Services India Private Limited ^[10]	WOS of Larsen & Toubro Infotech Limited	No
52	Larsen & Toubro LLC	Subsidiary	No
53	Larsen & Toubro Infotech GmbH	WOS of Larsen & Toubro Infotech Limited	No
54	Larsen & Toubro Infotech Canada Limited	WOS of Larsen & Toubro Infotech Limited	No
55	Larsen & Toubro Infotech LLC	WOS of Larsen & Toubro Infotech Limited	No
56	L&T Infotech Financial Services Technologies Inc.	WOS of Larsen & Toubro Infotech Limited	No
57	Larsen and Toubro Infotech South Africa (Proprietary) Limited	Subsidiary of Larsen & Toubro Infotech Limited	No
58	L&T Information Technology Services (Shanghai) Co., Ltd.	WOS of Larsen & Toubro Infotech Limited	No
59	L&T Information Technology Spain SL	WOS of Larsen & Toubro Infotech Limited	No
60	L&T Infotech S. DE R.L. DE C.V.	WOS of Larsen & Toubro Infotech Limited	No
61	Larsen & Toubro Infotech Norge AS	WOS of Larsen & Toubro Infotech Limited	No
62	Syncordis S.A.	WOS of Larsen & Toubro Infotech GmbH	No
63	Syncordis France SARL	WOS of Syncordis S.A.	No
64	Syncordis Limited	WOS of Syncordis S.A.	No
65	Syncordis PSF S.A.	WOS of Syncordis S.A.	No
66	Nielsen+Partners Germany	WOS of Larsen & Toubro Infotech GmbH	No
67	Nielsen+Partners Switzerland	WOS of Nielsen+Partner Germany	No
68	Nielsen+Partners Singapore	WOS of Nielsen+Partner Germany	No
69	Nielsen+Partners Thailand	WOS of Nielsen+Partner Germany	No
70	Nielsen+Partners Australia	WOS of Nielsen+Partner Germany	No
71	Ruletronics Limited	WOS of Larsen & Toubro Infotech GmbH	No
72	Ruletronics Systems Inc.	WOS of Larsen & Toubro Infotech GmbH	No
73	Ruletronics Systems Private Limited ^[10]	WOS of Larsen & Toubro Infotech Limited	No
74	Lymbyc Solutions Inc.	WOS of Lymbyc Solutions Private Limited	No
75	Lymbyc Solutions Private Limited	WOS of Larsen & Toubro Infotech Limited	No
76	Powerup Cloud Technologies Private Limited	WOS of Larsen & Toubro Infotech Limited	No
77	Larsen & Toubro Infotech UK Limited ^[11]	WOS of Larsen & Toubro Infotech Limited	Yes
78	LTI Middle East FZ-LLC ^[12]	WOS of Larsen & Toubro Infotech Limited	No
79	L&T Technology Services Limited	Subsidiary	Yes
80	L&T Thales Technology Services Private Limited	Subsidiary of L&T Technology Services Limited	Yes
81	Esencia Technologies India Private Limited	WOS of L&T Technology Services Limited	Yes
82	L&T Technology Services LLC	WOS of L&T Technology Services Limited	Yes
83	Esencia Technologies Inc. ^[13]	WOS of L&T Technology Services LLC	No
84	Graphene Semiconductor Services Private Limited	WOS of L&T Technology Services Limited	Yes
85	Graphene Solutions PTE Ltd.	WOS of L&T Technology Services Limited	No
86	Graphene Solutions SDN. BHD.	WOS of L&T Technology Services Limited	No
87	Graphene Solutions Taiwan Limited	WOS of L&T Technology Services Limited	No
88	Seastar Labs Private Limited	WOS of L&T Technology Services Limited	Yes
89	L&T Technology Services (Shanghai) Co. Ltd	WOS of L&T Technology Services Limited	No
90	L&T Technology Services (Canada) Ltd	WOS of L&T Technology Services LLC	No
91	Orchestra Technology, Inc. ^[14]	WOS of L&T Technology Services LLC	No
92	Mindtree Limited	Subsidiary	Yes
93	Mindtree Software (Shanghai) Co. Limited	WOS of Mindtree Limited	No
94	Bluefin Solutions SDN. BHD.	WOS of Mindtree Limited	No

Notes forming part of the 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)
95	L&T Power Development Limited	WOS	Yes
96	L&T Uttaranchal Hydropower Limited ^[15]	WOS of L&T Power Development Limited	Yes
97	L&T Arunachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
98	L&T Himachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
99	Nabha Power Limited	WOS of L&T Power Development Limited	Yes
100	L&T Metro Rail (Hyderabad) Limited ^[16]	Subsidiary	Yes
101	Thalest Limited ^[17]	WOS of Larsen & Toubro International FZE	No
102	Cuelogic Technologies Private Limited ^[18]	Subsidiary of Larsen & Toubro Infotech Limited	No
103	Cuelogic Technologies Inc. ^[18]	Subsidiary of Cuelogic Technologies Private Limited	No
104	L&T Cassidian Limited ^[19]	WOS	No
105	Larsen & Toubro Hydrocarbon International Limited LLC ^[20]	Subsidiary	No
106	L&T Overseas Projects Nigeria Limited ^[21]	WOS of Larsen & Toubro International FZE	No
107	L&T Capital Markets Limited ^[22]	WOS of L&T Finance Holdings Limited	Yes
108	L&T Capital Market (Middle East) Ltd ^[23]	WOS of L&T Finance Holdings Limited	No
109	Nielsen+Partners Luxembourg ^[24]	WOS of Nielsen+Partners Germany	No
110	Sahibganj Ganges Bridge-Company Private Limited ^[25]	WOS of L&T Capital Company Limited	No
111	Servowatch Systems Limited ^[26]	WOS of Thalest Limited	Yes
112	L&T Electricals & Automation Saudi Arabia Company LLC ^[27]	WOS of Tamco Switchgear (Malaysia) SDN. BHD	Yes
113	Tamco Switchgear (Malaysia) SDN. BHD. ^[27]	WOS of Larsen & Toubro International FZE	Yes
114	Henikwon Corporation SDN. BHD. ^[27]	WOS of Tamco Switchgear (Malaysia) SDN. BHD	Yes
115	Tamco Electrical Industries Australia Pty Limited ^[27]	WOS of Larsen & Toubro International FZE	No
116	PT. Tamco Indonesia ^[27]	WOS of Larsen & Toubro International FZE	Yes
117	L&T Electrical & Automation FZE ^[27]	WOS of Larsen & Toubro International FZE	Yes
118	Kana Controls General Trading & Contracting Company W.L.L. ^[27]	WOS of L&T Electrical & Automation FZE	Yes

^[1] In process of being struck off from the register of companies

^[2] Struck off from the register of companies w.e.f. December 28, 2021

^[3] Liquidated on August 17, 2021

^[4] In process of liquidation

^[5] Formerly know as L&T Electricals and Automation Limited

^[6] Formerly known as L&T Parel Project LLP

^[7] Divested on June 3, 2021

^[8] In process of being struck off from the register of companies.

^[9] Formerly known as L&T Infra Debt Fund Limited

^[10] Merged with Larsen & Toubro Infotech Limited w.e.f. April 1, 2021

^[11] Incorporated on August 17, 2020

^[12] Incorporated on November 25, 2020

^[13] Merged with L&T Technology Services LLC w.e.f. October 1, 2021

^[14] The Company through its subsidiary has acquired stake on October 2, 2020

^[15] Divested on August 30, 2021

^[16] One equity share (the Golden Share) is held by the Government of Telangana in pursuance of the Shareholders' Agreement

^[17] Dissolved on September 7, 2021

^[18] The company through its subsidiary has acquired stake on July 7, 2021

^[19] Dissolved w.e.f. January 28, 2021

^[20] Liquidated on May 16, 2020

^[21] Dissolved w.e.f. January 21, 2021

^[22] Divested on April 24, 2020

^[23] Liquidated w.e.f. from December 17, 2020

^[24] Merged with Syncordis PSF S.A. w.e.f. December 21, 2020

^[25] Dissolved w.e.f. March 30, 2021

^[26] Divested on December 1, 2020

^[27] Divested on August 31, 2020

Notes forming part of the 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
2	Magtorq Engineering Solutions 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-Chiyoda Limited
3	L&T - MHI Power Boilers Private Limited ^[1]	4	L&T - MHI Power Turbine Generators Private Limited ^[1]
5	Raykal Aluminium Company Private Limited	6	L&T Special Steels and Heavy Forgings Private Limited
7	L&T Howden Private Limited	8	L&T Sapura Shipping Private Limited
9	L&T Sapura Offshore Private Limited	10	L&T Infrastructure Development Projects Limited
11	Panipat Elevated Corridor Limited	12	Vadodara Bharuch Tollway Limited
13	L&T Interstate Road Corridor Limited	14	L&T Transportation Infrastructure Limited
15	L&T Halol-Shamlaji Tollway Limited ^[2]	16	Ahmedabad-Maliya Tollway Limited
17	L&T Samakhiali Gandhidham Tollway Limited	18	L&T Deccan Tollways Limited
19	Kudgi Transmission Limited	20	L&T Sambalpur-Rourkela Tollway Limited
21	L&T Rajkot-Vadinar Tollway Limited	22	L&T MBDA Missile Systems Limited

^[1] Renamed

^[2] The company ceased to be a joint venture w.e.f. October 21, 2021

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

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

Sr. No	Gratuity Trust
1	Larsen & Toubro Officers & Supervisors Gratuity Fund
2	Larsen & Toubro Gratuity Fund
3	L&T Shipbuilding Limited Employees Group Gratuity Assurance Scheme
4	L&T Hydrocarbon Engineering Limited Group Gratuity Scheme

Sr. No	Superannuation Trust
1	Larsen & Toubro Limited Senior Officers' Superannuation Scheme

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

(i) Executive Director

Sr. No		Sr. No	
1	Mr. S. N. Subrahmanyam (Chief Executive Officer & Managing Director)	2	Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)
3	Mr. Shailendra Roy (Whole-time Director) ^[1]	4	Mr. Subramanian Sarma (Whole-time Director) ^[2]
5	Mr. D. K. Sen (Whole-time Director)	6	Mr. M. V. Satish (Whole-time Director)
7	Mr. J. D. Patil (Whole-time Director)	8	Mr. S.V. Desai (Whole-time Director) ^[3]
9	Mr. T. Madhava Das (Whole-time Director) ^[3]		

Notes forming part of the Financial Statements (contd.)

NOTE [47]

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

(i) Non-executive/Independent Directors

Sr. No		Sr. No	
1	Mr. A.M. Naik (Group Chairman)	2	Mr. M. M. Chitale
3	Mr. Subodh Bhargava ^[4]	4	Mr. M. Damodaran
5	Mr. Vikram Singh Mehta	6	Mr. Adil Zainulbhai
7	Ms. Sunita Sharma ^[5]	8	Mr. Thomas Mathew T ^[6]
9	Mr. Ajay Shankar ^[7]	10	Ms. Naina Lal Kidwai ^[8]
11	Mr. Sanjeev Aga	12	Mr. Narayanan Kumar
13	Mr. Hemant Bhargava	14	Ms. Preeta Reddy ^[9]
15	Mr. Pramit Jhaveri ^[10]		

^[1] Ceased w.e.f. July 7, 2020 on account of superannuation

^[2] Appointed as Whole-time Director w.e.f. August 19, 2020 (Non-executive Director till August 18, 2020)

^[3] Appointed w.e.f. July 11, 2020

^[4] Ceased w.e.f. March 29, 2022 on account of completion of term

^[5] Ceased w.e.f. May 3, 2021 on account of withdrawal of nomination by Life Insurance Corporation of India

^[6] Ceased w.e.f. April 2, 2020 on account of completion of term

^[7] Ceased w.e.f. May 29, 2020 on account of completion of term

^[8] Ceased w.e.f. February 28, 2021 on account of completion of term

^[9] Appointed w.e.f. March 1, 2021

^[10] Appointed w.e.f. April 1, 2022

(c) Disclosure of related party transactions:

Sr. No.	Nature of transaction/relationship/major parties	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
i.	Purchase of goods & services (including commission paid)				
	Subsidiaries, including:	1796.68		1690.05	
	Larsen & Toubro Electromech LLC		603.71		211.42
	L&T Geostructure Private Limited		436.27		246.17
	L&T Modular Fabrication Yard LLC		294.30		680.46
	Joint ventures, including:	1531.41		1303.43	
	L&T - MHI Power Boilers Private Limited		697.31		694.76
	L&T- Chiyoda Limited		227.63		147.76
	L&T - MHI Power Turbine Generators Private Limited		341.21		248.52
	Associates, including:	28.34		17.44	
	Magtorq Private Limited		27.31		17.44
	Total	3356.43		3010.92	

₹ crore

Notes forming part of the 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	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
ii.(a)	Sale of goods/contract revenue & services				
	Subsidiaries, including:	1134.35		780.69	
	Larsen & Toubro Infotech Limited		484.76		
	L&T Realty Developers Limited		202.45		
	Nabha Power Limited		171.07		
	Larsen & Toubro (East Asia) SDN. BHD.				128.55
	Larsen & Toubro Saudi Arabia LLC				208.61
	Nabha Power Limited				82.46
	L&T Metro Rail (Hyderabad) Limited				96.27
	Joint ventures, including:	69.01		52.62	
	L&T - MHI Power Boilers Private Limited		47.48		40.53
	L&T- Chiyoda Limited				6.17
	L&T Special Steels and Heavy Forgings Private Limited		12.73		5.49
	Total	1203.36		833.31	
ii. (b)	Reversal of sale of goods/contract revenue & services				
	Subsidiaries, including:	–		15.73	
	L&T Parel Project Private Limited				14.54
	Total	–		15.73	
iii.	Purchase/lease of property, plant and equipment				
	Subsidiaries, including:	134.13		2.73	
	Larsen & Toubro Infotech Limited		12.29		
	Mindtree Limited		15.99		
	L&T Construction Equipment Limited		104.84		
	Larsen & Toubro (Oman) LLC				2.06
	L&T Technology Services Limited				0.38
	Joint venture:	0.05		–	
	L&T-Sargent & Lundy Limited		0.05		
	Total	134.18		2.73	
iv.	Sale of property, plant and equipment				
	Subsidiaries:	0.05		6.55	
	L&T Geostructure Private Limited		0.02		3.74
	L&T Hydrocarbon Saudi Company				2.81
	L&T Valves Limited		0.03		
	Key management personnel:	–		0.61	
	Mr. Shailendra Roy				0.61
	Total	0.05		7.16	
v.	Investments including subscription to equity and preference shares (equity portion)				
	Subsidiaries, including:	–		2272.05	
	L&T Finance Holdings Limited				1907.65
	Hi-Tech Rock Products and Aggregates Limited				300.00
	Joint venture:	2.02		–	
	L&T - MHI Power Turbine Generators Private Limited		2.02		–
	Total	2.02		2272.05	

Notes forming part of the 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	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
vi.	Subscription debentures/bonds net of redemption				
	Subsidiary:				
	L&T Finance Limited	–		2338.47	2338.47
	Total	–		2338.47	
vii.	Sale/redemption of stake in business undertaking				
	Subsidiary:				
	Mindtree Limited	198.00		–	
	Total	198.00		–	
viii.	Net inter corporate deposits and loans given/(repaid by)				
	Subsidiaries, including:				
	L&T Metro Rail (Hyderabad) Limited	819.70		(266.10)	1019.20
	Larsen Toubro Arabia LLC		1057.00		(350.96)
	L&T Hydrocarbon Saudi Company		(209.75)		(184.32)
	L&T Modular Fabrication Yard LLC		(85.39)		
	L&T Geostructure Private Limited				29.50
	Hi-Tech Rock Products and Aggregates Limited				(267.59)
	Nabha Power Limited		122.95		(353.18)
	L&T Realty Developers Limited				(158.75)
	Joint ventures:				
	L&T Sapura Shipping Private Limited	148.03		151.59	
	L&T Special Steels and Heavy Forgings Private Limited		148.03		151.59
	Total	967.73		(114.51)	
ix.	Net inter corporate borrowing taken from/(repaid to)				
	Subsidiaries, including:				
	Nabha Power Limited	79.57		(535.21)	
	L&T Seawoods Limited		83.97		(517.33)
	Joint venture:				
	L&T MBDA Missile Systems Limited	100.75		32.00	
	Total	180.32		(503.21)	
x.	Charges paid for miscellaneous services				
	Subsidiaries, including:				
	Larsen & Toubro Infotech Limited	164.53		152.15	
	L&T Aviation Services Private Limited		112.19		111.58
	Mindtree Limited		21.09		17.95
	L&T Technology Services Limited		21.38		
	Joint ventures, including:				
	L&T- Chiyoda Limited	17.74		29.90	
	L&T Sargent & Lundy Limited		12.06		25.17
			4.45		3.61
	Total	182.27		182.05	

Notes forming part of the 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	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
xi.	Rent paid, including lease rentals under leasing/hire purchase arrangements				
	Subsidiaries, including:	5.96		2.91	
	L&T Hydrocarbon Saudi Company		5.80		1.84
	L&T Electrical & Automation FZE				0.36
	Larsen Toubro Arabia LLC				0.38
	Joint ventures:	0.23		0.01	
	L&T - MHI Power Turbine Generators Private Limited		0.06		0.01
	L&T - MHI Power Boilers Private Limited		0.11		
	L&T Special Steels and Heavy Forgings Private Limited		0.06		
	Associate:	0.08		–	
	Magtorq Private Limited		0.08		
	Total	6.27		2.92	
xii.	Rent received, overheads recovered and miscellaneous income				
	Subsidiaries, including:	355.42		328.33	
	Larsen & Toubro Infotech Limited		105.81		92.08
	L&T Technology Services Limited		52.15		53.69
	L&T Geostructure Private Limited		67.85		68.01
	L&T Finance Limited		46.77		
	Joint ventures, including:	107.65		101.34	
	L&T - MHI Power Boilers Private Limited		41.32		31.86
	L&T - Sargent & Lundy Limited		10.87		11.57
	L&T - Chiyoda Limited		23.97		25.39
	Total	463.07		429.67	
xiii.(a)	Charges incurred for deputation of employees from related parties				
	Subsidiaries, including:	18.66		8.27	
	L&T Technology Services Limited		18.65		
	L&T Electrical and Automation FZE				3.58
	L&T Modular Fabrication Yard LLC				0.89
	Kana Controls General Trading and Contracting Company WLL				1.57
	Total	18.66		8.27	
xiii.(b)	Charges recovered for deputation of employees to related parties				
	Subsidiaries, including:	70.15		64.70	
	L&T Parel Project Private Limited		7.77		7.12
	L&T Asian Realty Project LLP		11.50		6.79
	L&T Realty Developers Limited		10.69		11.47
	L&T Geostructure Private Limited		17.34		13.16
	L&T Seawoods Limited		11.05		7.32
	Joint ventures, including:	5.34		7.64	
	L&T Sapura Shipping Private Limited		3.85		2.94
	L&T Infrastructure Development Projects Limited		0.73		1.14
	L&T Special Steels and Heavy Forgings Private Limited		0.76		
	L&T- Chiyoda Limited				2.83
	Total	75.49		72.34	

Notes forming part of the Financial Statements (contd.)

NOTE [47]

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

		2021-22		2020-21	
Sr. No.	Nature of transaction/relationship/major parties	Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
xiv.	Dividend received				
	Subsidiaries, including:	1458.49		844.68	
	Larsen & Toubro Infotech Limited		649.00		396.34
	L&T Technology Services Limited		269.11		164.01
	Larsen & Toubro Electromech LLC				95.60
	L&T Realty Developers Limited		199.87		
	Mindtree Limited		276.45		175.92
	Joint ventures, including:	156.83		174.38	
	L&T - MHI Power Boilers Private Limited		119.39		119.39
	L&T- Chiyoda Limited				40.50
	Total	1615.32		1019.06	
xv.	Commission received, including those under agency arrangements				
	Subsidiary:	8.17		7.77	
	L&T Construction Equipment Limited		8.17		7.77
	Total	8.17		7.77	
xvi.	Guarantee charges recovered from				
	Subsidiaries, including:	49.59		21.40	
	Nabha Power Limited		13.40		12.86
	L&T Hydrocarbon Saudi Company		17.84		
	L&T Metro Rail (Hyderabad) Limited		7.91		
	Larsen & Toubro Saudi Arabia LLC				2.48
	Larsen Toubro Arabia LLC		6.77		2.87
	Joint venture:	0.64		0.47	
	L&T - MHI Power Turbine Generators Private Limited		0.64		0.47
	Total	50.23		21.87	
xvii.	Interest paid to				
	Subsidiaries, including:	43.36		31.41	
	L&T Seawoods Limited		11.50		13.47
	Nabha Power Limited		8.68		11.78
	L&T Power Development Limited		5.58		
	L&T Realty Developers Limited		15.57		4.79
	Joint ventures:	9.10		13.64	
	L&T MBDA Missile Systems Limited		6.81		2.81
	L&T - MHI Power Turbine Generators Private Limited		2.29		10.83
	Total	52.46		45.05	
xviii.	Interest received from				
	Subsidiaries, including:	468.10		294.35	
	L&T Metro Rail (Hyderabad) Limited		317.56		132.95
	L&T Finance Limited		128.45		113.69
	Joint ventures, including:	65.12		206.60	
	L&T Sapura Shipping Private Limited		9.76		
	L&T Special Steels and Heavy Forgings Private Limited				134.52
	Kudgi Transmission Limited		45.52		45.93
	L&T Infrastructure Development Projects Limited		9.84		21.44
	Total	533.22		500.95	

Notes forming part of the 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	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
xix.	Amount recognised/(reversed) in Profit or Loss as provision towards bad and doubtful debts (including expected credit loss on account of delay)				
	Subsidiaries, including:	57.46		5.05	
	Larsen Toubro Arabia LLC		27.95		
	L&T Hydrocarbon Saudi Company		11.03		
	L&T Metro Rail (Hyderabad) Limited		11.24		6.12
	L&T Seawoods Limited				0.67
	Larsen & Toubro Heavy Engineering LLC				(0.80)
	Joint ventures, including:	(0.31)		0.31	
	L&T Special Steels and Heavy Forgings Private Limited				(0.09)
	L&T - MHI Power Turbine Generators Private Limited		0.11		
	Raykal Aluminium Company Private Limited		0.85		
	L&T Sapura Offshore Private Limited		0.18		
	L&T - MHI Power Boilers Private Limited		(1.46)		0.39
	Total	57.15		5.36	
xx.	Amount recognised in Profit or Loss on account of impairment loss on investment and inter corporate deposit				
	Subsidiaries:	0.90		1692.71	
	Larsen & Toubro Heavy Engineering LLC		0.90		
	L&T Power Development Limited				829.00
	L&T Uttaranchal Hydropower Limited				586.00
	Joint venture:	–		1467.38	
	L&T Special Steels and Heavy Forgings Private Limited				1467.38
	Total	0.90		3160.09	
xxi.	Amount recognised in Profit and Loss on account of provision towards constructive obligation				
	Joint venture:	–		14.84	
	L&T Special Steels and Heavy Forgings Private Limited				14.84
	Total	–		14.84	
xxii.	Guarantee given on behalf of				
	Subsidiaries, including:	30778.64		2192.99	
	Larsen Toubro Arabia LLC		8486.70		
	L&T Hydrocarbon Saudi Company		12227.39		
	L&T Metro Rail (Hyderabad) Limited		8616.00		
	Mindtree Limited				518.44
	L&T Hydrocarbon Saudi Company				274.55
	Nabha Power Limited				1400.00
	Total	30778.64		2192.99	
xxiii.	Contribution to post-employment benefit plans				
(a)	Towards employer's contribution to provident fund trusts, including:	71.88		110.85	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		62.47		100.44
	Total	71.88		110.85	

Notes forming part of the 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	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(b)	Towards employer's contribution to gratuity fund trusts, including: L&T Hydrocarbon Engineering Limited Group Gratuity Scheme Larsen & Toubro Gratuity Fund	0.92	0.92	114.32	86.47
	Total	0.92		114.32	16.54
(c)	Towards employer's contribution to superannuation trust: Larsen & Toubro Limited Senior Officers' Superannuation Scheme	7.51	7.51	6.81	6.81
	Total	7.51		6.81	

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

xxiv. Compensation paid to key management personnel:

Key Management Personnel	2021-22			2020-21				
	Short-term employee benefits	Post-employment benefits	Total	Short-term employee benefits	Post-employment benefits	Other Long term benefit	Share based payment	Total
Executive Directors:								
(a) Mr. S.N.Subrahmanyan	24.46	6.53	30.99	11.26	2.97	–	–	14.23
(b) Mr. R. Shankar Raman	16.12	4.30	20.42	7.50	1.98	–	–	9.48
(c) Mr. Shailendra Roy	–	–	–	4.83	7.64 ^[1]	10.20 ^[2]	–	22.67
(d) Mr. Subramanian Sarma (Executive Director w.e.f. August 19, 2020)	13.71	3.65	17.36	4.48	1.02	–	8.39	13.89
(e) Mr. D. K. Sen	9.27	2.46	11.73	3.93	1.01	–	–	4.94
(f) Mr. M. V. Satish	8.75	2.30	11.05	4.24	1.08	–	–	5.32
(g) Mr. J.D. Patil	8.64	2.29	10.93	4.23	1.09	–	–	5.32
(h) Mr. S.V. Desai	9.91	2.60	12.51	2.83	0.64	–	–	3.47
(i) Mr. T. Madhava Das	9.72	2.55	12.27	2.94	0.72	–	–	3.66
Non-executive/Independent Directors:								
(a) Mr. A.M. Naik	3.32	3.00 ^[3]	6.32	3.21	3.00 ^[3]	–	–	6.21
(b) Mr. Subramanian Sarma (Non-executive Director till August 18, 2020)	–	–	–	3.10	1.26	–	–	4.36
(c) Other Non-executive/Independent Directors	4.81	–	4.81	5.25	–	–	–	5.25
Total	108.71	29.68	138.39	57.80	22.41	10.20	8.39	98.80

^[1] Post retirement benefits include gratuity ₹ 6.60 crore

^[2] Represents encashment of past service accumulated leave

^[3] Represents pension

Notes forming part of the Financial Statements (contd.)

NOTE [47]

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

(d) Amount due to/from related parties:

		₹ crore			
Sr. No.	Category of balance/relationship/parties	As at 31-3-2022		As at 31-3-2021	
		Amount	Amounts for major parties	Amount	Amounts for major parties
i.	Accounts receivable				
	Subsidiaries, including:	1323.21		800.87	
	L&T Metro Rail (Hyderabad) Limited		736.30		610.48
	L&T Geostructure LLP		220.33		
	Joint ventures, including:	91.83		133.80	
	L&T - MHI Power Boilers Private Limited		57.43		75.49
	L&T - MHI Power Turbine Generators Private Limited		13.36		
	L&T Deccan Tollways Limited				50.00
	Total	1415.04		934.67	
ii.	Accounts payables, including other payables				
	Subsidiaries, including:	751.20		1004.71	
	L&T Modular Fabrication Yard LLC		117.90		306.04
	Larsen Toubro Arabia LLC		84.76		
	L&T Geostructure Private Limited		150.22		222.17
	Larsen & Toubro Saudi Arabia LLC		86.06		
	Larsen and Toubro (Oman) LLC				
	Joint ventures, including:	1775.55		1772.77	
	L&T - MHI Power Boilers Private Limited		756.64		863.49
	L&T - MHI Power Turbine Generators Private Limited		796.53		576.54
	L&T Infrastructure Development Projects Limited				177.35
	Associates, including:	7.67		13.97	
	Magtorq Private Limited		6.82		5.18
	L&T Camp Facilities LLC				8.79
	Total	2534.42		2791.45	
iii.	Investment in debt securities [including preference shares (debt portion)]				
	Subsidiaries:	2228.72		2659.72	
	L&T Metro Rail (Hyderabad) Limited		1145.67		491.14
	L&T Finance Limited		1083.05		2168.58
	Joint ventures:	911.98		1097.54	
	L&T Special Steels and Heavy Forgings Private Limited		213.17		213.17
	Kudgi Transmission Limited (Secured)		698.81		611.72
	L&T Infrastructure Development Private Limited				272.65
	Total	3140.70		3757.26	
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	

Notes forming part of the 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 31-3-2022		As at 31-3-2021	
		Amount	Amounts for major parties	Amount	Amounts for major parties
v.	Loans & advances recoverable				
	Subsidiaries, including:	4980.20		3928.87	
	L&T Metro Rail (Hyderabad) Limited		3735.72		2481.56
	Joint ventures, including:	2312.75		2162.92	
	L&T Special Steels and Heavy Forgings Private Limited		1781.18		1746.17
	L&T Sapura Shipping Private Limited		328.43		
	Associates:	4.23		5.00	
	Magtorq Private Limited		4.23		5.00
	Total	7297.18		6096.79	
vi.	Impairment loss on loans & advances recoverable				
	Subsidiaries, including:	294.96		277.70	
	L&T Hydrocarbon Saudi Company		173.93		167.70
	Larsen & Toubro Heavy Engineering LLC		75.20		71.62
	Larsen Toubro Arabia LLC		39.81		38.38
	Joint ventures, including:	1736.43		1735.46	
	L&T Special Steels and Heavy Forgings Private Limited		1730.38		1730.38
	Total	2031.39		1735.46	
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 (including lease finance)				
	Subsidiaries:	83.98		4.40	
	L&T Capital Company Limited				4.40
	Nabha Power Limited		83.98		
	Joint venture:	193.74		90.91	
	L&T MBDA Missile Systems Limited		193.74		90.91
	Total	277.72		95.31	
ix.	Advances received in the capacity of supplier of goods/services classified as "Advances from customers" in the Balance Sheet				
	Subsidiaries, including:	122.05		113.56	
	Nabha Power Limited		29.84		47.51
	L&T Realty Developers Limited		24.84		56.64
	Larsen & Toubro Infotech Limited		33.88		
	L&T Technology Services Limited		32.15		
	Joint venture:	17.34		20.46	
	L&T - MHI Power Boilers Private Limited		17.34		20.46
	Total	139.39		134.02	

Notes forming part of the 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 31-3-2022		As at 31-3-2021	
		Amount	Amounts for major parties	Amount	Amounts for major parties
x.	Due to directors ^[1] :				
	Key management personnel, including:	89.75		36.96	
	Mr. S. N. Subrahmanyam		21.40		8.40
	Mr. R. Shankar Raman		13.98		5.49
	Mr. Shailendra N Roy				0.92
	Mr. D. K. Sen		7.62		2.40
	Mr. M. V. Satish		7.05		2.66
	Mr. J.D. Patil		7.23		2.91
	Mr. Subramanian Sarma		11.70		5.31
	Mr. S.V.Desai		8.56		2.29
	Mr. T. Madhava Das		8.40		2.43
	Total	89.75		36.96	
xi.	Post employment benefit plan				
(a)	Due to provident fund trusts, including:	40.70		31.47	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		37.71		28.65
	Total	40.70		31.47	
(b)	Due to gratuity trusts:	17.71		0.94	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		15.47		
	Larsen & Toubro Gratuity Fund		2.24		
	L&T Hydrocarbon Engineering Limited Group Gratuity Scheme				0.94
	Total	17.71		0.94	
(c)	Due to superannuation trust:	12.89		4.48	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		12.89		4.48
	Total	12.89		4.48	
xii.(a)	Capital commitment given				
	Subsidiaries, including:	5.45		140.36	
	L&T Construction Equipment Limited		0.88		136.98
	Larsen & Toubro Infotech Limited		0.83		
	Mindtree Limited		3.51		
	Joint ventures:	0.11		-	
	L&T - Sargent & Lundy Limited		0.08		
	L&T - MHI Power Turbine Generators Private Limited		0.01		
	L&T Special Steels and Heavy Forgings Private Limited		0.02		
	Total	5.56		140.36	
xii.(b)	Revenue commitment given				
	Subsidiaries, including:	2127.79		1815.42	
	L&T Geostucture LLP		1192.92		121.19
	L&T Modular Fabrication Yard LLC		359.19		
	Larsen & Toubro (Oman) LLC		149.53		187.64
	Larsen & Toubro Electromech LLC		25.46		742.44
	Joint ventures , including:	1421.52		2551.02	
	L&T - MHI Power Boilers Private Limited		820.89		1643.73
	L&T - MHI Power Turbine Generators Private Limited		305.67		387.72
	L&T - Chiyoda Limited				327.86
	Associates, including:	52.26		35.45	
	Magtorq Private Limited		51.54		35.08
	Total	3601.57		4401.89	

^[1] Includes commission due to non-executive directors ₹ 3.81 cr crore (previous year: ₹ 4.15 crore).

Notes forming part of the 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 31-3-2022		As at 31-3-2021	
		Amount	Amounts for major parties	Amount	Amounts for major parties
xiii.	Commitment to Fund ^[2]				
	Subsidiary:				
	Nabha Power Limited	477.57	477.57	14.00	
	L&T Uttaranchal Hydropower Limited				14.00
	Total	477.57		14.00	
xiv.	Revenue commitment received				
	Subsidiaries, including:				
	L&T Metro Rail (Hyderabad) Limited	1486.57	398.04	2143.92	457.82
	Larsen & Toubro Infotech Limited		213.60		677.92
	Nabha Power Limited		317.52		488.57
	L&T Realty Developers Limited		352.88		221.70
	Larsen & Toubro (East Asia) SDN. BHD.		180.20		
	Joint ventures, including:				
	L&T - MHI Power Boilers Private Limited	125.16	107.24	187.73	158.78
	L&T MBDA Missile Systems Limited		17.53		20.00
	Total	1611.73		2331.65	
xv.	Guarantee given on behalf of				
	Subsidiaries, including:				
	L&T Hydrocarbon Saudi Company	42427.70	19573.00	19070.57	7128.36
	Larsen Toubro Arabia LLC		8652.89		4115.57
	Nabha Power Limited		4216.00		4716.00
	L&T Metro Rail (Hyderabad) Limited		8616.00		
	Joint ventures, including:				
	L&T - MHI Power Turbine Generators Private Limited	300.23	255.12	363.85	312.67
	Total	42727.93		19434.42	
xvi.	Provision for doubtful debts related to the amount of outstanding balances				
	Subsidiaries, including:				
	Nabha Power Limited	70.71		19.29	2.04
	L&T Metro Rail (Hyderabad) Limited		25.75		14.51
	L&T Seawoods Limited				2.00
	Larsen Toubro Arabia LLC		27.95		
	L&T Hydrocarbon Saudi Company		11.03		
	Joint ventures, including:				
	L&T - MHI Power Boilers Private Limited	22.02	21.82	23.30	23.28
	Total	92.73		42.59	

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

^[2] The Company has provided a revolving line of credit facility of ₹ 1800 crore to L&T Finance Limited as a stand-by liquidity support arrangement (the "Facility"), renewable on a yearly basis. This Facility is in addition to the working capital lines that L&T Finance Limited has with its consortium of lending banks. The Facility shall be exercised by L&T Finance Limited only after exhausting all external bank funding lines. The utilisation against the Facility is NIL as at 31st March 2022.

Note:

- 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 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 31-3-2022			As at 31-3-2021		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)
Indian subsidiaries								
1	Bhilai Power Supply Company Limited	India	99.90	99.90	99.90	99.90	99.90	99.90
2	L&T Innovation Campus Limited ^[1]	India	100.00	100.00	100.00	100.00	100.00	100.00
3	Hi-Tech Rock Products & Aggregates Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
4	L&T Seawoods Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
5	Kesun Iron & Steel Company Private Limited ^[2]	India	95.00	95.00	95.00	95.00	95.00	95.00
6	L&T Geostructure Private Limited ^[3]	India	99.00	100.00	100.00	99.00	100.00	100.00
7	L&T Valves Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
8	L&T Power Limited	India	99.99	99.99	99.99	99.99	99.99	99.99
9	L&T Aviation Services Private Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
10	Larsen & Toubro Infotech Limited	India	74.05	74.05	74.05	74.27	74.27	74.27
11	L&T Finance Holdings Limited	India	66.26	66.26	66.26	63.62	63.62	63.62
12	L&T Capital Company Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
13	L&T Power Development Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
14	L&T Metro Rail (Hyderabad) Limited ^[4]	India	100.00	100.00	100.00	100.00	100.00	100.00
15	L&T Technology Services Limited	India	73.90	73.90	73.90	74.24	74.24	74.24
16	L&T Construction Equipment Limited ^[5]	India	100.00	100.00	100.00	100.00	100.00	100.00
17	L&T Infrastructure Engineering Limited	India	100.00	100.00	100.00	100.00	100.00	100.00
18	L&T Realty Developers Limited ^[6]	India	100.00	100.00	100.00	100.00	100.00	100.00
19	Mindtree Limited	India	60.99	60.99	60.99	61.03	61.03	61.03

^[1] Formerly known as L&T Electricals and Automation Limited.

^[2] In process of being struck off from the register of companies.

^[3] Became subsidiary on November 25, 2020.

^[4] One equity share (the Golden Share) is held by the Government of Telangana in pursuance of the Shareholders' Agreement.

^[5] Formerly known as L&T Construction Machinery Limited.

^[6] Formerly known as L&T Construction Equipment Limited.

Notes forming part of the 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 31-3-2022			As at 31-3-2021		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)
1	Larsen & Toubro LLC	USA	95.24	98.76	98.76	95.24	98.77	98.77
2	Larsen & Toubro (Saudi Arabia) LLC	Kindgom of Saudi Arabia	4.35	100.00	100.00	4.35	100.00	100.00
3	L&T Global Holdings Limited	UAE	100.00	100.00	100.00	100.00	100.00	100.00
4	Larsen & Toubro Arabia LLC	Kindgom of Saudi Arabia	75.00	75.00	100.00	75.00	75.00	100.00
5	L&T Hydrocarbon Saudi Company LLC	Kindgom of Saudi Arabia	100.00	100.00	100.00	100.00	100.00	100.00
6	L&T Modular Fabrication Yard LLC	Sultanate of Oman	70.00	70.00	100.00	70.00	70.00	100.00
7	L&T Electromech LLC	Sultanate of Oman	70.00	70.00	100.00	70.00	70.00	100.00
8	L&T Hydrocarbon International FZE ⁽¹⁾	UAE	–	–	–	100.00	100.00	100.00
9	L&T Kuwait Construction General Contracting Company WLL	Kuwait	49.00	49.00	100.00	49.00	49.00	100.00
10	L&T Heavy Engineering LLC	Sultanate of Oman	70.00	70.00	100.00	70.00	70.00	100.00

⁽¹⁾ Liquidated on August 17, 2021

Associate Companies :

Sr. No.	Name of associate	Principal place of business	As at 31-3-2022			As at 31-3-2021		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)
1	Gujarat Leather Industries Limited ⁽¹⁾	India	50.00	50.00	50.00	50.00	50.00	50.00
2	Magtorq Private Limited	India	42.85	42.85	42.85	42.85	42.85	42.85

⁽¹⁾ Under liquidation

Notes forming part of the 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 31-3-2022		As at 31-3-2021	
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)
1	L&T Chennai-Tada Tollway Limited	India	^[1]	51.00	^[1]	51.00
2	L&T Rajkot-Vadinar Tollway Limited	India	^[1]	51.00	^[1]	51.00
3	L&T Samakhiali Gandhidham Tollway Limited	India	0.02	51.01	0.02	51.01
4	L&T Infrastructure Development Projects Limited	India	51.00	51.00	51.00	51.00
5	L&T Transportation Infrastructure Limited	India	26.24	63.86	26.24	63.86
6	Ahmedabad - Maliya Tollway Limited	India	^[1]	51.00	^[1]	51.00
7	L&T Halol-Shamlaji Tollway Limited ^[2]	India	^[1]	24.98	^[1]	24.98
8	L&T Howden Private Limited	India	50.10	50.10	50.10	50.10
9	L&T-MHI Power Boilers Private Limited	India	51.00	51.00	51.00	51.00
10	L&T-MHI Power Turbine Generators Private Limited	India	51.00	51.00	51.00	51.00
11	Raykal Aluminium Company Private Limited	India	75.50	75.50	75.50	75.50
12	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	74.00	74.00	74.00
13	PNG Tollway Limited	India	^[1]	37.74	^[1]	37.74
14	L&T MBDA Missile Systems Limited	India	51.00	51.00	51.00	51.00
15	L&T Hydrocarbon Caspian LLC	Baku, Azerbaijan	50.00	50.00	50.00	50.00
16	L&T Sapura Shipping Private Limited	India	60.00	60.00	60.00	60.00
17	L&T Sapura Offshore Private Limited	India	60.00	60.00	60.00	60.00
18	L&T Chiyoda Limited	India	50.00	50.00	50.00	50.00
19	L&T-Sargent & Lundy Limited	India	50.00	50.00	50.00	50.00

^[1] Proportion of direct ownership is less than 0.01%.

^[2] The company ceased to be a joint venture w.e.f. October 21, 2021

Notes forming part of the Financial Statements (contd.)

NOTE [49]

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

Particulars		2021-22	2020-21
Basic earnings per share			
Profit after tax from continuing operations as per accounts (₹ crore)	A	7879.45	3147.31
Profit after tax from discontinued operations as per accounts (₹ crore)	B	–	8650.48
Profit after tax from continuing and discontinued operations as per accounts (₹ crore)	C=A+B	7879.45	11797.79
Weighted average number of equity shares outstanding	D	1,40,47,47,700	1,40,41,46,937
Basic EPS from continuing operations(₹)	A/D	56.09	22.41
Basic EPS from discontinued operations(₹)	B/D	–	61.61
Basic EPS from continuing discontinued operations(₹)	C/D	56.09	84.02
Diluted earnings per share			
Profit after tax from continuing operations as per accounts (₹ crore)	A	7879.45	3147.31
Profit after tax from discontinued operations as per accounts (₹ crore)	B	–	8650.48
Profit after tax from continuing and discontinued operations as per accounts (₹ crore)	C=A+B	7879.45	11797.79
Weighted average number of equity shares outstanding	D	1,40,47,47,700	1,40,41,46,937
Add: Weighted average number of potential equity shares on account of employee stock options	E	15,40,580	14,20,264
Weighted average number of equity shares outstanding for diluted EPS	F=D+E	1,40,62,88,280	1,40,55,67,202
Diluted EPS from continuing operations(₹)	A/F	56.03	22.39
Diluted EPS from discontinued operations(₹)	B/F	–	61.54
Diluted EPS from continuing discontinued operations(₹)	C/F	56.03	83.93
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 obligations	Contractual rectification cost - construction contracts	Others	
1	Balance as at April 1, 2021	5.97	338.81	73.45	446.57	54.90	919.70
2	Additional provision during the year	15.21	36.43	0.67	370.20		422.51
3	Provision used during the year	(2.64)	(11.74)		(49.43)		(63.81)
4	Provision reversed during the year	(1.37)	(4.75)	(0.08)	(163.08)		(169.28)
5	Balance as at March 31, 2022 (5=1+2+3+4)	17.17	358.75	74.04	604.26	54.90	1109.12

b) Nature of provisions:

- 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, 2022 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.
- Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms.
- Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.
- 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".
- 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 Financial Statements (contd.)

NOTE [51]

The expenditure on research and development activities is as follows:

		₹ crore	
Sr. No.	Particulars	2021-22	2020-21
(i)	Recognised as expense in the Statement of Profit and Loss	83.73	122.33
(ii)	Capital Expenditure on:		
	(a) tangible assets	3.74	1.24
	(b) intangible assets being expenditure on new product development	–	9.39
	(c) other intangible assets	0.52	0.58

Of the above, expenditure on research and development activities of discontinued operations is as follows:

		₹ crore	
Sr. No.	Particulars	2021-22	2020-21
(i)	Recognised as expense in the Statement of Profit and Loss	–	30.87
(ii)	Capital Expenditure on:		
	(a) tangible assets	–	0.49
	(b) intangible assets being expenditure on new product development	–	9.39

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 exposures. 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 into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. In addition, the Company has entered, and may enter in future, into non-designated foreign currency contracts to partially offset the foreign currency exchange gains and losses on its foreign-denominated debt issuances. The Company's practice is to hedge a portion of its material 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 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 31-3-2022				
	US Dollars including pegged currencies	EURO	Japanese Yen	Kuwaiti Dinars	Algerian Dinar
Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	(2949.42)	(166.91)	(221.42)	103.40	(358.10)
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non-financial assets/(liabilities)	86.57	(56.08)	–	–	–
Derivatives including embedded derivatives for hedging receivable/ (payable) exposure with respect to firm commitments and highly probable transactions	7710.74	(2308.25)	473.12	696.42	–
Receivable/(payable) exposure with respect to forward contracts and embedded derivatives not designated as cash flow hedge	3294.27	32.10	(23.99)	(38.45)	–

₹ crore

Particulars	As at 31-3-2021				
	US Dollars including pegged currencies	EURO	Japanese Yen	Kuwaiti Dinars	Algerian Dinar
Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	(1216.76)	55.90	(554.10)	(37.84)	(97.62)
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non-financial assets/(liabilities)	291.65	65.82	–	–	–
Derivatives including embedded derivatives for hedging receivable/ (payable) exposure with respect to firm commitments and highly probable transactions	6324.70	(4931.25)	1031.00	404.79	–
Receivable/(payable) exposure with respect to forward contracts and embedded derivatives not designated as cash flow hedge	2337.79	164.57	(14.43)	(21.02)	–

₹ crore

To provide a meaningful assessment of the foreign currency risk associated with the Company's foreign currency derivative positions against off-balance sheet exposures and unhedged portion of on-balance sheet financial assets and liabilities, the Company uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Company uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increases in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VAR for the Company at 95% confidence level is ₹ 69.70 crore as at March 31, 2022 and ₹ 61.09 crore as at March 31, 2021.

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, 2022 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchanges rates and the Company's actual exposures and position.

(ii) Interest rate risk:

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

Notes forming part of the Financial Statements (contd.)

NOTE [52]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management (contd.)

The Company has insignificant portion of the loan book which has a floating rate linked to one month USD LIBOR.

With the transition of LIBOR into another benchmark (SOFR), there will be a spread adjustment that will have to be applied to these loans. The loans are expected to be either refinanced and linked to a new benchmark or simply transitioned to the new benchmark before LIBOR ceases to be published.

The Company's Treasury team constantly tracks the developments related to this proposed transition and has also had interactions with the counterparty lenders to prepare for the transition.

In the cases mentioned above, the lenders and the Company are likely to agree on a neutral spread adjustment which does not impact the counterparties financially.

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 31-3-2022	As at 31-3-2021
Floating rate borrowings	3524.53	5287.49

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	
	2021-22	2020-21	As at 31-3-2022	As at 31-3-2021
	₹ crore			
Indian Rupee				
Interest rates -increase by 0.5% in INR interest rate	(0.48)	(1.01)	(0.48)	(1.01)
Interest rates -decrease by 0.5% in INR interest rate	0.48	1.01	0.48	1.01
US Dollar				
Interest rates -increase by 0.5% in USD interest rate	(12.70)	(18.78)	(12.70)	(18.78)
Interest rates -decrease by 0.5% in USD interest rate	12.70	18.78	12.70	18.78

(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	Increase/(decrease) in investment value	
	As at 31-3-2022	As at 31-3-2021
Debt funds and debt securities – increase by 0.50% in fair market value	59.32	76.39
Debt funds and debt securities – decrease by 0.50% in fair market value	(59.32)	(76.39)
Equity funds– increase by 5% in NAV	4.52	2.19
Equity funds– decrease by 5% in NAV	(4.52)	(2.19)

Notes forming part of the 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	
Particulars	2021-22	2020-21
Balance as at April 1	3006.54	2871.49
Changes in loss allowance for ECL:		
Provision/(reversal) of allowance for ECL	411.24	297.07
Additional provision (net) towards credit impaired receivables	185.62	205.58
Write off as bad debts	(121.66)	(367.60)
Balance as at March 31 [refer Note 11]	3481.74	3006.54

- (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 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 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 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 31-3-2022	As at 31-3-2021
I.	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Investment in equity instruments	5	74.40	70.22
	(ii) Investment in mutual funds	10	5961.14	11787.56
	(iii) Investment in bonds	10	1277.67	982.97
	(iv) Derivative instruments not designated as cash flow hedges	7,15	67.91	99.47
	(v) Embedded derivatives not designated as cash flow hedges	7,15	24.48	33.68
	Sub-total (I)		7405.60	12973.90
II.	Measured at amortised cost:			
	(i) Loans	6,14	4334.18	3111.39
	(ii) Investment in CBLO and Commercial Paper	10	2418.70	299.98
	(iii) Trade receivables	11	36347.35	33331.60
	(iv) Advances recoverable in cash	15	611.58	744.87
	(v) Cash and cash equivalents and bank balances	7,12,13	6593.16	4462.28
	(vi) Other receivables		1416.57	1256.55
	Sub-total (II)		51721.54	43206.67
III.	Measured at fair value through Other Comprehensive Income (FVTOCI):			
	(i) Investment in government securities, bonds and debentures	10	8820.71	9162.44
	(ii) Derivative financial instruments designated as cash flow hedges	7,15	464.65	605.33
	(iii) Embedded Derivatives designated as cash flow hedges	7,15	26.40	19.13
	Sub-total (III)		9311.76	9786.90
	Total (I+II+III)		68438.90	65967.47

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

		₹ crore		
Sr. No.	Particulars	Note	As at 31-3-2022	As at 31-3-2021
I.	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Derivative instruments not designated as cash flow hedges	20,26	36.03	15.81
	(ii) Embedded derivatives not designated as cash flow hedges	20,26	26.86	11.73
	Sub-total (I)		62.90	27.54
II.	Measured at amortised cost:			
	(i) Borrowings	19,23,24	20298.29	24474.19
	(ii) Trade payables			
	Due to micro enterprises and small enterprises		473.67	448.30
	Due to others	25	44911.67	40321.48
	(iii) Others		3065.36	2298.50
	Sub-total (II)		68748.99	67542.47
III.	Derivative instruments (including embedded derivatives) through other comprehensive income:			
	(i) Derivative instruments designated as cash flow hedges	20,26	326.24	336.54
	(ii) Embedded derivatives designated as cash flow hedges	20,26	70.60	57.49
	Sub-total (III)		396.84	394.04
IV.	Financial guarantee contracts	20,26	116.20	15.97
	Total (I+II+III+IV)		69324.93	67980.02

Notes forming part of the 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	2021-22	2020-21
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	434.94	960.68
	2. Gains/(losses) on fair valuation/settlement of derivative:		
	a. On forward contracts not designated as cash flow hedges	190.76	(134.42)
	b. On embedded derivative contracts not designated as cash flow hedges	(44.32)	(147.16)
	c. On futures not designated as cash flow hedges	70.88	(52.11)
	Sub-total (A)	652.26	626.99
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.)	166.59	(271.45)
	(ii) Allowance/(reversal) for expected credit loss during the year	(411.24)	(297.07)
	(iii) Provision for impairment loss (other than expected credit loss) [net]	(199.54)	(1989.86)
	(iv) Gains/(losses) on derecognition:		
	1. Bad debts (written off)/written back (net)	(22.49)	(13.86)
	2. Gains/(losses) on transfer of financial assets (on non-recourse basis)	(28.73)	(58.42)
	Sub-total (B)	(495.43)	(2630.66)
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.)	(121.95)	255.31
	(ii) Unclaimed credit balances written back	106.04	226.54
	Sub-total (C)	(15.91)	481.85
	Total [I] = (A+B+C)	140.92	(1521.82)
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.	(106.75)	355.48
	(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	93.06	736.93
	2. Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	(38.33)	32.92
	Sub-total (A)	(52.02)	1125.33
	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	71.15	116.02
	(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	41.95	408.39
	2. On embedded derivative contracts upon hedged future cash flows affecting the Profit or Loss or related asset or liability	(4.78)	3.72
	Sub-total (B)	108.32	528.13
	Net gains/(losses) recognised in other comprehensive income [II]= (A)-(B)	(160.34)	597.20

Notes forming part of the Financial Statements (contd.)

NOTE [53]

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

		₹ crore	
Sr. No.	Particulars	2021-22	2020-21
III	Other income/(expenses):		
A	Dividend income:		
	Dividend income from investments measured at FVTPL	3.74	15.34
	Sub-total (A)	3.74	15.34
B	Interest income:		
(a)	Financial assets measured at amortised cost	344.42	363.89
(b)	Financial assets measured at fair value through other comprehensive income	658.65	640.35
(c)	Financial assets measured at fair value through Profit or Loss	42.27	24.51
	Sub-total (B)	1045.34	1028.75
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)	(76.02)	(137.51)
(b)	Financial liabilities that are measured at amortised cost	(1432.22)	(1870.02)
(c)	Financial liabilities that are measured at fair value through Profit or Loss	-	(0.17)
	Sub-total (C)	(1508.24)	(2007.70)
	Total [III] = (A+B+C)	(459.14)	(963.61)

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

(ii) Financial liabilities measured at amortised cost:

₹ crore					
Particulars	As at 31-3-2022		As at 31-3-2021		Fair value hierarchy
	Carrying amount	Fair value	Carrying amount	Fair value	
Redeemable non-convertible fixed rate debentures	16068.04	16561.90	15570.86	16410.60	L2 ^[1]
Term loan from banks	63.47	65.44	81.60	88.28	L2 ^[1]
Total	16131.51	16627.33	15652.47	16498.88	

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.

^[1] Valuation technique L2: Future cash flows discounted using market rates.

Notes forming part of the 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 31-3-2022				As at 31-3-2021			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
₹ crore									
Financial assets:									
Financial assets at FVTPL:									
(i) Equity shares (other than those held in subsidiary, joint ventures and associate companies)	5	4.98	–	69.42	74.40	6.88	–	63.34	70.22
(ii) Mutual fund units	10	5961.14	–	–	5961.14	11787.56	–	–	11787.56
(iii) Bonds	10	1277.67	–	–	1277.67	982.97	–	–	982.97
(iv) Derivative instruments not designated as cash flow hedges	7,15	–	67.91	–	67.91	–	99.47	–	99.47
(v) Embedded derivative Instruments not designated as cash flow hedges	7,15	–	24.48	–	24.48	–	33.68	–	33.68
Financial assets at FVTOCI:									
(i) Debt instruments viz. government securities, bonds and debentures	10	8820.71	–	–	8820.71	9162.44	–	–	9162.44
(ii) Derivative financial instruments designated as cash flow hedges	7,15	–	464.64	–	464.64	–	605.32	–	605.32
(iii) Embedded derivative instruments designated as cash flow hedges	7,15	–	26.40	–	26.40	–	19.13	–	19.13
Total		16064.50	583.43	69.42	16717.35	21939.85	757.60	63.34	22760.79
Financial Liabilities:									
(i) Designated at FVTPL:									
(a) Derivative instruments not designated as cash flow hedges	20,26	–	36.03	–	36.03	–	15.81	–	15.81
(b) Embedded derivative instruments not designated as cash flow hedges	20,26	–	26.86	–	26.86	–	11.73	–	11.73
(ii) Designated at FVTOCI:									
(a) Derivative financial instruments designated as cash flow hedges	20,26	–	326.22	–	326.22	–	336.55	–	336.55
(b) Embedded derivative financial instruments designated as cash flow hedges	20,26	–	70.60	–	70.60	–	57.49	–	57.49
Total		–	459.71	–	459.71	–	421.58	–	421.58

Valuation technique and key inputs used to determine fair value -

- Level-1 : Mutual Fund, bonds, 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	₹ crore	
	Equity Investment in Tidel Park Limited	
Balance as at April 01, 2020		68.30
Gains/(losses) recognised in Profit or Loss during 2020-21		(5.07)
Balance as at March 31, 2021		63.23
Gains/(losses) recognised in Profit or Loss during 2021-22		6.09
Balance as at March 31, 2022		69.32

Notes forming part of the 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
	31-3-2022	31-3-2021		
	₹ crore			
Equity Investment	69.32	63.23	31-3-2022 and 31-3-2021: 1. Net realisation per month ₹ 31.827 per sqft. 2. Capitalisation rate 11.50%	31-3-2022 and 31-3-2021 : 1% change in net realisation would result in +/- ₹ 0.28 crore (post tax- ₹ 0.21 crore) 25 bps change in capitalisation rate would result in +/- ₹ 0.60 crore (post tax- ₹ 0.45 crore)

(g) Maturity profile of Financial Liabilities (undiscounted values):

Particulars	Note	As at 31-3-2022			As at 31-3-2021		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
		₹ crore					
A. Non-derivative liabilities:							
Borrowings	19,23,24	8222.87	14412.85	22635.72	7950.14	20705.48	28655.62
Trade payables:							
Due to micro enterprises and small enterprises		378.96	94.71	473.67	328.25	120.05	448.30
Due to others	25	42801.00	2110.67	44911.67	38008.97	2312.51	40321.48
Other financial liabilities	20,26	2883.18	119.97	3003.15	2054.45	69.76	2124.21
Lease liabilities		71.35	109.68	181.03	80.30	119.47	199.77
Total		54357.36	16847.88	71205.24	48422.11	23327.27	71749.38
B. Derivative liabilities:							
Forward contracts	20,26	350.26	16.50	366.76	327.00	35.74	362.74
Embedded derivatives	20,26	85.26	13.17	98.43	69.74	-	69.74
Total		435.52	29.67	465.19	396.74	35.74	432.48

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

(i) Outstanding currency exchange rate hedge instruments

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

Particulars	As at 31-3-2022				As at 31-3-2021			
	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	13278.46	79.32	10671.01	2607.45	13197.80	78.35	8999.77	4198.03
Qatari Riyal	1739.15	21.06	1734.08	5.07	1207.41	20.72	958.09	249.32
Japanese Yen	1502.65	0.69	1401.82	100.83	2537.18	0.73	2426.78	110.40
Arab Emirates Dirham	1024.89	21.26	950.49	74.40	926.09	21.26	779.74	146.35
EURO	941.06	94.15	683.69	257.37	1460.38	99.84	1195.09	265.29
Kuwaiti Dinar	808.30	261.19	795.36	12.93	831.62	255.45	645.10	186.52
Omani Riyal	365.55	202.36	265.40	100.15	785.49	193.34	599.11	186.38
British Pound	191.87	105.14	191.87	-	214.70	100.49	214.70	-
Malaysian Ringgit	38.98	18.28	38.98	-	91.85	19.40	91.85	-
Thai Baht	2.77	2.31	2.77	-	-	-	-	-

Notes forming part of the Financial Statements (contd.)

NOTE [53]

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

Particulars	As at 31-3-2022				As at 31-3-2021			
	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	9524.14	76.83	9424.11	100.03	10927.51	74.49	10615.91	311.60
EURO	3556.94	87.56	3515.38	41.56	6409.40	87.40	6129.57	279.83
Japanese Yen	897.43	0.67	897.43	–	1325.46	0.72	1325.46	–
Chinese Yuan	500.30	12.04	500.30	–	85.99	11.23	85.98	0.01
Swiss Franc	273.64	77.29	272.74	0.90	293.53	80.10	123.77	169.76
Qatari Riyal	149.96	20.82	149.96	–	29.59	20.69	29.59	–
British Pound	127.11	105.93	127.11	–	26.41	101.30	26.41	–
Kuwaiti Dinar	32.43	253.45	32.43	–	242.90	242.90	242.90	–
Arab Emirates Dirham	42.35	20.71	42.35	–	46.35	20.28	46.35	–
Canadian Dollar	3.63	60.69	3.63	–	3.51	58.77	3.51	–
Omani Riyal	–	–	–	–	9.46	189.04	9.46	–

(ii) Outstanding commodity price hedge instruments

A. Commodity forward contract:

Particulars	As at 31-3-2022				As at 31-3-2021			
	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) ^[1]	(556.94)	743183.52	(556.94)	–	(126.17)	588420.44	(126.17)	–
Aluminium(Tn) ^[1]	(99.81)	227305.24	(99.81)	–	(12.46)	151246.64	11.03	(23.49)
Iron Ore(Tn)	25.25	12174.31	25.25	–	33.68	7447.47	33.68	–
Nickel(Tn)	71.39	1346959.25	71.39	–	143.04	1030545.11	143.04	–
Lead(Tn)	8.13	169465.07	8.13	–	47.04	142207.55	47.04	–

^[1] Negative nominal amount represents net sell position.

B. Commodity options contract:

Particulars	As at 31-3-2022				As at 31-3-2021			
	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	11.30	^[1]	11.30	–	–	–	–	–

^[1] The options contracts include a combination of calls and puts with different maturities and strike prices.

Notes forming part of the Financial Statements (contd.)

NOTE [53]

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

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

Cash flow hedge:

Particulars	As at 31-3-2022		As at 31-3-2021	
	Currency exposure	Commodity price exposure	Currency exposure	Commodity price exposure
	₹ crore			
Forward contracts				
Current:				
Asset - Other financial assets	304.03	67.59	375.12	154.01
Liability - Other financial liabilities	339.94	29.18	286.79	61.40
Non-current:				
Asset - Other financial assets	119.42	–	95.32	–
Liability - Other financial liabilities	27.71	–	42.83	3.02

(j) Breakup of hedging reserve & cost of hedging reserve balance:

Particulars	As at 31-3-2022		As at 31-3-2021	
	Cash flow hedging reserve	Cost of hedging reserve	Cash flow hedging reserve	Cost of hedging reserve
	₹ crore			
Balance towards continuing hedges	(38.96)	(4.76)	30.93	(4.34)
Balance for which hedge accounting discontinued	322.19	0.04	190.60	(2.67)

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

Particulars	Hedging reserve/Cost of hedging reserve	
	2021-22	2020-21
	₹ crore	
Future cash flows are no longer expected to occur:		
Sales, administration and other expenses	23.42	31.57
Hedged expected future cash flows affecting Profit or Loss:		
Progress billing	20.40	260.25
Revenue from operation	41.78	45.46
Manufacturing ,construction and operating expenses	44.26	92.77
Finance costs	(76.02)	(137.51)
Sales, administration and other expenses	(72.30)	242.30

Notes forming part of the Financial Statements (contd.)

NOTE [53]

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

(l) Movement of hedging reserve & cost of hedging reserve

Hedging reserve	2021-22			2020-21		
	Gross	Tax	Net of Tax	Gross	Tax	Net of Tax
Opening balance	314.42	(92.89)	221.53	(64.58)	17.75	(46.83)
Impact of business combination				162.43	(40.88)	121.55
Changes in the spot element of the forward contracts which is designated as hedging instrument for time period related hedges	59.16	(7.23)	51.93	202.71	(59.74)	142.97
Changes in fair value of forward contracts designated as hedging instruments	111.77	(13.66)	98.11	675.33	(188.34)	486.99
Changes in fair value of swaps	(33.99)	4.15	(29.84)	30.19	(8.90)	21.29
Amount reclassified to Profit or Loss	(46.42)	5.67	(40.75)	(424.79)	119.60	(305.19)
Amount included in non-financial asset/liability	0.15	(0.02)	0.13	(6.62)	1.95	(4.67)
Amount included in Progress Billing in balance sheet	(20.40)	2.52	(17.88)	(260.25)	65.67	(194.58)
Closing balance	384.69	(101.46)	283.23	314.42	(92.89)	221.53

₹ crore

Cost of hedging reserve	2021-22			2020-21		
	Gross	Tax	Net of Tax	Gross	Tax	Net of Tax
Opening balance	(9.36)	2.35	(7.01)	(19.34)	4.86	(14.48)
Impact of business combination	–	–	–	(1.83)	0.46	(1.37)
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	(82.21)	20.69	(61.52)	(138.38)	34.83	(103.55)
Amount reclassified to Profit or Loss	85.27	(21.46)	63.81	150.19	(37.80)	112.39
Closing balance	(6.30)	1.58	(4.72)	(9.36)	2.35	(7.01)

₹ crore

NOTE [54]

Disclosure pursuant to IndAS 116 "Leases"

(a) Where the Company is a lessor:

Operating leases: The Company has given buildings and plant & equipment under operating lease. The lease income received during the year is ₹ 161.35 crore (previous year: ₹ 162.96 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:

Particulars	Upto 1 year	1 – 2 years	2-3 years	3-4 years	4-5years	Beyond 5 years	Total
As at 31-3-2022	7.27	7.23	5.65	4.56	3.29	–	27.99
As at 31-3-2021	6.69	0.28	0.28	0.28	0.16	–	7.68

₹ crore

(b) Where the Company is a lessee:

The Company has taken various assets on lease such as, plant & equipment, 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.

Notes forming part of the Financial Statements (contd.)

NOTE [54]

Disclosure pursuant to IndAS 116 "Leases" (contd.)

Details with respect to right-of-use assets:

Class of asset	₹ crore					
	Depreciation for the year		Additions during the year		Carrying amount	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Land	4.23	4.07	1.88	0.91	262.64	265.03
Buildings	62.96	46.61	56.38	101.60	123.70	131.95
Plant & equipment	36.13	71.78	28.04	5.78	33.27	41.43
Vehicles	0.09	0.09	–	–	0.06	0.15
Computer	0.59	0.24	–	1.76	0.93	1.52
Total	104.00	122.80	86.30	110.05	420.59	440.07

- i. Interest expense on lease liabilities amounts to ₹ 13.24 crore (previous year: ₹ 14.36 crore).
- ii. The expense relating to payments not included in the measurement of lease liability and recognised as expense in the Statement of Profit and Loss during the year are as follows:
 - Low value leases - ₹ 35.41 crore (previous year: ₹ 7.66 crore)
 - Short-term leases - ₹ 2589.36 crore (previous year: ₹ 2143.46 crore) and
- iii. Total cash out flow for leases amounts to ₹ 2558.41 crore during the year (previous year: ₹ 2119.36 crore) including cash outflow of short-term and low value leases.

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, 2022. The disclosure pursuant to the said Act is as under:

Particulars	₹ crore	
	2021-22	2020-21
Principal amount due to suppliers under MSMED Act, 2006	18.42	87.78
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	1.03	0.05
Payment made to suppliers (other than interest) beyond the appointed day during the year	318.82	193.36
Interest paid to suppliers under MSMED Act (Section 16)	2.89	0.55
Interest due and payable towards suppliers under MSMED Act for payments already made	11.46	1.09
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	14.43	14.01
Amount of further interest remaining due and payable even in the succeeding years	0.28	9.73

NOTE [56]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022.

Notes forming part of the Financial Statements (contd.)

NOTE [57]

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

Sr. No.	Name of the company	Balance as at		Maximum outstanding during	
		As at	As at	2021-2022	2020-2021
		31-03-2022	31-03-2021		
	Loans and advances in the nature of loans given to subsidiaries:				
(i)	L&T Realty Developers Limited ^[1]	–	–	–	176.67
(ii)	L&T Special Steels & Heavy Forgings Private Limited ^[2]	1730.38	1730.38	1730.38	1730.38
(iii)	L&T Geostructure Private Limited	26.00	29.60	29.60	29.60
(iv)	Nabha Power Limited	145.43	22.48	404.15	1584.45
(v)	L&T Metro Rail (Hyderabad) Limited	3726.70	2450.49	4004.49	2450.49
(vi)	Hi-Tech Rock Products & Aggregates Limited	24.66	34.10	34.10	326.64
(vii)	Larsen & Toubro Arabia LLC ^[3]	83.50	130.84	130.84	487.99
(viii)	L&T Sapura Shipping Private Limited	327.93	162.53	327.93	163.73
(ix)	L&T Hydrocarbon Saudi Company ^[4]	213.23	403.66	403.66	601.48
(x)	L&T Modular Fabrication Yard LLC	0.28	83.12	83.12	86.71
(xi)	L&T Heavy Engineering LLC ^[5]	75.20	71.62	75.20	144.49
	Total	6353.32	5118.82		

^[1] Formerly known as L&T Construction Equipment Limited

^[2] Excluding impairment of ₹ 1730.38 crore (previous year: ₹ 1730.38 crore)

^[3] Excluding impairment of ₹ 39.81 crore (previous year: ₹ 38.38 crore)

^[4] Excluding impairment of ₹ 173.93 crore (previous year: ₹ 167.70 crore)

^[5] Excluding impairment of ₹ 75.20 crore (previous year: ₹ 71.62 crore)

^[6] Above figures include interest accrued

^[7] 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.

^[8] Subsidiary classification is in accordance with the Companies Act, 2013

Notes forming part of the Financial Statements (contd.)

NOTE [58]

Disclosure pursuant to section 186 of The Companies Act 2013:

			₹ crore	
Sr. No.	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	2021-22	2020-21
(A)	Loan and Advances			
	Subsidiary Companies:			
	(a) L&T Special Steels & Heavy Forgings Private Limited ^[1]	Working capital and project funding	1730.38	1730.38
	(b) Nabha Power Limited	Project funding	145.43	22.48
	(c) L&T Metro Rail (Hyderabad) Limited	Working capital and project funding	3726.70	2450.49
	(d) Hi-Tech Rock Products & Aggregates Limited	Investment in subsidiaries	24.66	34.10
	(e) L&T Geostructure Private Limited	Project funding	26.00	29.60
	(f) Larsen & Toubro Arabia LLC ^[2]	Working capital	83.50	130.84
	(g) L&T Sapura Shipping Private Limited		327.93	162.53
	(h) L&T Hydrocarbon Saudi Company ^[3]		213.23	403.66
	(i) L&T Modular Fabrication Yard LLC		0.28	83.12
	(j) L&T Heavy Engineering LLC ^[4]		75.20	71.62
	Total		6353.32	5118.82
(B)	Guarantees			
	Subsidiary Companies:			
	(a) L&T - MHI Power Turbine Generators Private Limited	Corporate guarantee given for subsidiary's Debt	255.12	312.67
	(b) Nabha Power Limited		4000.00	4500.00
	(c) L&T Metro Rail (Hyderabad) Limited		8616.00	250.00
	(d) Larsen & Toubro Arabia LLC		8652.89	4115.57
	(e) L&T Technology Services Limited	Corporate guarantee for subsidiary's project performance	610.58	611.53
	(f) Larsen & Toubro (Saudi Arabia) LLC		253.41	1262.12
	(g) Mindtree Limited		505.32	514.50
	(h) L&T Hydrocarbon Saudi Company LLC		19573.00	7128.36
	(i) L&T- MHI Power Boilers Private Limited		Guarantees issued by bank out of the Company's sanctioned limits to customer of L&T- MHI Power Boilers Private Limited for project performance	29.21
	(j) L&T Metro Rail (Hyderabad) Ltd	Guarantee issued by bank out of the Company's sanctioned limits On behalf of L&T Metro Rail (Hyderabad) Ltd towards DSRA ((Debt Service Reserve Account) to SBI Cap Trustee	–	472.00
	(k) Nabha Power Limited	Guarantees issued by bank out of the Company's sanctioned limits on behalf of Nabha for project performance to PSPCL	216.00	216.00
	(l) L&T Special Steel & Heavy Forgings Pvt Ltd	Guarantees issued by bank out of the Company's sanctioned limits on behalf of L&T Special Steel for project performance to NPCIL	15.89	21.95
	(m) L&T Seawoods Ltd	Corporate guarantee given to Maharashtra Pollution Control Board for CTO/CTE compliances	0.50	0.50
			42727.92	19434.43
(C)	Investments in fully paid equity instruments and Current Investments			

[Note 5 and Note 10]

^[1] Excluding impairment of ₹ 1730.38 crore (previous year: ₹ 1730.38 crore)

^[2] Excluding impairment of ₹ 39.81 crore (previous year: ₹ 38.38 crore)

^[3] Excluding impairment of ₹ 173.93 crore (previous year: ₹ 167.70 crore)

^[4] Excluding impairment of ₹ 75.20 crore (previous year: ₹ 71.62 crore)

Notes forming part of the Financial Statements (contd.)

NOTE [59]

Exceptional items (net of tax) for 2021-22 includes the following:

- (i) Gain of ₹ 138.69 crore on transfer of NxT digital business to Mindtree Limited, a subsidiary, with effect from July 1, 2021.
- (ii) Gain of ₹ 128.60 crore on divestment of stake in L&T Uttaranchal Hydro Power Limited, a subsidiary on August 30, 2021.

Exceptional items (net of tax) for 2020-21 included the following:

- (i) Impairment towards funded exposure of ₹ 1467.38 crore offset by interest income of ₹ 78.58 crore and provision towards constructive obligation to fund future losses ₹ 14.85 crore in the heavy forgings joint venture.
- (ii) Impairment of investments in the power development business ₹ 1415.00 crore.

The impairment was recognised considering the existing business operations and the outlook for the future performance. The present value of estimated future cash flows of the business (value-in-use) was considered as a recoverable amount (discount rates used 11.90% to 12.75%). For power development business, in addition to value-in-use, part of the recoverable value was based on the fair value determined based on benchmark multiple method.

NOTE [60]

Disclosure related to Corporate Social Responsibility (CSR):

Sr. No.	Particulars	₹ crore	
		2021-22	2020-21
(i)	Required to be spent	134.05	154.87
(ii)	Excess spend of previous year utilised	4.51 ^[2]	–
(iii)= (i)-(ii)	Spend obligation	129.54	154.87
(iv)	Actual spent	135.68	159.94
	Of which amount recognised in:		
	(a) Balance sheet	5.63 ^[1]	1.62 ^[2]
	(b) Statement of Profit and Loss	130.05	158.32
(v)	Excess spend shown as asset in previous year charged to Statement of Profit and Loss on its utilisation	1.62	–
(iv b)+(v)	Total amount shown in Statement of Profit and Loss	131.67	158.32 ^[3]

i. Refer Annexure C to the Board Report for the nature of CSR activities of the Company.

ii. Amount spent on CSR during the year 2021-22 includes contribution to PM CARES Fund NIL (previous year: ₹ 3.24 crore).

^[1] Total amount spent in excess of mandatory requirement for FY 21-22 and available for set off in succeeding financial years is ₹ 6.14 crore (including the amount for which no asset is created).

^[2] Total amount spent in excess of mandatory requirement for FY 20-21 was ₹ 5.07 crore. The amount available for set off in succeeding financial years was ₹ 4.51 crore (including the amount for which no asset was created).

^[3] Includes CSR expense of discontinued operations ₹ 0.83 crore.

Notes forming part of the Financial Statements (contd.)

NOTE [61]

Auditors' remuneration (excluding GST):

		₹ crore	
Sr. No.	Particulars	2021-22	2020-21
a.	Paid as Auditor		
	(i) Statutory audit fees	2.75	2.45
	(ii) Limited review of standalone and consolidated financial statements on a quarterly basis	2.49	2.10
b.	For Taxation matters	0.76	0.74
c.	For Company law matters	0.50	–
d.	For Other services including certification work	1.16	1.43
e.	For reimbursement of expenses	0.12	0.19

NOTE [62]

Contribution to political parties during the year 2021-22 is Nil (previous year: Nil).

NOTE [63]

(a) Balance outstanding 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 31-3-2022	Balance outstanding as at 31-3-2021
1	Walls Infra Solution Private Limited	Accounts Payables	NA	– ⁽¹⁾	– ⁽¹⁾
2	Avn Green Technologies Private Limited	Accounts Payables	NA	– ⁽¹⁾	– ⁽¹⁾
3	Alert Infraprojects Private Limited	Accounts Payables	NA	0.01	0.01
4	I S Earth Movers Private Limited	Accounts Payables	NA	– ⁽¹⁾	– ⁽¹⁾
5	Victor Properties private Limited	Shares held by struck off company	NA	– ⁽¹⁾	– ⁽¹⁾
6	Kothari Intergroup Limited	Shares held by struck off company	NA	– ⁽¹⁾	– ⁽¹⁾

⁽¹⁾ Less than ₹ 1 Lakhs.

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

- (i) The Company renewed the loan of ₹ 24.66 crore to Hi-Tech Rock Product & Aggregates Limited, a subsidiary, as its business was affected majorly due to an inverted duty structure. The subsidiary company has initiated measures to become more cost competitive including redressal of the inverted duty structure through various forums.
- (ii) The Company renewed the loan of ₹ 168.48 crore to L&T Sapura Shipping Private Limited, a joint venture, as the vessel owned by it was under major repairs since its accident in March 2020 and the joint venture company was unable to generate revenue. The vessel is expected to be re-commissioned in 2022-23. The payment of interest of ₹ 3.50 crore on the Company's bridge loan, for repairs of the vessel, to the joint venture company, is overdue and would be settled out of insurance claim proceeds.

Notes forming part of the Financial Statements (contd.)

NOTE [64]

Following are the analytical ratios for the year ended March 31, 2022 and March 31, 2021

Ratio	Numerator	Denominator	As at 31-3-2022	As at 31-3-2021	Variance %	Reason of Variance [If change is more than 25%]
Current Ratio (times)	Current assets	Current liabilities	1.39	1.43	(2.4)	
Debt Equity Ratio (times)	Total debt	Shareholder's equity	0.30	0.40	(23.7)	
Debt Service Coverage Ratio (times)	Earnings available for debt service ^[1]	Debt service ^[2]	6.49	1.82	257.3	Previous period included higher repayment of NCDs on maturity
Return on Equity Ratio (%)	Profit for the year after tax	Average shareholders equity	12.2%	20.5%	(40.5)	Previous period included gain on E&A business transfer.
Inventory Turnover Ratio	Cost of goods sold	Average inventory	NA ^[7]	NA ^[7]	NA	
Trade Receivables Turnover Ratio	Revenue from operations	Average gross trade receivables	2.65	2.46	7.7	
Trade Payables Turnover Ratio	Purchases ^[3]	Average trade payables	1.89	1.73	9.6	
Net Capital Turnover Ratio	Revenue from operations	Average working capital	2.93	3.52	(16.8)	
Net Profit Ratio (%)	Profit for the year after tax	Revenue from operations	7.80%	13.52%	(42.3)	Previous period included gain on E&A business transfer.
Return on Capital Employed (%)	Profit after tax + Finance Cost (net off tax shield on Finance Cost)	Capital employed ^[4]	10.32%	15.94%	(35.3)	Previous period included gain on E&A business transfer.
Return on Investment (%)	Treasury income ^[5]	Average investment ^[6]	6.72%	8.56%	(21.4)	

^[1] Profit before interest, tax and exceptional items from continuing operations

^[2] Interest expense + Principal repayments made during the period for long term borrowings+ Cash flow on settlement of derivatives contracts related to borrowings

^[3] Includes Manufacturing ,construction and operating expenses

^[4] Average Equity and average loan funds (including interest bearing advances)

^[5] Includes profit/loss on sale and fair valuation of current investments, dividend on current investment and interest income

^[6] Includes current investment, inter corporate deposits and fixed deposits

^[7] Not material considering the size and the nature of operations of the Company

NOTE [65]

(a) For better understanding of the Company's performance, line items have been added to show Profit after tax from continuing operations separately from exceptional items. This is in line with guidance available in Schedule III to the Act.

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

Consolidated Financial Statements

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INDEPENDENT AUDITORS’ 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 profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2022, 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 then ended, and a summary of significant 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 information 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, 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 specified under section 143 (10) of the Act (“SA”s). 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 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) to the Consolidated Financial Statements</p>
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Revenue recognition – accounting for construction contracts

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:</p> <ul style="list-style-type: none"> • 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. • We selected a sample of contracts with customers and performed the following procedures: <ol style="list-style-type: none"> a. Obtained and read contract documents for each selection, change orders, and other documents that were part of the agreement; 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; c. 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 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.

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) 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, 2022 and the date when the financial statements are approved by the Parent's Board of Directors included the following:</p> <ul style="list-style-type: none"> • 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, 2022 and the date when the financial statements are approved by the Board of Directors and the impact thereof on the carrying amount of the related contract assets. Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices. • We selected a sample of contracts assets with corresponding trade receivables that were overdue and evaluated the basis for management's conclusions regarding the (1) evidence supporting the execution of work for which the contract assets were recognised; (2) reasons for the delays in recovery of invoices and the basis on which recoverability of the contract assets was assessed; (3) impact on the allowance for expected credit losses; and (4) adjusting events after the reporting date i.e. March 31, 2022 and the date when the financial statements are approved by the Board of Directors and the impact thereof on the carrying amount of the related contract assets. • In respect of the sample contracts, we compared previous estimates relating to recoverability of contract assets and compared it with actual collections during the year.
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Impairment on Assets – Metro Rail Cash Generating Unit

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 & 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) to the Consolidated 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 included the following:</p> <ul style="list-style-type: none"> • We tested the effectiveness of controls over forecasts of future traffic, revenue, free cash flows and selection of the discount rate; • We evaluated the reasons for variation between the management's previous estimate of traffic, revenue and cash flow forecasts and obtained our understanding of the manner in which revised forecasts were obtained; • With the assistance of our fair value specialists who have specialised skill and knowledge, we evaluated the reasonableness of the methodology and discount rate by testing the source information underlying the determination of the discount rate and mathematical accuracy of the calculations; and • We performed a sensitivity analysis on the discount rate to assess the extent of change in discount rate that would be required for the CGU to be impaired.

Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of the principles laid down under Ind AS 115 "Revenue from Contracts with Customers" in respect of component Larsen & Toubro Infotech Limited

Key audit matter description	<p>The application of the revenue accounting standard (Ind AS 115) involves significant judgements/material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.</p> <p>Additionally, the standard requires disclosures, which involve collation of information in respect of disaggregated revenue, and periods over which the remaining performance obligations will be satisfied subsequent to the Balance Sheet date.</p> <p>The Group has also assessed (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) onerous obligations, (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers.</p> <p>Refer to Note No. [1](II)(i) to the Consolidated Financial Statements.</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"> • Evaluated the design and operating effectiveness of internal controls relating to the application of revenue accounting standard specifically, those relating to identification of the distinct performance obligations and determination of transaction price. Procedures performed included enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard. • Selected a sample of continuing and new contracts and performed the following procedures: <ol style="list-style-type: none"> a. Read, analysed and identified the distinct performance obligations in these contracts; b. Compared such performance obligations with those identified and recorded by the Company; c. Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration; d. Samples in respect of revenue recorded for time and material contracts were tested through a review of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes;

Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of the principles laid down under Ind AS 115 "Revenue from Contracts with Customers" in respect of component Larsen & Toubro Infotech Limited

- e. In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and contracting systems. We also tested the access and change management controls relating to these systems;
 - f. Performed analytical procedures for reasonableness of revenue disclosed by type and service offerings; and
 - g. Reviewed the collation of information and the logic of the report generated from the management system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied after the Balance Sheet date.
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Revenue recognition in respect of component L&T Technology Services Limited

Key audit matter description	The Group is in the business of providing technology and engineering services to third parties. The Group is having two models for the purpose of recognition of revenue from contracts for services rendered, which are time and material contracts and fixed price contracts. Refer to Note [1](II)(i) to the Consolidated Financial Statements.
Principal Audit Procedures	The component's auditors (being other firms of chartered accountants) have performed the following audit procedures: <ul style="list-style-type: none"> • Ensured that revenue recognition method applied was appropriate based on the terms of the agreement with the customer; obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; • For time and material-based contracts: <ul style="list-style-type: none"> a. Obtained appropriate evidence based on the circumstances to conclude whether the hours charged on projects were appropriate; b. Obtained appropriate evidence based on the circumstances to conclude whether the rate charged per man hours on projects were appropriate; and c. Verified the revenue based on the hours charged on the projects and approved per hour rate. • Considered the appropriateness of disclosures in relation to revenue recognition. • For fixed price contracts: <ul style="list-style-type: none"> a. Agreed the total project revenue estimate with customer contracts agreements including amendments as appropriate; b. Assessed the reliability of management's estimates by comparing actual results of delivered projects to previous estimates; c. Evaluated management's estimates and assumptions in recognition of the revenue; d. Verified the revenue based on the stage of completion of the projects; and e. Obtained appropriate evidence based on the circumstances to conclude whether the proportion of completion of projects was appropriate.

Measurement of loan assets for financial services segment

Key audit matter description	Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") and fair valuation on such loan assets are critical estimates involving significant level of management judgement. As part of risk assessment, component auditors' have determined that the allowance for ECL and fair valuation on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The key areas where the component auditors' have identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: <ul style="list-style-type: none"> a. Each borrower is classified into Stage 1 to 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 among the facilities ["Max DPD"]. b. Inherently, judgment is involved in the use 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.
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Measurement of loan assets for financial services segment

- c. In addition to the output of the ECL models, macroeconomic overlays and adjustments are recognised by the Company in order to align historic LGD estimates with the current collection and recovery practices.

Refer to Note [1](II)(r)(i)(D) to the Consolidated Financial Statements.

**Principal Audit
Procedures**

The component's auditors (being other firms of chartered accountants) have performed the following audit procedures:

- Examined the policies approved by the Board of Directors of the Company that articulate the Company's business model for managing its financial assets to achieve its business objectives.
- Verified the methodology adopted for computation of ECL and fair valuation for assessing and measuring lending exposures.
- Confirmed that adjustments to the output of the ECL model is consistent with the documented rationale and basis for such adjustments which has been approved by the Audit Committee of the Board of Directors.
- Audit procedures relating to the allowance for ECL and fair valuation included the following, among others:
 - a. Performed end-to-end process walkthroughs to identify the controls used in the impairment loss allowance processes. Tested the design and effectiveness of relevant internal controls, including the general IT controls relevant to the impairment loss allowance process, as detailed below:
 - 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;
 - 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 loans considered for ECL assessment with the books of accounts to ensure the completeness;
 - b. Performed the following substantive procedures on sample of loan assets:
 - tested appropriateness of staging of borrowers based on DPD and other loss indicators, as applicable;
 - tested the factual accuracy of information such as ratings and period of default and other related information used in estimating the PD;
 - evaluated the reasonableness of applicable assumptions, including LGD;
 - evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model;
 - evaluated the methodology used for computation of the fair value of loans; and
 - assessed the disclosures made in relation to the ECL allowance and fair valuation to confirm compliance with Ind AS provisions.

Impairment of Toll Collection Rights of certain operating projects who have incurred continuous losses and/or are undergoing restructuring due to continuous losses for a period more than 5 years.

**Key audit matter
description**

Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer ("BOT") and Design-Build-Operate-Transfer ("DBOT") projects. Toll collection rights are capitalised as intangible assets upon completion of the project at the cumulative construction costs plus the present value of obligation towards negative grants and additional concession fee payable to National Highways Authority of India ("NHAI")/State Authorities, if any.

The Group has carried out detailed evaluations considering various factors and concluded that the carrying value of the toll collection rights are good and recoverable.

Due to the multitude of factors and assumptions involved in determining the forecasted revenues/cash flows and discount rate in the projection period, Significant judgments are required to estimate the recoverable values. Any adverse changes to these assumptions could result into reduction in the fair value determined resulting in a potential impairment to be recognised

Refer to Note No. [1](II)(o) to the Consolidated Financial Statements

**Principal Audit
Procedures**

The component's auditors (being other firms of chartered accountants) have performed the following audit procedures:

- Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls which inter-alia includes the completeness and accuracy of the input data considered, reasonableness of assumptions considered in determining the future projections and the assumptions considered in preparing the impairment calculations.
-

Impairment of Toll Collection Rights of certain operating projects who have incurred continuous losses and/or are undergoing restructuring due to continuous losses for a period more than 5 years.

- Obtained the investment valuations (prepared by Management or as carried out by Management's external valuation specialist) pertaining to such subsidiaries and performed the following procedures;
 - a. Conducted discussions with component personnel to identify factors, if any, that should be taken into account in the analysis;
 - b. Compared the actual revenues and cash flows generated by the subsidiaries during the year as to the projections and estimates considered in the previous year; and
 - c. Evaluated the appropriateness of key assumptions considered, including discount rate, growth rate, etc. considering the historical accuracy of the Company's estimates in the prior periods, consultations with internal specialists and comparison of the assumptions with public data wherever available.
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Information Other than the Financial Statements and Auditor's Report Thereon

The Parent Company'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 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.

Management's Responsibility for the Consolidated Financial Statements

The Parent Company'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 Ind AS and other accounting principles generally accepted in India.

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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards 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 Company has adequate internal financial controls system 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 Company 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 control that we identify during our audit.

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

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

Other Matters

- We did not audit the financial information of 33 joint operations included in the standalone financial statements of the entities included in the Group, whose financial information reflects total assets of ₹ 3,130.29 crore as at March 31, 2022, total revenues of ₹ 3,381.64 crore, total net loss after tax of ₹ 193.76 crore, total comprehensive loss (net) of ₹ 193.76 crore and net cash inflows amounting to ₹ 101.55 crore for the year ended March 31, 2022, 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 the 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 61 subsidiaries, whose financial information reflects total assets of ₹ 1,85,352.10 crore as at March 31, 2022, total revenues of ₹ 49,781.36 crore, total net profit after tax of ₹ 3,735.63 crore, total comprehensive income (net) of ₹ 3,931.93 crore and net cash outflows amounting to ₹ 2,035.19 crore for the year ended March 31, 2022, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total net profit after tax of ₹ 116.20 crore for the year ended March 31, 2022 and total comprehensive income (net) of ₹ 186.18 crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 2 associates and 12 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 the other auditors.
- We did not audit the financial information of 1 joint operation included in the standalone financial statements of the entities included in the Group, whose financial information reflects total assets of ₹ 1,067.79 crore as at March 31, 2022, total revenues of ₹ 352.96 crore, total net profit after tax (net) of ₹ 11.91 crore, total comprehensive profit (net) of ₹ 11.91 crore and net cash inflows of ₹ 5.10 crore for the year ended March 31, 2022, as considered in the respective standalone financial statements of the entities included in the Group. This financial information of this 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 this joint operation, is based solely on the 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 38 subsidiaries, whose financial information reflects total assets of ₹ 1,480.21 crore as at March 31, 2022, total revenues of ₹ 987.76 crore, total net loss after tax of ₹ 60.62 crore, total comprehensive loss (net) of ₹ 56.43 crore and net cash outflows amounting to ₹ 56.34 crore for the year March 31, 2022, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total net loss after tax of ₹ 1.41 crore and total comprehensive loss (net) of ₹ 1.46 crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 3 associates and 2 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 Company as on March 31, 2022 taken on record by the Board of Directors of the 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, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company, 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 over financial reporting 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, the remuneration paid by the Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures;
 - 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 Company and its subsidiary companies, associate companies and joint venture companies incorporated in India;
 - iv. a. The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the 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 Company or any of such subsidiaries 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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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 performed by us and those performed by the auditors of the subsidiaries 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) contain any material mis- statement.
 - v. The amount of dividend is in accordance with Section 123 of the Act.
 - a. The final dividend paid by the Parent Company during the year in respect of the same declared for the previous 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 No. 20 to the Consolidated Financial Statements, the Board of Directors of the Parent 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.
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 iii (d)
L&T Sapura Shipping Private Limited	U61100TN2010PTC077217	Joint Venture	Clause - ix (a)
L&T Chennai Tada Tollway Limited	U45309TN2008PLC066938	Joint Venture	Clause – ix (a)
L&T Special Steels and Heavy Forgings Private Limited	U27109MH2009PTC193699	Joint Venture	Clause – 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)

Sanjiv V. Pilgaonkar

(Partner)

(Membership No. 39826)

UDIN: 22039826AIVCZB5750

Place: Mumbai

Date: May 12, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS 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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting 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 Boards of Directors of the Parent, its subsidiary companies, its joint operation, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 over financial reporting of the Parent, its subsidiary companies, its joint operation, 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 ICAI and the Standards on Auditing ("SA"), prescribed under Section 143(10) of the Companies Act, 2013 (the "Act"), to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by 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 system over financial reporting 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 Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial controls over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 34 subsidiary companies, 1 joint operation company and 11 joint ventures, 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 over financial reporting in so far as it relates to 1 associate company, which are companies incorporated in India, whose financial information is unaudited and whose efficacy of internal financial controls over financial reporting is based solely on the Management's certification provided to us and our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group is not affected as the financial information of such entities is not material to the Group.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors and the financial information certified by the Management.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

(Partner)

(Membership No. 39826)

UDIN: 22039826AIVCZB5750

Place: Mumbai

Date: May 12, 2022

Consolidated Balance Sheet as at March 31, 2022

		₹ crore	
	Note	As at 31-3-2022	As at 31-3-2021
ASSETS:			
Non-current assets			
Property, plant and equipment	2	10578.87	11386.29
Capital work-in-progress	2	1170.32	388.37
Investment property	3	3962.98	3646.78
Goodwill	4	7476.98	8066.96
Other intangible assets	5	18729.37	19197.76
Intangible assets under development	5	79.23	112.02
Right-of-use assets	61(b)(iii)	1988.62	2021.53
Financial assets			
Investments in joint ventures and associates	43(e)	2729.35	2670.26
Other investments	6	7081.51	5945.14
Loans towards financing activities	7	46736.84	52631.67
Other loans	8	252.99	173.24
Other financial assets	9	2162.97	1420.19
		58963.66	62840.50
Deferred tax assets (net)	51(d)	2840.10	2697.00
Other non-current assets	10	6077.62	5949.67
Sub-total - Non-current assets		<u>111867.75</u>	<u>116306.88</u>
Current assets			
Inventories	11	5943.32	5820.54
Financial assets			
Investments	12	29792.51	31011.23
Trade receivables	13	46138.92	42229.78
Cash and cash equivalents	14	13770.24	13373.52
Other bank balances	15	5182.93	2867.98
Loans towards financing activities	16	42269.20	41379.03
Other loans	17	280.34	235.35
Other financial assets	18	3840.04	3251.68
		141274.18	134348.57
Other current assets	19	60132.89	54791.48
Sub-total - Current assets		<u>207350.39</u>	<u>194960.59</u>
Group(s) of assets classified as held for sale	45(e)	830.78	6.24
TOTAL ASSETS		<u><u>320048.92</u></u>	<u><u>311273.71</u></u>

Consolidated Balance Sheet as at March 31, 2022 (contd.)

	Note	As at 31-3-2022	As at 31-3-2021
₹ crore			
EQUITY AND LIABILITIES:			
Equity			
Equity share capital	20	281.01	280.91
Other equity	21	82126.65	75587.62
Equity attributable to owners of the Company		82407.66	75868.53
Non-controlling interests		12966.07	12051.53
TOTAL EQUITY		95373.73	87920.06
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	61618.31	82120.04
Lease liability		1633.31	1617.72
Other financial liabilities	23	111.67	186.74
		63363.29	83924.50
Provisions	24	817.77	773.78
Deferred tax liabilities (net)	51(d)	1039.33	1178.66
Other non-current liabilities	25	21.27	68.70
Sub-total - Non-current liabilities		65241.66	85945.64
Current liabilities			
Financial liabilities			
Borrowings	26	30476.96	27765.83
Current maturities of long-term borrowings	27	31372.96	22719.39
Lease liability		406.54	406.10
Trade payables:			
Due to micro enterprises and small enterprises		575.91	488.99
Due to others	28	50568.33	45256.24
Other financial liabilities	29	6643.32	5328.93
		120044.02	101965.48
Other current liabilities	30	34644.10	31269.63
Provisions	31	3355.86	2998.68
Current tax liabilities (net)		1309.82	1171.02
Sub-total - Current liabilities		159353.80	137404.81
Liabilities associated with group(s) of assets classified as held for sale	45(e)	79.73	3.20
TOTAL LIABILITIES		224675.19	223353.65
TOTAL EQUITY AND LIABILITIES		320048.92	311273.71
CONTINGENT LIABILITIES	32		
COMMITMENTS (capital and others)	33		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 to 65		

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

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

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

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

M. M. CHITALE
Independent Director
(DIN 00101004)

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

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

	Note	2021-22	2020-21
₹ crore			
Continuing operations			
INCOME:			
Revenue from operations	34	156521.23	135979.03
Other income (net)	35	2267.08	3429.35
Total Income		<u>158788.31</u>	<u>139408.38</u>
EXPENSES:			
Manufacturing, construction and operating expenses:	36		
Cost of raw materials, components consumed		17100.84	15562.05
Construction materials consumed		33506.21	24558.23
Purchase of stock-in-trade		1069.50	1213.58
Stores, spares and tools consumed		3091.07	2032.89
Sub-contracting charges		24772.33	22316.18
Changes in inventories of finished goods, work-in-progress, stock-in-trade and property development		(2076.60)	343.37
Other manufacturing, construction and operating expenses		16322.62	12983.56
Finance cost of financial services business and finance lease activity		5952.54	7691.04
		<u>99738.51</u>	<u>86700.90</u>
Employee benefits expense	37	29733.53	24750.54
Sales, administration and other expenses	38	8831.89	8903.49
Finance costs	39	3125.70	3913.44
Depreciation, amortisation, impairment and obsolescence		2947.95	2904.21
Total Expenses		<u>144377.58</u>	<u>127172.58</u>
Profit before exceptional items and tax		<u>14410.73</u>	<u>12235.80</u>
Tax expense:	51(a)		
Current tax		4512.09	3923.39
Deferred tax		(295.48)	87.43
		<u>4216.61</u>	<u>4010.82</u>
Net profit after tax (before exceptional items) from continuing operations		<u>10194.12</u>	<u>8224.98</u>
Exceptional items before tax		119.70	(3693.78)
Tax expense on exceptional items:	51(a)		
Current tax		22.77	48.44
Deferred tax		—	(186.20)
		<u>22.77</u>	<u>(137.76)</u>
Exceptional items (net of tax)	48	96.93	(3556.02)
Net profit after tax from continuing operations		<u>10291.05</u>	<u>4668.96</u>
Share in profit/(loss) after tax of joint ventures/associates (net)	43(f)	128.19	14.40
Profit for the year from continuing operations		<u>10419.24</u>	<u>4683.36</u>
Discontinued operations			
Profit before tax from discontinued operations	45(a)	—	10790.50
Tax expense of discontinued operations	51(a)	—	2552.58
Net profit after tax from discontinued operations		<u>—</u>	<u>8237.92</u>
Net profit after tax from continuing operations & discontinued operations		<u>10419.24</u>	<u>12921.28</u>
Other comprehensive income			
A Items that will not be reclassified to profit or loss:			
Equity instruments through Other comprehensive income		—	55.05
Income tax (expenses)/income on equity instruments through Other comprehensive income		—	—
		<u>—</u>	<u>55.05</u>
Gain/(loss) on remeasurements of the net defined benefit plans		105.88	57.40
Income tax (expenses)/income on remeasurements of the net defined benefit plans		(25.53)	(13.69)
		<u>80.35</u>	<u>43.71</u>
Share in Other comprehensive income of joint ventures/associates (net)		56.18	(51.76)
B Items that will be reclassified to profit or loss:			
Debt instruments through Other comprehensive income		(79.51)	123.69
Income tax (expenses)/income on debt instruments through Other comprehensive income		23.02	(31.14)
		<u>(56.49)</u>	<u>92.55</u>
Carried forward - Other comprehensive income		80.04	139.55

Consolidated Statement of Profit and Loss for the year ended March 31, 2022 (contd.)

	Note	2021-22	2020-21	₹ crore
Brought forward - Other comprehensive income		80.04		139.55
Exchange differences in translating the financial statements of foreign operations		25.58	99.70	
Income tax (expenses)/income on exchange differences in translating the financial statements of foreign operations		6.69	(4.42)	
		32.27		95.28
Effective portion of gains/(losses) on hedging instruments in a cash flow hedge		426.78	1717.14	
Income tax (expenses)/income on effective portion of gains/(losses) on hedging instruments in a cash flow hedge		(116.50)	(479.18)	
		310.28		1237.96
Cost of hedging reserve		3.06	11.12	
Income tax (expenses)/income on cost of hedging reserve		(0.77)	(2.98)	
		2.29		8.14
Share in Other comprehensive income of joint ventures/associates (net)		13.47	(26.56)	
Other comprehensive income for the year (net of tax)		438.35	1454.37	
Total comprehensive income for the year		10857.59	14375.65	
Profit for the year attributable to:				
Owners of the Company		8669.33	11582.93	
Non-controlling interests		1749.91	1338.35	
		10419.24	12921.28	
Other comprehensive income for the year attributable to:				
Owners of the Company		329.38	1129.49	
Non-controlling interests		108.97	324.88	
		438.35	1454.37	
Total comprehensive income for the year attributable to:				
Owners of the Company		8998.71	12712.42	
Non-controlling interests		1858.88	1663.23	
		10857.59	14375.65	
Earnings per share (EPS) of ₹ 2 each from continuing operations:				
Basic earnings per equity share (₹)	55	61.71	23.82	
Diluted earnings per equity share (₹)	55	61.65	23.80	
Earnings per share (EPS) of ₹ 2 each from discontinued operations:				
Basic earnings per equity share (₹)	55	–	58.67	
Diluted earnings per equity share (₹)	55	–	58.61	
Earnings per share (EPS) of ₹ 2 each from continuing operations & discontinued operations:				
Basic earnings per equity share (₹)	55	61.71	82.49	
Diluted earnings per equity share (₹)	55	61.65	82.41	
Face value per equity share (₹)		2.00	2.00	
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 to 65			

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

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

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

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

M. M. CHITALE
Independent Director
(DIN 00101004)

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

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share capital

Particulars	2021-22		2020-21	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,40,45,55,297	280.91	1,40,38,92,022	280.78
Add: Shares issued on exercise of employee stock options during the year	4,73,826	0.10	6,63,275	0.13
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,50,29,123	281.01	1,40,45,55,297	280.91

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			
Balance as at 31-3-2020	282.44	42.00	8599.60	401.49	4157.55	52731.64	582.56	(436.92)	65.33	16.75	66442.44	9520.83	75963.27
Profit for the year (a)	-	-	-	-	-	11582.93	-	-	-	-	11582.93	1338.35	12921.28
Other comprehensive income for the year (b)	-	-	-	-	-	43.32	82.89	923.89	97.07	(17.68)	1129.49	324.88	1454.37
Total comprehensive income for the year (a+b)	-	-	-	-	-	11626.25	82.89	923.89	97.07	(17.68)	12712.42	1663.23	14375.65
Issue of equity shares	-	-	68.05	-	-	-	-	-	-	-	68.05	-	68.05
Transfer to non-financial assets/liabilities	-	-	-	-	-	-	-	(1.87)	-	-	(1.87)	-	(1.87)
Transfer from/(to) retained earnings	-	260.00	-	(8.63)	(474.28)	222.21	-	-	-	0.70	-	-	-
Employee share options (net)	-	-	-	(9.26)	-	-	-	-	-	-	(9.26)	76.85	67.59
Dividend paid (including special dividend)	-	-	-	-	-	(3650.89)	-	-	-	-	(3650.89)	(303.03)	(3953.92)
Net gain/loss on transactions with non-controlling interests	-	-	-	-	-	6.93	-	-	-	-	6.93	(6.93)	-
Increase in non-controlling interests due to dilution/divestment/acquisition/right issue	-	-	-	-	-	19.80	-	-	-	-	19.80	1100.58	1120.38
Balance as at 31-3-2021	282.44	302.00	8667.65	383.60	3683.27	60955.94	665.45	485.10	162.40	(0.23)	75587.62	12051.53	87639.15

Consolidated Statement of Changes in Equity for the year ended March 31, 2022 (contd.)

₹ crore

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				
Balance as at 31-3-2021	282.44	302.00	8667.65	383.60	3683.27	60955.94	665.45	485.10	162.40	(0.23)	75587.62	12051.53	87639.15	
Profit for the year (c)	-	-	-	-	-	8669.33	-	-	-	-	8669.33	1749.91	10419.24	
Other comprehensive income for the year (d)	-	-	-	-	-	74.87	30.55	232.31	(64.20)	55.85	329.38	108.97	438.35	
Total comprehensive income for the year (c+d)	-	-	-	-	-	8744.20	30.55	232.31	(64.20)	55.85	8998.71	1858.88	10857.59	
Issue of equity shares	-	-	51.09	-	-	-	-	-	-	-	51.09	-	51.09	
Transfer to non-financial assets/liabilities	-	-	-	-	-	-	-	1.12	-	-	1.12	-	1.12	
Transfer from/(to) retained earnings	-	33.10	-	(12.70)	27.20	(47.60)	-	-	-	-	-	-	-	
Employee share options (net)	-	-	-	0.75	-	-	-	-	-	-	0.75	90.35	91.10	
Dividend paid	-	-	-	-	-	(2528.46)	-	-	-	-	(2528.46)	(494.99)	(3023.45)	
Net gain/(loss) on transactions with non-controlling interests	-	-	-	-	-	3.77	-	-	-	-	3.77	(3.77)	-	
Decrease in non-controlling interest due to dilution/divestment/acquisition	-	-	-	-	-	12.05	-	-	-	-	12.05	(535.93)	(523.88)	
Balance as at 31-3-2022	282.44	335.10	8718.74	371.65	3710.47	67139.90	696.00	718.53	98.20	55.62	82126.65	12966.07	95092.72	

In terms of our report attached
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Partner
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(DIN 00019798)

M. M. CHITALE
Independent Director
(DIN 00101004)

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

Mumbai, May 12, 2022

Consolidated Statement of Cash Flows for the year ended March 31, 2022

	₹ crore	
	2021-22	2020-21
A. Cash flow from operating activities:		
Profit before tax (excluding exceptional items) from:		
Continuing operations	14410.73	12235.80
Discontinued operations	–	10790.50
Profit before tax including discontinued operations (excluding exceptional items)	14410.73	23026.30
Adjustments for:		
Dividend received	(4.12)	(28.47)
Depreciation, amortisation, impairment and obsolescence	2947.95	2904.21
Exchange difference on items grouped under financing/investing activities	(108.09)	(75.47)
Effect of exchange rate changes on cash and cash equivalents	(41.25)	74.98
Unrealised (gain)/loss on finance leases	–	(14.55)
Finance costs	3125.70	3913.44
Interest income	(1053.65)	(1375.68)
(Profit)/loss on sale of fixed assets (net)	(17.60)	(528.81)
(Profit)/loss on sale/fair valuation of investments (net)	(440.14)	(1118.77)
(Gain)/loss on disposal of discontinued operations	–	(10707.92)
Employee stock option-discount	135.31	137.67
Non-cash items related to discontinued operations	–	3.13
(Gain)/loss on disposal of subsidiary	(1.65)	–
Impairment of investment in debt instruments	12.00	151.26
Impairment recognised on non-current assets held for sale	–	0.23
(Gain)/loss on de-recognition of lease liability/right-of-use assets	(6.11)	(15.78)
Interest expenses/(income) related to discontinued operations	–	1.16
Operating profit before working capital changes	18959.08	16346.93
Adjustments for:		
(Increase)/decrease in trade and other receivables	(9833.40)	3011.51
(Increase)/decrease in inventories	(74.33)	348.90
Increase/(decrease) in trade payables and customer advances	9659.71	2219.78
Cash generated from operations before financing activities	18711.06	21927.12
(Increase)/decrease in loans and advances towards financing activities	5004.65	4617.71
Cash generated from operations	23715.71	26544.83
Direct taxes refund/(paid) [net]	(4552.13)	(3471.01)
Net cash (used in)/from operating activities	19163.58	23073.82
B. Cash flow from investing activities:		
Purchase of fixed assets	(3110.63)	(1807.70)
Sale of fixed assets	70.75	885.36
Purchase of non-current investments	(2156.24)	(1873.24)
Sale of non-current investments	1026.06	240.19
(Purchase)/sale of current investments (net)	1437.04	(16841.55)
Change in other bank balance and cash not available for immediate use	(2729.33)	688.10
Deposits/loans given to associates, joint ventures and third parties	(148.03)	(151.59)
Interest received	968.55	1273.47
Dividend received from joint ventures	156.83	174.38
Dividend received from other investments	4.12	28.47
Consideration received on disposal of subsidiaries	1005.73	295.78
Net proceeds/(payments) for transfer of discontinued operations (net of tax)	(59.52)	11530.82
Consideration paid on acquisition of subsidiaries	(87.85)	(121.77)
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	9.91	7.07
Cash and cash equivalents of subsidiaries discharged pursuant to (divestment)/classification to held for sale	(55.07)	13.69
Net cash (used in)/from investing activities	(3667.68)	(5658.52)

Consolidated Statement of Cash Flows for the year ended March 31, 2022 (contd.)

	₹ crore	
	2021-22	2020-21
C. Cash flow from financing activities:		
Proceeds from issue of share capital (including share application money) [net]	10.97	15.85
Proceeds from non-current borrowings [Note 50]	24654.13	36258.60
Repayment of non-current borrowings [Note 50]	(35806.44)	(38839.86)
Proceeds from/(repayment of) other borrowings (net) [Note 50]	2739.13	(6151.20)
Payment (to)/from non-controlling interest (net)	(1019.59)	796.02
Settlement of derivative contracts related to borrowings	143.82	66.73
Dividends paid	(2528.38)	(3650.89)
Repayment of lease liability [Note 50]	(407.20)	(381.64)
Interest paid on lease liability	(155.59)	(203.57)
Interest paid (including cash flows on account of interest rate swaps)	(2812.33)	(3184.42)
Net cash (used in)/from financing activities	(15181.48)	(15274.38)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	314.42	2140.92
Cash and cash equivalents at beginning of the year [Note 14]	13373.52	11324.57
Effect of exchange rate changes on cash and cash equivalents	82.30	(90.11)
Cash and cash equivalents for discontinued operations (classified as held for sale)	–	(1.86)
Cash and cash equivalents at end of the year [Note 14]	13770.24	13373.52

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.
- Fixed assets include 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
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Chartered Accountants
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Independent Director
(DIN 00101004)

Mumbai, May 12, 2022

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, 2022.

The principal activities of the Group, its Joint Ventures and associates consist of providing Engineering and Construction solutions in key sectors such as Infrastructure, Hydrocarbon, Power, Process Industries and Defence Engineering, Information Technology and Financial Services. Further details of the business operations of the Group are mentioned in Note [46] Segment Information.

NOTE [1](II)

Significant Accounting Policies

(a) Statement of compliance

The Group's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments 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 12, 2022.

(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 the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

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

NOTE [1](II)

Significant Accounting Policies (contd.)

- (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 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.

(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 for recognition are recognised at their fair values at the acquisition date.

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

NOTE [1](II)

Significant Accounting Policies (contd.)

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.

Goodwill arising on consolidation is tested for impairment annually and not amortised. 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 shareholders' equity.

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

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

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.
- 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.

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

NOTE [1](II)

Significant Accounting Policies (contd.)

- 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.

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

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 on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

- C. Revenue from construction/project contracts executed under joint operations [in terms of Ind AS 111 "Joint Arrangements"], is recognised on the same basis as adopted in respect of contracts independently executed by the Group.
- D. 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.
- E. In the case of the developmental project business and the realty business, revenue includes profit on sale of investment properties or sale of stake in the subsidiary and/or joint venture companies as the sale/divestments are inherent in the business model.
- F. Rendering of services

Revenue from rendering of services is recognised over time as the customer receives the benefit of the company's performance and the company has an enforceable right to payment for services transferred.

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

In respect of information technology 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 *Supra*.

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

NOTE [1](II)

Significant Accounting Policies (contd.)

- G. 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.
- H. Revenue on account of construction services rendered in connection with Build-Operate-Transfer (BOT) projects undertaken by the Group is recognised during the period of construction using percentage of completion method. After the completion of construction period, revenue from fare/toll charges from users of facilities is accounted when they are collected.
- I. Commission income is recognised when the terms of the contract are fulfilled.
- J. Course fees/subscription income is recognised over time as per the course/subscription duration and agreed terms.
- K. Income from investment management fees is recognised in accordance with the contractual terms and the SEBI regulations based on average Assets Under Management (AUM) of mutual fund schemes over the period of the agreement in terms of which services are performed. Portfolio management fees are recognised in accordance with the related contracts entered into with the clients over the period of the agreement. Trusteeship fees are accounted on accrual basis.
- L. Revenue from charter hire is recognised as per the terms of the time charter agreement.
- M. Revenue from operation and maintenance services of power plant receivable under the Power Purchase Agreement is recognised on accrual basis.
- N. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and the right to receive the income is established as per the terms of the contract.

(j) Other income

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

Significant Accounting Policies (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 *Infra*).

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 *supra*.

(n) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, including borrowing costs capitalised for qualifying assets and reduced by 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 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)

Significant Accounting Policies (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 three to ten years;
- (ii) Technical know-how: over a period of three to seven 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 five years;
- (vi) Rights under licensing agreement: over a period of six years;
- (vii) Intangible assets with indefinite useful life that are acquired separately are carried at cost less accumulated impairment losses;
- (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 accounting year, the carrying amounts of PPE, investment property and intangible assets 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 and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite useful life are tested for impairment each year.

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

- (i) in the case of an individual asset, at the higher of fair value less costs to sell 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 values less costs to sell 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 (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

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

(p) Employee benefits

- (i) Short-term employee benefits:

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

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

NOTE [1](II)

Significant Accounting Policies (contd.)

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

The obligation 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 cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

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

(iii) Long term employee benefits:

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

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

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the company's offer of the termination benefit 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. 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.

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

NOTE [1](II)

Significant Accounting Policies (contd.)

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.

(Also refer to policy on depreciation, *supra*)

(r) Financial instruments

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

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

NOTE [1](II)

Significant Accounting Policies (contd.)

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 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.

(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.

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

NOTE [1](II)

Significant Accounting Policies (contd.)

- 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.

(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 realizable 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.

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

NOTE [1](II)

Significant Accounting Policies (contd.)

- (iv) Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

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

(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) 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/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(w) Share-based payment arrangements

The stock options granted to employees 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 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.

(x) Foreign currencies

- (i) The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.
- (ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not 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;

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

NOTE [1](II)

Significant Accounting Policies (contd.)

- 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, 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.

(y) Accounting and reporting of information for Operating Segments

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

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

- (i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including (a) inter-segment revenue and (b) profit on sale of stake in the subsidiary and/or joint venture companies under developmental projects segment and realty business grouped under "Others" segment.
 - (ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. In respect of (a) financial services segment and (b) Developmental 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 which relates to the Group as a whole and not allocable to segments is included in "unallocable corporate income/ (expenditure) [net]".
 - (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/(expenditure) [net]". Segment results 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) Developmental 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 includes the fair value of the employee stock options which is accounted as employee compensation cost [Note 1(w) *Supra*] 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.

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

NOTE [1](II)

Significant Accounting Policies (contd.)

(z) Taxes on income

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the applicable tax laws, and 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.

(aa) 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 present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- (ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

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

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

(ab) Commitments

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

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to associate and joint venture companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

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

NOTE [1](II)

Significant Accounting Policies (contd.)

(ac) 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.

(ad) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the 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.

(ae) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions 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)

Based on assessment of the impact of COVID-19 pandemic on the business/economic conditions, the Group expects to recover the carrying value of its assets. The Group will continue to evaluate the pandemic-related uncertainty and update its assessment.

NOTE [1](IV)

Recent Pronouncement

On March 23, 2022, Ministry of Corporate Affairs amended Ind AS 16 (specifying accounting of net sale proceeds generated while preparing the asset for its intended use), Ind AS 37 (specifying the composition of the cost of fulfilling the contract), Ind AS 103 (specifying the criteria for applying acquisition method for recognising assets and liabilities) and Ind AS 109 (specifying which fees to be included to apply 10 per cent test). These amendments are effective from April 1, 2022 and will not have material impact on Group's Consolidated Financial Statements.

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 1-4-2021 combination	Business Additions	Transfer (to) / from inventories and Investment Property	Foreign currency and fluctuation sale	As at 31-3-2022 Deductions	Up to 31-3-2021 combination	Business For the year Investment Property	Transfer (to) / from inventories and Investment Property	Foreign currency and fluctuation sale	Up to 31-3-2022 Deductions	Up to 31-3-2021	Up to 31-3-2022	As at 31-3-2022	As at 31-3-2021
Land														
Freehold	1032.94	-	11.69	-	4.24	-	-	-	-	-	-	-	-	856.64
Leasehold	146.65	-	146.65	-	146.65	11.29	1.61	-	-	12.90	-	-	-	133.75
Sub total	1179.59	-	11.69	-	1003.29	11.29	1.61	-	-	12.90	-	-	-	990.39
Buildings	4435.40	-	136.33	8.17	4467.05	878.56	157.53	(5.31)	2.51	30.80	230.28	206.34	206.34	3258.22
Plant & equipment														
Owned	9736.79	-	983.69	17.49	8960.13	4382.96	802.93	(0.35)	13.80	207.04	4992.30	29.55	29.55	3938.28
Leased out	297.03	-	26.56	-	323.59	189.09	15.85	-	-	204.94	-	-	-	118.65
Sub total	10033.82	-	983.69	17.49	9283.72	4572.05	818.78	(0.35)	13.80	207.04	5197.24	29.55	29.55	4056.93
Computers														
Owned	1613.85	2.07	502.03	2.42	2066.11	1117.30	272.35	-	1.56	51.06	1340.77	-	-	725.34
Leased out	6.27	-	-	-	6.27	6.27	-	-	-	6.27	-	-	-	-
Sub total	1620.12	2.07	502.03	2.42	2072.38	1123.57	272.35	-	1.56	51.06	1347.04	-	-	725.34
Office equipment														
Owned	589.72	0.54	52.22	1.62	630.32	422.63	70.53	(0.03)	1.33	12.87	481.84	0.01	0.01	148.47
Leased out	0.02	-	-	-	0.02	-	-	-	-	-	-	-	-	0.02
Sub total	589.74	0.54	52.22	1.62	630.34	422.63	70.53	(0.03)	1.33	12.87	481.84	0.01	0.01	148.49
Furniture & fixtures														
Owned	465.72	-	40.18	2.43	481.06	289.25	49.93	(1.89)	1.73	20.26	318.74	0.24	0.24	162.08
Leased out	14.36	-	-	-	14.36	7.08	0.12	-	-	7.20	-	-	-	7.16
Sub total	480.08	-	40.18	2.43	495.42	296.33	50.05	(1.89)	1.73	20.26	325.94	0.24	0.24	169.24
Vehicles														
Owned	411.44	-	44.30	3.21	404.64	250.34	42.16	-	2.91	38.57	256.84	-	-	147.80
Leased out	1.68	-	-	-	1.68	1.00	0.17	-	-	0.68	0.49	-	-	0.18
Sub total	413.12	-	44.30	3.21	406.32	251.34	42.33	-	2.91	39.25	257.33	-	-	147.98
Other assets														
Aircraft	244.45	-	-	-	244.45	57.83	13.87	-	-	-	71.70	-	-	172.75
Ships	264.01	-	0.25	-	264.26	50.34	20.68	-	-	-	71.02	-	-	193.24
Shiplift, marine structures and related assets	683.07	-	-	-	683.07	237.25	31.92	-	-	-	269.17	-	-	413.90
Breakwater structures	233.43	-	-	-	233.43	39.36	5.01	-	-	-	44.37	-	-	189.06
Leasehold improvements	406.27	0.28	42.02	0.41	419.05	282.32	40.28	-	0.20	16.84	305.72	-	-	113.33
Sub total	1831.23	0.28	42.27	0.41	1844.26	667.10	111.76	-	0.20	16.84	761.98	-	-	1062.28
Total	20583.10	2.89	1812.71	35.75	20201.77	8222.87	1524.94	(7.58)	24.04	378.12	9386.76	973.94	236.14	10578.87
Previous year	17516.36	-	3666.95	(4.17)	20583.10	7174.60	1408.03	(4.41)	(21.09)	334.26	8222.87	973.94	973.94	1170.32
Add: Capital work-in-progress (Note 2(f))	-	-	-	-	-	-	-	-	-	-	-	-	-	11749.19
	-	-	-	-	-	-	-	-	-	-	-	-	-	11774.66

Notes:

- (a) Carrying value of property, plant and equipment pledged as collateral for liabilities and/or commitments as at March 31, 2022 is ₹ 1568.27 crore (previous year: ₹ 1609.66 crore).
- (b) Depreciation for the year includes impact of foreign currency fluctuation ₹ 1.04 crore (previous year: ₹ (0.88) crore) and depreciation capitalised ₹ 0.23 crore (previous year: ₹ 1.10 crore)

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

NOTE [2] (contd.)

(c) The cumulative impairment is as below:

Particulars	₹ crore
As at 1-4-2021	973.94
Add: Impairment during the year	0.31
Add: Foreign currency fluctuation	4.22
Less: Reversal of impairment on sale of assets	(742.33)
As at 31-3-2022	236.14

(d) Owned assets given on operating lease have been presented separately under respective class of assets as "Leased out" pursuant to 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	61
3	Plant & equipment	3	35
4	Computers	2	7
5	Office equipment	3	15
6	Furniture & 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 ₹ crore

Particulars	As at 31-3-2022					As at 31-3-2021				
	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	983.95	102.02	47.30	37.05	1170.32	271.83	79.59	36.95	-	388.37
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total capital work-in-progress	983.95	102.02	47.30	37.05	1170.32	271.83	79.59	36.95	-	388.37

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.

NOTE [3]

Investment property

₹ crore

Class of assets	Cost				Depreciation				Impairment		Book value		
	As at 1-4-2021	Additions	Transfer (to)/from property plant and equipment	Deductions	As at 31-3-2022	Up to 31-3-2021	For the period	Transfer (to)/from property plant and equipment	Deductions	As at 31-3-2022	Up to 31-3-2021	As at 31-3-2022	As at 31-3-2021
Land	967.47	27.16	146.37	-	1141.00	28.65	15.74	-	-	44.39	-	1096.61	938.82
Buildings	1617.53	250.00	0.41	-	1867.94	104.75	34.02	4.26	-	143.03	5.18	1719.73	1507.60
Total	2585.00	277.16	146.78	-	3008.94	133.40	49.76	4.26	-	187.42	5.18	2816.34	2446.42
Previous year	2155.03	470.63	125.44	166.10	2585.00	88.39	41.33	17.20	13.52	133.40	5.18		
Add: Capital work-in-progress [Note 3(f)]												1146.64	1200.36
												3962.98	3646.78

Notes:

- (a) Carrying value of investment property pledged as collateral for liabilities and/or commitments and having restriction on title as at March 31, 2022: Nil (previous year: ₹ 0.16 crore).
- (b) Useful life of building included in investment property: 3 to 60 years.

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

NOTE [3] (contd.)

(c) Amounts recognised in the Statement of Profit and Loss in respect of investment property:

₹ crore

Sr. No.	Particulars	2021-22	2020-21
1	Rental income derived from investment property	73.65	70.06
2	Direct operating expenses incurred on investment property that generated rental income	8.14	9.91
3	Direct operating expenses incurred on investment property that did not generate rental income	–	0.64

(d) Fair value of investment property as at March 31, 2022: ₹ 6679.74 crore (previous year: ₹ 5918.31 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 ₹ 2746.81 crore (previous year: ₹ 1616.64 crore). Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

(f) Ageing of Capital work-in-progress

₹ crore

Particulars	As at 31-3-2022					As at 31-3-2021				
	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	188.47	92.97	165.81	699.39	1146.64	161.39	261.04	194.89	583.04	1200.36
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
Total capital work-in-progress	188.47	92.97	165.81	699.39	1146.64	161.39	261.04	194.89	583.04	1200.36

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.

NOTE [4]

Goodwill

₹ crore

Class of assets	Cost						Impairment		Book value	
	As at 1-4-2021	Business combination	Additions	Foreign currency fluctuation	Classified as held for sale	Deductions	As at 31-3-2022	As at 31-3-2022	As at 31-3-2022	As at 31-3-2021
Goodwill on consolidation	8116.88	37.40	–	0.50	627.88	–	7526.90	49.92	7476.98	8066.96
Previous year	8059.50	40.83	2.49	14.06	–	–	8116.88	49.92	8066.96	

Note :

(a) Impairment recognised in the Statement of Profit and Loss during the year is Nil (previous year: ₹ 1.82 crore).

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

NOTE [5]

Other intangible assets and intangible assets under development

₹ crore

Class of assets	Cost						Amortisation						Book value			
	As at 1-4-2021	Business combination	Additions	Foreign currency fluctuation	Classified as held for sale	Deductions	As at 31-3-2022	Up to 31-3-2021	Business combination	For the year	Foreign currency fluctuation	Classified as held for sale	Deductions	Up to 31-3-2022	As at 31-3-2022	As at 31-3-2021
Fare collection rights	16527.71	-	131.65	-	-	-	16659.36	439.18	-	276.61	-	-	-	715.79	15943.57	16088.53
Specialised software	1632.68	0.32	205.66	18.31	11.21	109.00	1736.76	1331.97	0.31	163.24	17.31	9.00	108.76	1395.07	341.69	300.71
Technical know-how	114.29	-	6.37	-	-	-	120.66	88.62	-	8.03	-	-	-	96.65	24.01	25.67
Trade names	311.66	-	-	0.17	-	6.24	305.59	118.75	-	59.40	0.17	-	6.24	172.08	133.51	192.91
New product design and development	9.31	-	0.13	-	-	0.46	8.98	7.95	-	0.48	-	-	0.31	8.12	0.86	1.36
Customer contracts and relationship	3350.50	17.67	-	8.36	-	-	3376.53	882.86	1.16	376.80	7.45	-	-	1268.27	2108.26	2467.64
Rights under licensing agreement	124.29	-	-	4.56	-	-	128.85	3.35	-	21.11	0.49	-	-	24.95	103.90	120.94
Platforms and courses	-	-	76.91	-	-	-	76.91	-	-	3.34	-	-	-	3.34	73.57	-
Total	22070.44	17.99	420.72	31.40	11.21	115.70	22413.64	2872.68	1.47	909.01	25.42	9.00	115.31	3684.27	18729.37	19197.76
Previous year	21563.56	52.18	458.40	46.49	-	50.19	22070.44	1966.58	-	906.53	42.98	-	43.41	2872.68		
Add: Intangible assets under development [Note 5(c)]															79.23	112.02
															18808.60	19309.78

(a) Amortisation for the year includes impact of foreign currency fluctuation ₹ 0.05 crore (previous year: ₹ 0.06 crore) and depreciation capitalised ₹ 0.37 crore (previous year: Nil)

(b) Details of addition in other intangible assets:

₹ crore

Class of assets	2021-22			2020-21		
	Internal development	Acquired - external	Total	Internal development	Acquired - external	Total
Fare collection Rights	-	131.65	131.65	-	144.68	144.68
Specialised software	93.74	111.92	205.66	49.60	134.46	184.06
Technical know-how	-	6.37	6.37	-	2.79	2.79
New product design and development	0.13	-	0.13	1.87	-	1.87
Customer contracts and relationship	-	-	-	0.71	-	0.71
Rights under licensing agreement	-	-	-	-	124.29	124.29
Platforms and courses	76.91	-	76.91	-	-	-
Total	170.78	249.94	420.72	52.18	406.22	458.40

(c) Ageing of Intangible assets under development

₹ crore

Particulars	As at 31-3-2022					As at 31-3-2021				
	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	72.12	7.11	-	-	79.23	88.70	21.29	2.03	-	112.02
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total capital work-in-progress	72.12	7.11	-	-	79.23	88.70	21.29	2.03	-	112.02

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 Costs" is as follows:

₹ crore		
Class of Assets	2021-22	2020-21
Capital work-in-progress		
Property, plant and equipment - building	8.83	27.75
Investment property - building	12.63	13.11
Total	21.46	40.86

(2) The average borrowing cost used for capitalisation is 7.29% (previous year: 6.56%).

NOTE [6]

Non-current assets: Financial assets - Other investments

₹ crore		
Particulars	As at 31-3-2022	As at 31-3-2021
Equity instruments	610.72	544.89
Preference shares	121.67	87.00
Government and trust securities	204.68	101.15
Debentures and bonds	1008.97	1004.47
Mutual funds	-	31.39
Security receipts	4886.22	4114.88
Units of fund	31.20	61.36
Other investments	218.05	-
	7081.51	5945.14

NOTE [7]

Non-current assets: Financial assets - Loans towards financing activities

₹ crore		
Particulars	As at 31-3-2022	As at 31-3-2021
Considered good - secured	28804.01	37184.23
Less: Allowance for expected credit loss	202.45	343.45
	28601.56	36840.78
Considered good - unsecured	14348.10	13342.63
Less: Allowance for expected credit loss	377.86	255.20
Less: Impairment	1942.08	1659.70
	12028.16	11427.73
Having significant increase in credit risk	6098.04	3200.50
Less: Allowance for expected credit loss	733.03	178.74
	5365.01	3021.76
Credit impaired	2176.05	5048.21
Less: Allowance for expected credit loss	1433.94	3706.81
	742.11	1341.40
	46736.84	52631.67

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

NOTE [8]

Non-current assets: Financial assets - Other loans

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Loans and advances to related parties		
Joint ventures and associates, considered good - unsecured	1306.65	1149.30
Less: Allowance for expected credit loss	1139.03	1139.03
	167.62	10.27
Others loans		
Considered good - unsecured	199.17	276.77
Less: Allowance for expected credit loss	113.80	113.80
	85.37	162.97
	252.99	173.24

NOTE [9]

Non-current assets: Financial assets - Others

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Security deposits		
Considered good - unsecured	469.69	395.81
Less: Allowance for expected credit loss	40.00	37.90
	429.69	357.91
Cash and bank balances not available for immediate use	94.34	283.91
Fixed deposits with banks (maturity more than 12 months)	832.02	228.07
Forward contract receivables	715.50	518.91
Embedded derivative receivables	2.39	1.75
Other receivables ⁽¹⁾	89.03	29.64
	2162.97	1420.19

⁽¹⁾ mainly includes lease receivables and recoverable from joint ventures and banks

NOTE [10]

Other non-current assets

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Capital advances:		
Secured	0.92	0.61
Unsecured	144.85	79.84
	145.77	80.45
Advance recoverable other than in cash	2624.20	2607.12
Current tax receivable (net)	3307.65	3262.10
	6077.62	5949.67

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

NOTE [11]

Current assets: Inventories

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Raw materials [include goods-in-transit ₹ 82.31 crore (previous year: ₹ 76.78 crore)]	701.61	849.22
Components [include goods-in-transit ₹ 15.24 crore (previous year: ₹ 9.58 crore)]	387.03	320.71
Construction materials [include goods-in-transit ₹ 116.74 crore (previous year: ₹ 39.17 crore)]	180.56	90.22
Manufacturing work-in-progress	313.01	261.37
Finished goods	93.35	86.01
Stock-in-trade (in respect of goods acquired for trading) [include goods-in-transit ₹ 32.73 crore (previous year: ₹ 44.34 crore)]	319.61	361.31
Stores and spares [include goods-in-transit ₹ 1.76 crore (previous year: ₹ 4.60 crore)]	290.19	287.75
Loose tools [include goods-in-transit ₹ 0.01 crore (previous year: ₹ 0.01 crore)]	12.47	10.28
Property development projects (including land)	3645.49	3553.67
	<u>5943.32</u>	<u>5820.54</u>

Note: During the year ₹ 37.21 crore (previous year: ₹ 8.15 crore) was recognised as expense towards write-down of inventories (net).

NOTE [12]

Current assets: Financial assets - Investments

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Equity shares	158.41	97.91
Preference shares	–	0.68
Government and trust securities	3469.53	2336.16
Debentures and bonds	7891.72	7331.66
Mutual funds	12918.05	20143.53
Collateral borrowing and lending obligation (CBLO)	1499.57	299.98
Commercial paper	2495.29	–
Other investments	1359.94	801.31
	<u>29792.51</u>	<u>31011.23</u>

NOTE [13]

Current assets: Financial assets - Trade receivables

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Considered good - secured	25.09	24.49
Considered good - unsecured	48992.12	44639.84
Less: Allowance for expected credit loss	<u>2955.09</u>	<u>2561.28</u>
	46037.03	42078.56
Credit impaired	1014.22	971.05
Less: Allowance for expected credit loss	<u>937.42</u>	<u>844.32</u>
	76.80	126.73
	<u>46138.92</u>	<u>42229.78</u>

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

NOTE [13][a]

Current assets: Financial assets - Trade receivables ageing

₹ crore

Particulars	As at 31-3-2022						Total
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
- Considered good	30396.09	10438.28	2457.96	1766.97	835.32	1557.88	47452.50
- Credit impaired	6.09	17.73	74.31	151.53	73.12	508.42	831.20
Disputed:							
- Considered good	34.04	7.24	63.51	244.24	19.08	1196.60	1564.71
- Credit impaired	–	–	–	–	45.18	137.84	183.02
Gross trade receivables	30436.22	10463.25	2595.78	2162.74	972.70	3400.74	50031.43
Less: Allowance for expected credit loss							3892.51
							46138.92

₹ crore

Particulars	As at 31-3-2021						Total
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
- Considered good	27666.69	8699.53	2964.19	1739.90	727.28	1246.06	43043.65
- Credit impaired	11.06	120.06	57.19	38.97	86.55	466.56	780.39
Disputed:							
- Considered good	94.82	26.51	192.48	64.75	115.76	1126.36	1620.68
- Credit impaired	–	–	8.74	35.18	–	146.74	190.66
Gross trade receivables	27772.57	8846.10	3222.60	1878.80	929.59	2985.72	45635.38
Less: Allowance for expected credit loss							3405.60
							42229.78

NOTE [14]

Current assets: Financial assets - Cash and cash equivalents

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
Balance with banks	6673.01	5743.64
Cheques and drafts on hand	395.10	456.86
Cash on hand	12.46	11.84
Fixed deposits with banks (maturity less than 3 months)	6689.67	7161.18
	13770.24	13373.52

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

NOTE [15]

Current assets: Financial assets - Other bank balances

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Fixed deposits with banks	2462.20	616.49
Earmarked balances with banks - unclaimed dividend	135.97	136.43
Earmarked balances with banks - Section 4(2)(I)(D) of RERA ⁽¹⁾	74.04	6.69
Earmarked balances with banks - others	376.20	771.04
Margin money deposits with banks	1568.20	944.01
Cash and bank balances not available for immediate use	566.32	393.32
	<u>5182.93</u>	<u>2867.98</u>

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

NOTE [16]

Current Assets: Financial Assets - Loans towards financing activities

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Considered good - secured	26911.36	32721.18
Less: Allowance for expected credit loss	5.04	59.60
Less: Net fair value changes	114.66	316.34
	26791.66	32345.24
Considered good - unsecured	9092.51	8534.40
Less: Allowance for expected credit loss	616.97	444.65
Less: Impairment	46.56	27.12
	8428.98	8062.63
Having significant increase in credit risk	6556.86	1103.08
Less: Allowance for expected credit loss	257.23	87.69
Less: Net fair value changes	163.16	44.23
	6136.47	971.16
Credit Impaired	1342.94	-
Less: Net fair value changes	430.85	-
	912.09	-
	<u>42269.20</u>	<u>41379.03</u>

NOTE [17]

Current assets: Financial assets - Other loans

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Loans and advances to related parties		
Considered good - unsecured	171.29	167.09
Others loans		
Considered good - unsecured	109.05	68.26
	<u>280.34</u>	<u>235.35</u>

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

NOTE [18]

Current assets: Financial assets - Others

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Security deposits		
Considered good - unsecured	396.29	414.73
Less: Allowance for expected credit loss	0.52	0.57
	395.77	414.16
Advances to related parties:		
Associates	4.76	0.31
Joint ventures	109.64	48.10
	114.40	48.41
Advances recoverable in cash	844.34	958.08
Forward contract receivables	1073.50	942.04
Unbilled Revenue	1363.54	837.93
Embedded derivative receivables	48.49	51.06
Doubtful advances:		
Deferred credit sale of ships	27.11	27.11
Other loans and advances	725.89	789.13
	753.00	816.24
Less: Allowance for expected credit loss	753.00	816.24
	-	-
	3840.04	3251.68

NOTE [19]

Other current assets

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Contract assets [Note 47(d)(i)]		
Due from customers (construction and project related activity)	35238.27	32448.31
Retention money including unbilled revenue	16805.40	15170.83
	52043.67	47619.14
Advance recoverable other than in cash	8014.70	6878.77
Government grant receivable	26.98	102.21
Other loans and advances	1.60	11.72
Less: Allowance for expected credit loss	1.60	11.72
	-	-
Others	47.54	191.36
	60132.89	54791.48

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 31-3-2022		As at 31-3-2021	
	Number of shares	₹ crore	Number of shares	₹ crore
Authorised: ^[1]				
Equity shares of ₹ 2 each	40,18,50,00,000	8037.00	25,12,50,00,000	5025.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	1,40,50,29,123	281.01	1,40,45,55,297	280.91

^[1] Pursuant to the approval of the Scheme of Arrangement of Merger of L&T Hydrocarbon Engineering Limited with the Parent Company, the authorised share capital of L&T Hydrocarbon Engineering Limited is added to the authorised share capital of the Parent Company, w.e.f. Appointed Date i.e. April 1, 2021.

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

Particulars	2021-22		2020-21	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,40,45,55,297	280.91	1,40,38,92,022	280.78
Add: Shares issued on exercise of employee stock options during the year	4,73,826	0.10	6,63,275	0.13
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,50,29,123	281.01	1,40,45,55,297	280.91

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

Name of the shareholders	As at 31-3-2022		As at 31-3-2021	
	Number of shares	Shareholding %	Number of shares	Shareholding %
L&T Employees Trust	19,25,58,158	13.70	19,25,58,158	13.71
Life Insurance Corporation of India	16,69,42,875	11.88	19,24,67,386	13.70

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

Particulars	As at 31-3-2022		As at 31-3-2021	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	Number of equity shares to be issued as fully paid	₹ crore (at face value)
Employee stock options granted and outstanding ^[1]	17,18,419	0.34 ^[2]	17,81,564	0.36 ^[2]

^[1] Note 20(h) *infra* for terms of employee stock option schemes

^[2] The equity shares will be issued at a premium of ₹ 38.30 crore (previous year: ₹ 42.74 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, 2022 are 46,67,64,755 (period of five years ended March 31, 2021: 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, 2022 – Nil (period of five years ended March 31, 2021: Nil).

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

NOTE [20] (contd.)

(h) Stock option scheme of the Parent Company:

(A) Terms:

- i. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested equally over a period of 4 years for series 2003(B) and 5 years in the case of series 2006(A), subject to the discretion of the management and fulfillment of certain conditions.
- ii. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

(B) The details of the grants under the aforesaid scheme are summarised below:

Sr. No.	Series reference	2003(B)		2006(A)	
		2021-22	2020-21	2021-22	2020-21
i.	Grant price (₹)	7.80	7.80	267.10	267.10
ii.	Grant dates	23-5-2003 onwards		1-7-2007 onwards	
iii.	Vesting commences on	23-5-2004 onwards		1-7-2008 onwards	
iv.	Options granted and outstanding at the beginning of the year	1,73,150	1,45,935	16,08,414	23,75,454
v.	Options lapsed	7,130	4,875	1,32,958	1,75,675
vi.	Options granted	1,78,839	1,04,000	3,71,930	–
vii.	Options exercised	64,900	71,910	4,08,926	5,91,365
viii.	Options granted and outstanding at the end of the year, of which	2,79,959	1,73,150	14,38,460	16,08,414
	Options vested	10,450	23,575	3,89,610	4,84,082
	Options yet to vest	2,69,509	1,49,575	10,48,850	11,24,332
ix.	Weighted average remaining contractual life of options (in years)	5.67	5.74	4.29	4.23

(C) The number and weighted average exercise price of stock options are as follows:

Particulars	2021-22		2020-21	
	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	17,81,564	241.90	25,21,389	252.09
(B) Options granted	5,50,769	182.90	1,04,000	7.80
(C) Options allotted	4,73,826	231.58	6,63,275	238.99
(D) Options lapsed	1,40,088	253.90	1,80,550	260.10
(E) Options granted and outstanding at the end of the year	17,18,419	224.86	17,81,564	241.90
(F) Options exercisable at the end of the year out of (E) <i>supra</i>	4,00,060	260.33	5,07,657	255.06

(D) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1635.25 (previous year: ₹ 1001.47) 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 ₹ 1113.62 (previous year: ₹ 834.24) per option.

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

NOTE [20] (contd.)

- (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	2021-22	2020-21
(A)	Weighted average risk-free interest rate	5.41%	4.81%
(B)	Weighted average expected life of options	3.77 years	2.85 years
(C)	Weighted average expected volatility	31.02%	35.39%
(D)	Weighted average expected dividends over the life of the option	₹ 67.82 per option	₹ 51.22 per option
(E)	Weighted average share price	₹ 1311.86 per option	₹ 884.83 per option
(F)	Weighted average exercise price	₹ 182.90 per option	₹ 7.80 per option
(G)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

- (i) During the year ended March 31, 2022, the Company paid the final dividend of ₹ 18 per equity share for the year ended March 31, 2021.
- (j) The Board of Directors, at their meeting held on May 12, 2022 recommended a final dividend of ₹ 22 per equity share for the year ended March 31, 2022, subject to approval of shareholders. On approval, the dividend outgo is expected to be ₹ 3091.06 crore based on number of shares outstanding as on March 31, 2022.
- (k) Stock option scheme of subsidiary companies:

- (i) Larsen & Toubro Infotech Limited

Employee Stock Ownership Scheme (ESOS Plan)

- (A) The options are vested equally over a period of 5 years subject to the discretion of the management and fulfilment of certain conditions. The options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

- (B) The details of the grant under the aforesaid scheme is summarised below:

Sr. No.	Particulars	ESOP scheme 2015	
		2021-22	2020-21
i.	Grant price	₹ 1	₹ 1
ii.	Grant dates	10-06-2016 onwards	
iii.	Vesting commences on	10-06-2017 onwards	
iv.	Options granted & outstanding at the beginning of the year	8,82,606	15,25,395
v.	Options reinstated during the year	–	–
vi.	Options granted during the year	45,285	83,650
vii.	Options exercised during the year	5,19,548	6,23,839
viii.	Options lapsed/cancelled during the year	82,428	1,02,600
ix.	Options granted & outstanding at the end of the year	3,25,915	8,82,606
x.	Options vested at the end of the year out of (ix) <i>supra</i>	1,43,122	1,22,208
xi.	Options unvested at the end of the year out of (ix) <i>supra</i>	1,82,793	7,60,398
xii.	Weighted average remaining contractual life of options (in years)	3.5	3.3

- (C) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 4889.01 per share (previous year: ₹ 2691.00 per share).

- (D) Weighted average fair value of options granted during the year is ₹ 4667.46 per share (previous year: ₹ 2348.93 per share).

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

NOTE [20] (contd.)

- (E) The fair value has been calculated using the Black-Scholes Option Pricing Model and significant assumptions and inputs to estimate the fair value options granted during the year are as follows:

Sr. No.	Particulars	2021-22	2020-21
(A)	Weighted average risk-free interest rate	5.00%	4.62%
(B)	Weighted average expected life of options	3 years	3 years
(C)	Weighted average expected volatility	27.67%	25.17%
(D)	Weighted average expected dividends over the life of option	₹ 189.16	₹ 148.59
(E)	Weighted average share price	₹ 4668.46	₹ 2349.87
(F)	Weighted average exercise price	₹ 1	₹ 1
(G)	Method used to determine expected volatility	The expected volatility has been calculated based on historic company share price.	The expected volatility has been calculated entirely based on historic volatility of IT Index.

- (ii) L&T Technology Services Limited

(A) Employee stock option plan (ESOP)

- (i) The options are vested equally over a period of 5 years subject to the discretion of the management and fulfillment of certain conditions.
- (ii) The exercise period for the options granted under the ESOP Scheme, 2016 would be seven years (84 months) from the date of grant of options or six years (72 months) from the date of first vesting or three years (36 months) from the date of retirement/death, whichever is earlier, subject to any change as may be approved by the Board. The exercise price may be decided by the Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the exercise price per option shall not be less than the par value of the equity share of the Company and shall not be more than the market price as defined in the SEBI (Share Based Employee Benefits) Regulations, 2014 and shall be subject to compliance with accounting policies under the said regulation. The number of shares to be allotted on exercise of options should not exceed the total number of unexercised vested options that may be exercised by the employee. Details of grant under ESOP Scheme, 2016 is summarised below:

Sr. No.	Particulars	ESOP Scheme, 2016	
		2021-22	2020-21
i.	Grant price	₹ 2	₹ 2
ii.	Grant dates	28-07-2016 onwards	
iii.	Vesting commences on	28-07-2017 onwards	
iv.	Options granted and outstanding at the beginning of the year	7,32,469	13,22,434
v.	Options lapsed during the year	30,400	76,200
vi.	Options granted during the year	–	20,500
vii.	Options exercised during the year	4,86,344	5,34,265
viii.	Options granted and outstanding at the end of the year	2,15,725	7,32,469
ix.	Options vested at the end of the year out of (viii) <i>supra</i>	66,605	1,46,929
x.	Options unvested at the end of the year out of (viii) <i>supra</i>	1,49,120	5,85,540
xi.	Weighted average remaining contractual life of options (in years)	0.24	1.99

- (B) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 4770.17 per share (previous year: ₹ 1763.19 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.

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

NOTE [20] (contd.)

- (D) There are no new options granted during the year ended 31-3-2022. The fair value at grant date of options granted during the previous year: ₹ 1378.40 per option. The fair value of 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	2021-22	2020-21
(A)	Weighted average exercise price		₹ 2.00
(B)	Grant date		16-07-2020
(C)	Expiry date		16-07-2027
(D)	Weighted average share price at grant date	No new ESOP grant during the year	₹ 1441.70 per option
(E)	Weighted average expected price volatility of Company's share		30.42%
(F)	Weighted average expected dividend yield over life of option		5.12%
(G)	Weighted average risk-free interest rate		4.55%
(H)	Method used to determine expected volatility	The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility based on publicly available information.	

(iii) L&T Finance Holdings Limited

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	
		2021-22	2020-21	2021-22	2020-21
i.	Grant price	₹ 44.20		₹ 10.00 ⁽¹⁾ /Market Price	
ii.	Options granted and outstanding at the beginning of the year	19,28,500	29,20,500	3,98,32,101	4,51,95,840
iii.	Options granted during the year	–	–	1,07,89,685	21,31,627
iv.	Options lapsed/cancelled during the year	6,63,250	3,07,500	61,90,962	48,92,793
v.	Options exercised and shares allotted during the year	3,17,000	6,84,000	42,72,784	26,02,573
vi.	Options granted and outstanding at the end of the year				
	of which:				
	Options vested	9,48,250	19,28,500	4,01,58,040	3,98,32,101
	Options yet to vest	7,19,000	5,37,000	2,16,22,255	1,81,71,874
		2,29,250	13,91,500	1,85,35,785	2,16,60,227
vii.	Weighted average remaining contractual life of options (in years)	3.56	4.02	5.64	4.81

⁽¹⁾ w.e.f. July 10, 2019

- (B) The average fair values of options granted during the year is ₹ 72.69 (previous year: ₹ 33.15) per option.

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

NOTE [20] (contd.)

- (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	2021-22	2020-21
(A)	Weighted average risk-free interest rate	4.59%	2.70%
(B)	Weighted average expected life of options	2.68 years	1.73 years
(C)	Weighted average expected volatility	39.50%	25.26%
(D)	Weighted average expected dividends	₹ 2.60 per option	₹ 1.68 per option
(E)	Weighted average share price	₹ 83.71 per option	₹ 39.61 per option
(F)	Weighted average exercise price	₹ 10.00 per option	₹ 5.82 per option
(G)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's shares price applicable to the expected life of each option.	

- (iv) Mindtree Limited

- (A) 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 ₹ 10 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.

Sr. No.	Particulars	2021-22		2020-21	
		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	5,200	10.00	–	–
ii.	Options granted during the year	1,17,241	10.00	1,54,155	10.00
iii.	Options exercised during the year	1,14,006	10.00	1,45,700	10.00
iv.	Options lapsed/forfeited during the year	–	–	3,255	10.00
v.	Options granted and outstanding at the end of the year	8,435	10.00	5,200	10.00
vi.	Options vested at the end of the year out of (v) <i>supra</i>	8,435	10.00	5,200	10.00

- (B) Other Stock based compensation arrangements

The Company has granted phantom stock options and letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the outstanding options/ units as at March 31, 2022 are given below:

Sr. No.	Particulars	2021-22	2020-21
		Employee Restricted Stock Option Plan 2012 ^[1]	
(A)	Outstanding units/shares as at the beginning of the year	1,92,166	2,40,450
(B)	Number of units/shares granted under letter of intent during the year	–	1,44,466
(C)	Vested units/shares	1,17,241	1,54,155
(D)	Lapsed units/shares	–	5000
(E)	Cancelled units/shares	9,702	33,595
(F)	Outstanding units/shares as at the end of the year	65,223	1,92,166
(G)	Contractual life	1-2 year	1-2 year
(H)	Grant Date ^[2]	–	May 12, 2020, June 18, 2020, October 30, 2020, February 8, 2021
(I)	Grant Price per share/unit ^[2]	₹ 10 per share	₹ 10 per share

^[1] Does not include direct allotment of shares

^[2] Based on Letter of Intent

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

NOTE [20] (contd.)

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the previous year ended March 31, 2021 was ₹ 873.36 using the Black-Scholes Option Pricing Model with the following assumptions:

Sr. No.	Particulars	2021-22	2020-21
(A)	Weighted average grant date share price	–	₹ 873.36
(B)	Weighted average exercise price	₹ 10.00	₹ 10.00
(C)	Dividend yield %	0.42%	0.42%
(D)	Expected life	1-2 year	1-2 year
(E)	Risk-free interest rate	5.56%	4.31%
(F)	Volatility	35.15%	48.33%

(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 unutilized options under ERSP 2012) to employees. The Nomination and Remuneration Committee ('NRC') administers the plan through a trust established specifically for this purpose, called the 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 NRC 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 NRC. All stock options have a four-year vesting term. The options vest and become fully exercisable at the rate of 25% each over a period of 4 years from the date of grant. Each option is entitled to 1 equity share of ₹ 10 each. These options are exercisable within 6 years from the date of vesting.

Sr. No.	Particulars	Series A	
		2021-22	
		No. of stock options	Weighted average exercise price (₹)
i.	Options granted and outstanding at the beginning of the year	–	–
ii.	Options granted during the year	3,28,128	10.00
iii.	Options exercised during the year	–	–
iv.	Options lapsed/forfeited during the year	16,160	10.00
v.	Options granted and outstanding at the end of the year	3,11,968	10.00
vi.	Options vested at the end of the year out of (v) <i>supra</i>	–	–

The weighted average remaining contractual life of the option is 1.88 years as at March 31, 2022 (as at March 31, 2021: NA)

The weighted average fair value of each option under the above mentioned Series A of ESOP 2021 plan was ₹ 2965.70 using the Black-Scholes model with the following assumptions:

Sr. No.	Particulars	2021-22
i.	Weighted average grant date share price	₹ 2984.23
ii.	Exercise price	₹ 10.00
iii.	Dividend yield %	0.10%
iv.	Expected life	1-4 year
v.	Risk-free interest rate	4.88%
vi.	Volatility	34.68%

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

NOTE [20] (contd.)

Sr. No.	Particulars	Series B	
		2021-22	
		No. of stock options	Weighted average exercise price (₹)
i.	Options granted and outstanding at the beginning of the year	–	–
ii.	Options granted during the year	1,87,000	3,290.65
iii.	Options exercised during the year	–	–
iv.	Options Lapsed/forfeited during the year	17,000	2,683.80
v.	Options granted and outstanding at the end of the year	1,70,000	3,290.65
vi.	Options vested at the end of the year out of (v) <i>supra</i>	–	–

The weighted average remaining contractual life of the option is 1.99 years as at March 31, 2022 (as at March 31, 2021: NA)

The weighted average fair value of each option under the above mentioned Series B of ESOP 2021 plan was ₹ 926.45 using the Black-Scholes Option Pricing Model with the following assumptions:

Sr. No.	Particulars	2021-22
i.	Weighted average grant date share price	₹ 3411.29
ii.	Exercise price	₹ 3290.65
iii.	Dividend yield %	0.11%
iv.	Expected life	1-4 year
v.	Risk-free interest rate	4.94%
vi.	Volatility	34.29%

(I) Capital Management

The Group continues its policy of a conservative capital structure. Low gearing levels also enable the Group to navigate business stress on one hand and raise growth capital on the other. This policy also provides flexibility of fund-raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 1.29:1 (as at 31-3-2021: 1.51:1).

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

NOTE [21]

Other equity

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
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 ^[1]	335.10	302.00
Securities premium [Note 1(II)(u)]	8718.74	8667.65
Employee share options (net) [Note 1(II)(w)]		
Employee share options outstanding	502.09	427.52
Deferred employee compensation expense	(130.44)	(43.92)
	371.65	383.60
Statutory reserves		
Debenture redemption reserve ^[2]	546.62	776.76
Reserve u/s 45-IC of the Reserve Bank India Act, 1934	2162.13	1956.05
Reserve u/s 29C of the National Housing Bank Act, 1987	11.09	11.09
Reserve u/s 36(1)(viii) of the Income-tax Act, 1961	962.27	911.01
Impairment reserve as per Reserve Bank of India ^[3]	28.36	28.36
	3710.47	3683.27
Retained earnings	67139.90	60955.94
Foreign currency translation reserve [Note 1(II)(x)(iv)]	696.00	665.45
Hedging reserve [Note 1(II)(r)(iii)(B)]		
Cash flow hedging reserve	723.25	492.11
Cost of hedging reserve	(4.72)	(7.01)
	718.53	485.10
Debt instruments through Other comprehensive income [Note 1(II)(r)(i)(B)]	98.20	162.40
Equity instruments through Other comprehensive income [Note 1(II)(r)(i)(B)]	55.62	(0.23)
	82126.65	75587.62

^[1] Capital redemption reserve: Created by the subsidiaries on redemption of preference shares out of profits in accordance with Section 55(2)(c) of the Companies Act, 2013.

^[2] Debenture redemption reserve: Created on non-convertible debentures in accordance with the Companies (Share capital and Debenture) Rules, 2014 (as amended).

^[3] 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 31-3-2022			As at 31-3-2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Redeemable non-convertible fixed rate debentures	30945.62	14687.17	45632.79	29162.95	20021.22	49184.17
Redeemable non-convertible inflation linked debentures	–	129.94	129.94	–	126.15	126.15
Preference shares	–	215.65	215.65	–	1123.66	1123.66
Term loans from banks	13657.29	1982.64	15639.93	29334.73	2351.33	31686.06
	44602.91	17015.40	61618.31	58497.68	23622.36	82120.04

Notes:

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

(b) Non-convertible debentures and bank borrowings 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 31-3-2022	As at 31-3-2021
Forward contract payables	27.46	59.78
Embedded derivative payables	13.17	13.84
Financial guarantee contracts	1.03	0.12
Due to others ⁽¹⁾	70.01	113.00
	111.67	186.74

⁽¹⁾ mainly includes security deposits and liabilities towards capital goods

NOTE [24]

Non-current liabilities: Provisions

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Employee pension scheme [Note 52(b)(i)]	345.63	348.86
Post-retirement medical benefits plan [Note 52(b)(i)]	333.93	338.42
Provision for other employee benefits	19.97	18.12
Other provisions [Note 56(a)]	118.24	68.38
	817.77	773.78

NOTE [25]

Other non-current liabilities

Particulars	₹ crore	
	As at 31-3-2022	As at 31-3-2021
Other payables	21.27	68.70
	21.27	68.70

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

NOTE [26]

Current liabilities: Financial liabilities - Borrowings

₹ crore

Particulars	As at 31-3-2022			As at 31-3-2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Loans repayable on demand	8596.89	4091.27	12688.16	7098.45	3797.92	10896.37
Short-term loans and advances from banks	4137.00	2024.05	6161.05	1953.81	4215.93	6169.74
Short-term unsecured fixed rate debentures	–	–	–	–	477.90	477.90
Loans from related parties	–	193.74	193.74	–	90.91	90.91
Commercial paper	–	11434.01	11434.01	–	10130.91	10130.91
	<u>12733.89</u>	<u>17743.07</u>	<u>30476.96</u>	<u>9052.26</u>	<u>18713.57</u>	<u>27765.83</u>

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 31-3-2022			As at 31-3-2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Redeemable non-convertible fixed rate debentures	13547.82	7707.33	21255.15	9659.27	3230.04	12889.31
Redeemable non-convertible floating rate debentures	–	1.73	1.73	–	1.60	1.60
Preference shares	–	170.09	170.09	–	319.26	319.26
Term loans from banks	9405.63	540.36	9945.99	9419.55	89.67	9509.22
	<u>22953.45</u>	<u>8419.51</u>	<u>31372.96</u>	<u>19078.82</u>	<u>3640.57</u>	<u>22719.39</u>

Notes:

- (a) Loans guaranteed by directors ₹ Nil (previous year: ₹ Nil)
- (b) Non-convertible debentures and bank borrowings 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 31-3-2022	As at 31-3-2021
	Acceptances	164.52
Due to related parties:		
Associates	7.94	14.54
Joint ventures	1772.57	1761.12
	<u>1780.51</u>	<u>1775.66</u>
Due to others	48623.30	43098.23
	<u>50568.33</u>	<u>45256.24</u>

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

NOTE [28][a]

Current liabilities: Financial liabilities - Trade payables ageing

₹ crore

Particulars	As at 31-3-2022						Total
	Unbilled Dues	Not due	Outstanding for following periods from due date of payment			Total	
			Less than 1 year	1-2 years	2-3 years		
Undisputed:							
Micro and small enterprises	36.26	516.10	21.32	0.73	0.57	0.93	575.91
Others	19674.94	22237.09	6387.20	953.50	342.79	962.86	50558.38
Disputed:							
Micro and small enterprises	–	–	–	–	–	–	–
Others	–	8.43	–	–	0.19	1.33	9.95
	19711.20	22761.62	6408.52	954.23	343.55	965.12	51144.24

₹ crore

Particulars	As at 31-3-2021						Total
	Unbilled Dues	Not due	Outstanding for following periods from due date of payment			Total	
			Less than 1 year	1-2 years	2-3 years		
Undisputed:							
Micro and small enterprises	49.09	403.57	33.48	1.26	0.65	0.81	488.86
Others	18979.64	16856.48	7209.71	664.81	590.50	934.63	45235.77
Disputed:							
Micro and small enterprises	–	–	–	–	–	0.13	0.13
Others	–	16.76	1.04	–	–	2.67	20.47
	19028.73	17276.81	7244.23	666.07	591.15	938.24	45745.23

NOTE [29]

Current liabilities: Other financial liabilities

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
Unclaimed dividend	129.35	127.78
Unclaimed interest on debentures	367.31	244.66
Financial guarantee contracts	0.85	0.79
Forward contract payables	402.19	379.25
Embedded derivative payables	84.29	55.38
Due to others ⁽¹⁾⁽²⁾	5659.33	4521.07
	6643.32	5328.93

⁽¹⁾ Due to others include due to directors: ₹ 112.87 crore (previous year: ₹ 43.19 crore)

⁽²⁾ Mainly includes security deposits and liability towards employee benefits and capital goods

NOTE [30]

Other current liabilities

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
Contract liabilities [Note 47(d)(i)]		
Due to customers (construction and project related activity)	12818.25	11943.66
Advances from customers	17963.32	15876.07
	30781.57	27819.73
Other payables ⁽¹⁾	3862.53	3449.90
	34644.10	31269.63

⁽¹⁾ mainly includes statutory dues and liabilities towards joint ventures, volume discount and employee benefits

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

NOTE [31]

Current liabilities: Provisions

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Provision for employee benefits:		
Gratuity [Note 52(b)(i)]	236.44	210.43
Compensated absences	1387.54	1372.56
Employee pension scheme [Note 52(b)(i)]	25.93	29.09
Post-retirement medical benefits plan [Note 52(b)(i)]	20.64	21.64
Others	0.86	0.84
	1671.41	1634.56
Other provisions [Note 56(a)]	1684.45	1364.12
	3355.86	2998.68

NOTE [32]

Contingent Liabilities

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
(a) Claims against the Group not acknowledged as debts	3239.98	3222.99
(b) Sales tax/GST liability that may arise in respect of matters in appeal	318.69	351.39
(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	1007.85	830.85
(d) Income tax liability that may arise in respect of which the Group is in appeal	2877.52	676.62
(e) Guarantees or letter of credit or letter of comfort given to third parties	529.17	340.16
(f) Corporate guarantees for debt given on behalf of joint ventures	255.12	312.67
(g) Bank guarantees given on behalf of joint venture	45.10	51.18
(h) Contingent liabilities in relation to interest in joint operations	6520.74	7042.11
(i) Share in contingent liabilities of joint operations for which the Group is contingently liable	57.01	61.95
(j) Contingent liabilities in respect of liabilities of other joint operators in respect of joint operations	4405.09	4875.31
(k) Share of joint ventures' contingent liabilities in respect of a legal claim lodged against the entity	175.42	169.94
(l) Indemnities for performance given on behalf of third parties	324.60	479.43

Notes:

- (i) The Group expects reimbursements of ₹ 13.82 crore (previous year: ₹ 14.24 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 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, if 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 31-3-2022	As at 31-3-2021
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances):		
(i) Property, plant and equipment	2169.02	1774.32
(ii) Investment property	10.13	47.56
(iii) Intangible assets	28.88	151.14
(b) Other funding commitments:		
(i) Undrawn/undisbursed commitments to other companies (in Financial Services segment)	1026.95	1010.35
(ii) Share of joint ventures' capital commitments	10.80	14.78

NOTE [34]

Revenue from operations

₹ crore

Particulars	2021-22	2020-21
Sales & service:		
Construction and project related activity	100604.09	86406.51
Manufacturing and trading activity	3882.61	3760.72
Engineering service fees	6561.80	5530.89
Software development products and services	25804.51	20088.56
Income from financing activity/annuity based projects	12630.81	14107.19
Property development activity	1264.35	606.14
Fare collection and related activity	201.39	84.00
Servicing fees	1345.32	1178.07
Commission	129.31	110.27
Charter hire income	2.29	3.56
Investment/portfolio management and trusteeship fees	359.09	311.34
Fees for operation and maintenance of power plant	2804.94	2267.90
Revenue from sale of power	81.95	21.60
	155672.46	134476.75
Other operational income:		
Lease rentals	87.38	81.96
Property maintenance recoveries	49.63	56.44
Profit on sale of a subsidiary classified under realty segment	1.65	–
Premium earned (net) on related forward exchange contracts	53.65	61.50
Profit on sale of investment property	–	466.20
Technical fees	4.75	7.12
Miscellaneous income	651.71	829.06
	848.77	1502.28
	156521.23	135979.03

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

NOTE [35]

Other income

₹ crore

Particulars	2021-22	2020-21
Interest income on: [Note 46(a)]		
Loans and advances to joint ventures and associates	9.94	60.84
Investments	731.82	638.57
Others	321.59	678.25
	1063.35	1377.66
Dividend income on:		
Trade investments	3.74	14.24
Current investments	0.04	0.21
Others	0.34	14.02
	4.12	28.47
Net gain/(loss) on fair valuation of investments	(259.39)	(97.86)
Net gain/(loss) on sale of investments	699.54	1216.63
Net gain/(loss) on derivatives at fair value through profit or loss	85.56	(42.46)
Net gain/(loss) on sale of PPE and Intangible assets	17.60	62.61
Lease rentals	20.14	19.35
Miscellaneous income (net of expenses)	636.16	864.95
	2267.08	3429.35

NOTE [36]

Manufacturing, construction and operating expenses

₹ crore

Particulars	2021-22	2020-21
Cost of raw materials, components consumed:		
Raw materials and components	17268.17	15651.20
Less: Scrap sales	167.33	89.15
	17100.84	15562.05
Construction materials consumed	33506.21	24558.23
Purchase of stock-in-trade	1069.50	1213.58
Stores, spares and tools consumed	3091.07	2032.89
Sub-contracting charges	24772.33	22316.18
Changes in inventories of finished goods, stock-in-trade, work-in-progress and property development:		
Closing stock:		
Finished goods	89.29	86.01
Stock-in-trade	324.10	360.03
Work-in-progress	7171.57	5252.57
Cost of built-up space and property development land:		
Work-in-progress	3277.96	3169.07
Completed property	366.49	384.60
	11229.41	9252.28
Carried forward	11229.41	9252.28
	79539.95	65682.93

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

NOTE [36]

Manufacturing, construction and operating expenses (contd.)

Particulars	2021-22		2020-21	
Brought forward	11229.41	79539.95	9252.28	65682.93
Less: Opening stock:				
Finished goods	86.01		98.56	
Stock-in-trade	360.03		308.36	
Work-in-progress	5252.57		5748.17	
Cost of built-up space and property development land:				
Work-in-progress	3069.60		3130.39	
Completed property	384.60		72.37	
	9152.81		9357.85	
	(2076.60)		105.57	
Inventorisation of investment property	–		237.80	
		(2076.60)		343.37
Other manufacturing, construction and operating expenses:				
Power and fuel	2141.26		1458.30	
Royalty and technical know-how fees	4.38		57.50	
Packing and forwarding	599.23		536.23	
Rent and hire charges	3071.04		2265.80	
Bank guarantee charges	317.17		310.09	
Engineering, professional, technical and consultancy fees	2302.10		2008.62	
Insurance	497.25		471.08	
Rates and taxes	764.91		686.11	
Travelling and conveyance	1013.78		828.06	
Repairs to plant and equipment	142.84		69.78	
Repairs to buildings	25.75		22.74	
General repairs and maintenance	600.33		581.74	
Provision/(reversal) for foreseeable losses on construction contracts	(18.31)		23.66	
Other provisions	177.96		116.85	
Expenses on construction job in realty business	771.74		236.81	
Software development expenses	3068.32		2199.44	
Miscellaneous expenses	842.87		1110.75	
		16322.62		12983.56
Finance cost of financial services business and finance lease activity		5952.54		7691.04
		99738.51		86700.90

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

NOTE [37]

Employee benefits expense

Particulars	₹ crore	
	2021-22	2020-21
Salaries, wages and bonus	26887.75	22321.33
Contribution to and provision for:		
Provident fund and pension fund	584.13	519.07
Superannuation/employee pension and social security schemes	521.12	430.15
Gratuity funds [Note 52(b)(ii)]	209.22	180.30
	1314.47	1129.52
Expenses on employee stock option scheme	135.31	137.67
Employee medical and other insurance premium expenses	362.62	329.76
Staff welfare expenses	1208.14	1013.57
Recoveries on account of deputation charges	(174.76)	(181.31)
	<u>29733.53</u>	<u>24750.54</u>

NOTE [38]

Sales, administration and other expenses

Particulars	₹ crore	
	2021-22	2020-21
Power and fuel	126.00	123.03
Packing and forwarding	91.27	74.66
Insurance	164.82	131.47
Rent and hire charges	237.47	211.70
Rates and taxes	260.09	292.25
Travelling and conveyance	445.84	317.25
Repairs to buildings	106.41	102.45
General repairs and maintenance	458.56	435.17
Professional fees	1213.03	912.39
Directors' fees	5.92	7.97
Telephone, postage and telegrams	238.28	220.90
Advertising and publicity	169.88	101.32
Stationery and printing	50.84	49.10
Commission:		
Distributors and agents	31.12	33.56
Others	7.02	8.47
	38.14	42.03
Bank charges	156.74	145.10
Impairment on lease receivables	301.82	2.35
Corporate social responsibility expenses	232.39	225.20
Collection cost (Financial Services business)	435.70	302.74
Miscellaneous expenses	794.95	643.60
Bad debts and advances written off (net of written back)	4092.37	3039.99
Less: Allowances for expected credit loss written back	3733.86	2481.66
	358.51	558.33
Impairment of debt instruments	12.00	151.26
Allowances for expected credit loss	3200.55	3400.09
Loss on fair valuation of loans towards financing activities (net)	347.37	158.76
Recoveries from joint ventures and associates	(27.15)	(39.48)
Exchange (gain)/loss [net]	(666.00)	(37.31)
Other provisions	78.46	371.16
	<u>8831.89</u>	<u>8903.49</u>

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

NOTE [39]

Finance costs

Particulars	₹ crore	
	2021-22	2020-21
Interest expenses	3055.42	3904.54
Other borrowing costs	5.81	4.27
Exchange (gain)/loss [net]	64.47	4.63
	<u>3125.70</u>	<u>3913.44</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

₹ crore

Sr. No.	Nature of expenses	2021-22					2020-21				
		Note 36	Note 37	Note 38	Note 39	Total	Note 36	Note 37	Note 38	Note 39	Total
1	Power and fuel	2141.26	-	126.00	-	2267.26	1458.30	-	123.03	-	1581.33
2	Packing and forwarding	599.23	-	91.27	-	690.50	536.23	-	74.66	-	610.89
3	Insurance	497.25	362.62	164.82	-	1024.69	471.08	329.80	131.47	-	932.35
4	Rent and hire charges	3071.04	-	237.47	-	3308.51	2265.80	-	211.70	-	2477.50
5	Rates and taxes	764.91	-	260.09	-	1025.00	686.11	-	292.25	-	978.36
6	Travelling and conveyance	1013.78	-	445.84	-	1459.62	828.06	-	317.25	-	1145.31
7	Repairs to plant and equipment	142.84	-	-	-	142.84	69.78	-	-	-	69.78
8	Repairs to buildings	25.75	-	106.41	-	132.16	22.74	-	102.45	-	125.19
9	General repairs and maintenance	600.33	-	458.56	-	1058.89	581.74	-	435.17	-	1016.91
10	Engineering, professional, technical and consultancy fees	2302.10	-	1213.03	-	3515.13	2008.62	-	912.39	-	2921.01
11	Finance costs	5952.54	-	-	3125.70	9078.24	7691.04	-	-	3913.44	11604.48
12	Miscellaneous expenses	842.87	-	794.95	-	1637.82	1110.75	-	643.60	-	1754.35

39(b) Depreciation, amortisation, impairment and obsolescence

₹ crore

Particulars	2021-22	2020-21
Depreciation on:		
Property, plant and equipment	1523.67	1407.81
Right of use assets	456.01	457.87
Investment property	49.76	41.33
		<u>2029.44</u>
Amortisation of intangible assets		908.59
Impairment on:		
Property, plant and equipment	0.30	76.28
Investment property	-	5.18
Goodwill	-	1.82
		<u>0.30</u>
Obsolescence on property, plant and equipment		9.62
		<u>9.62</u>
	<u>2947.95</u>	<u>2904.21</u>

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

NOTE [40]

The list of subsidiaries, associates, joint ventures and joint operations included in the Consolidated Financial Statements are as under:

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2022		As at 31-3-2021	
			Proportion of effective ownership interest (%)	Proportion of voting power held (%)	Proportion of effective ownership interest (%)	Proportion of voting power held (%)
Indian subsidiaries						
1	Hi-Tech Rock Products and Aggregates Limited	India	100.00	100.00	100.00	100.00
2	L&T Geostructure Private Limited	India	100.00	100.00	100.00	100.00
3	L&T Infrastructure Engineering Limited	India	100.00	100.00	100.00	100.00
4	L&T Hydrocarbon Engineering Limited ^[a]	India	–	–	100.00	100.00
5	Larsen & Toubro Infotech Limited	India	74.05	74.05	74.27	74.27
6	Syncordis Software Services India Private Limited ^[b]	India	–	–	74.27	74.27
7	Ruletronics Systems Private Limited ^[b]	India	–	–	74.27	74.27
8	Lymbyc Solutions Private Limited	India	74.05	74.05	74.27	74.27
9	Powerup Cloud Technologies Private Limited	India	74.05	74.05	74.27	74.27
10	Cuelogic Technologies Private Limited ^[c]	India	74.05	74.05	–	–
11	L&T Technology Services Limited	India	73.90	73.90	74.24	74.24
12	L&T Thales Technology Services Private Limited	India	54.69	54.69	54.94	54.94
13	Graphene Semiconductor Services Private Limited	India	73.90	73.90	74.24	74.24
14	Seastar Labs Private Limited	India	73.90	73.90	74.24	74.24
15	Esencia Technologies India Private Limited	India	73.90	73.90	74.24	74.24
16	Mindtree Limited	India	60.99	60.99	61.03	61.03
17	L&T Finance Holdings Limited	India	66.26	66.26	63.62	63.62
18	L&T Finance Limited	India	66.26	66.26	63.62	63.62
19	L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)	India	66.26	66.26	63.62	63.62
20	L&T Infra Investment Partners Advisory Private Limited	India	66.26	66.26	63.62	63.62
21	L&T Infra Investment Partners Trustee Private Limited	India	66.26	66.26	63.62	63.62
22	L&T Investment Management Limited	India	66.26	66.26	63.62	63.62
23	L&T Mutual Fund Trustee Limited	India	66.26	66.26	63.62	63.62
24	L&T Financial Consultants Limited	India	66.26	66.26	63.62	63.62
25	Mudit Cement Private Limited	India	66.26	66.26	63.62	63.62
26	L&T Infra Investment Partners	India	36.38	36.38	34.94	34.94
27	L&T Metro Rail (Hyderabad) Limited ^[d]	India	100.00	100.00	100.00	100.00
28	L&T Arunachal Hydropower Limited	India	100.00	100.00	100.00	100.00
29	L&T Himachal Hydropower Limited	India	100.00	100.00	100.00	100.00
30	L&T Power Development Limited	India	100.00	100.00	100.00	100.00
31	L&T Uttarakhand Hydropower Limited ^[e]	India	–	–	100.00	100.00
32	Nabha Power Limited	India	100.00	100.00	100.00	100.00
33	Chennai Vision Developers Private Limited	India	100.00	100.00	100.00	100.00
34	L&T Asian Realty Project LLP	India	100.00	100.00	100.00	100.00
35	L&T Parel Project Private Limited (formerly known as L&T Parel Project LLP)	India	100.00	100.00	100.00	100.00
36	L&T Westend Project LLP	India	100.00	100.00	100.00	100.00
37	LTR SSM Private Limited	India	99.00	99.00	99.00	99.00
38	L&T Seawoods Limited	India	100.00	100.00	100.00	100.00
39	L&T Vision Ventures Limited ^[f]	India	–	–	68.00	68.00
40	L&T Innovation Campus (Chennai) Limited (formerly known as L&T Electricals and Automation Limited)	India	100.00	100.00	100.00	100.00
41	L&T Realty Developers Limited	India	100.00	100.00	100.00	100.00

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

NOTE [40] (contd.)

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2022		As at 31-3-2021	
			Proportion of effective ownership interest (%)	Proportion of voting power held (%)	Proportion of effective ownership interest (%)	Proportion of voting power held (%)
Indian subsidiaries						
42	L&T Construction Equipment Limited	India	100.00	100.00	100.00	100.00
43	L&T Valves Limited	India	100.00	100.00	100.00	100.00
44	Bhilai Power Supply Company Limited	India	99.90	99.90	99.90	99.90
45	L&T Power Limited	India	99.99	99.99	99.99	99.99
46	Kesun Iron and Steel Company Private Limited ^(a)	India	95.00	95.00	95.00	95.00
47	L&T Aviation Services Private Limited	India	100.00	100.00	100.00	100.00
48	L&T Capital Company Limited	India	100.00	100.00	100.00	100.00
49	L&T Infra Contractors Private Limited ^(b)	India	–	–	100.00	100.00

^(a) The company is merged with Larsen & Toubro Limited w.e.f. April 1, 2021

^(b) The company is merged with Larsen & Toubro Infotech Limited w.e.f. April 1, 2021

^(c) The Group has acquired stake on July 7, 2021

^(d) One equity share (the Golden Share) is held by the Government of Telangana in pursuance of the Shareholders' Agreement

^(e) The Group has sold its stake on August 30, 2021

^(f) The Group has sold its stake on June 3, 2021

^(g) The company is in process of being struck off from the register of companies

^(h) The company is struck off from the register of companies w.e.f. December 28, 2021

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2022		As at 31-3-2021	
			Proportion of effective ownership interest (%)	Proportion of voting power held (%)	Proportion of effective ownership interest (%)	Proportion of voting power held (%)
Foreign subsidiaries						
1	Larsen & Toubro (Oman) LLC	Sultanate of Oman	65.00	65.00	65.00	65.00
2	Larsen & Toubro Qatar LLC ^(a)	Qatar	49.00	100.00	49.00	100.00
3	Larsen & Toubro Saudi Arabia LLC	Kingdom of Saudi Arabia	100.00	100.00	100.00	100.00
4	Larsen & Toubro T&D SA (Proprietary) Limited	South Africa	72.50	72.50	72.50	72.50
5	Larsen & Toubro Heavy Engineering LLC	Sultanate of Oman	70.00	100.00	70.00	100.00
6	L&T Modular Fabrication Yard LLC	Sultanate of Oman	70.00	100.00	70.00	100.00
7	Larsen Toubro Arabia LLC	Kingdom of Saudi Arabia	75.00	100.00	75.00	100.00
8	L&T Hydrocarbon Saudi Company	Kingdom of Saudi Arabia	100.00	100.00	100.00	100.00
9	Larsen & Toubro Kuwait Construction General Contracting Company WLL	Kuwait	49.00	100.00	49.00	100.00
10	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Indonesia	95.00	95.00	95.00	95.00
11	Larsen & Toubro Electromech LLC	Sultanate of Oman	70.00	100.00	70.00	100.00
12	L&T Hydrocarbon International FZE ^(b)	UAE	–	–	100.00	100.00
13	L&T Information Technology Services (Shanghai) Co., Limited	China	74.05	74.05	74.27	74.27
14	L&T Infotech Financial Services Technologies Inc.	Canada	74.05	74.05	74.27	74.27
15	Larsen & Toubro Infotech Canada Limited	Canada	74.05	74.05	74.27	74.27
16	Larsen & Toubro Infotech LLC	USA	74.05	74.05	74.27	74.27
17	Larsen & Toubro Infotech South Africa (Proprietary) Limited	South Africa	51.52	51.52	51.68	51.68

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

NOTE [40] (contd.)

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2022		As at 31-3-2021	
			Proportion of effective ownership interest (%)	Proportion of voting power held (%)	Proportion of effective ownership interest (%)	Proportion of voting power held (%)
Foreign subsidiaries						
18	Larsen & Toubro Infotech GmbH	Germany	74.05	74.05	74.27	74.27
19	L&T Information Technology Spain SL	Spain	74.05	74.05	74.27	74.27
20	Larsen & Toubro Infotech Norge AS	Norway	74.05	74.05	74.27	74.27
21	Larsen & Toubro LLC	USA	98.76	98.76	98.77	98.77
22	L&T Infotech S. DE R.L. DE C.V.	Mexico	74.05	74.05	74.27	74.27
23	Syncordis S.A.	Luxembourg	74.05	74.05	74.27	74.27
24	Syncordis France SARL	France	74.05	74.05	74.27	74.27
25	Syncordis Limited	UK	74.05	74.05	74.27	74.27
26	Syncordis PSF S.A.	Luxembourg	74.05	74.05	74.27	74.27
27	Nielsen+Partner Unternehmensberater GmbH	Germany	74.05	74.05	74.27	74.27
28	Nielsen+Partner Unternehmensberater AG	Switzerland	74.05	74.05	74.27	74.27
29	Nielsen+Partner Pte Limited	Singapore	74.05	74.05	74.27	74.27
30	Nielsen&Partner Company Limited	Thailand	74.05	74.05	74.27	74.27
31	Nielsen&Partner Pty Limited	Australia	74.05	74.05	74.27	74.27
32	Ruletronics Limited	UK	74.05	74.05	74.27	74.27
33	Ruletronics Systems Inc.	USA	74.05	74.05	74.27	74.27
34	Larsen & Toubro Infotech UK Limited	UK	74.05	74.05	74.27	74.27
35	LTI Middle East FZ-LLC	UAE	74.05	74.05	74.27	74.27
36	Lymbyc Solutions Inc.	USA	74.05	74.05	74.27	74.27
37	Cuelogic Technologies Inc. ^[c]	USA	74.05	74.05	-	-
38	L&T Technology Services LLC	USA	73.90	73.90	74.24	74.24
39	Graphene Solutions PTE Limited	Singapore	73.90	73.90	74.24	74.24
40	Graphene Solutions SDN. BHD.	Malaysia	73.90	73.90	74.24	74.24
41	Graphene Solutions Taiwan Limited	Taiwan	73.90	73.90	74.24	74.24
42	Esencia Technologies Inc. ^[d]	USA	-	-	74.24	74.24
43	L&T Technology Services (Shanghai) Co. Limited	China	73.90	73.90	74.24	74.24
44	L&T Technology Services (Canada) Limited	Canada	73.90	73.90	74.24	74.24
45	Orchestra Technology, Inc.	USA	73.90	73.90	74.24	74.24
46	Mindtree Software (Shanghai) Co. Limited	China	60.99	60.99	61.03	61.03
47	Bluefin Solutions Sdn. Bhd.	Malaysia	60.99	60.99	61.03	61.03
48	Thalest Limited ^[e]	UK	-	-	100.00	100.00
49	Larsen & Toubro (East Asia) Sdn.Bhd.	Malaysia	30.00	100.00	30.00	100.00
50	Larsen & Toubro International FZE	UAE	100.00	100.00	100.00	100.00
51	L&T Global Holdings Limited	UAE	100.00	100.00	100.00	100.00
52	L&T Valves Arabia Manufacturing LLC	Kingdom of Saudi Arabia	100.00	100.00	100.00	100.00
53	L&T Valves USA LLC	USA	100.00	100.00	100.00	100.00

^[a] The company is in process of liquidation

^[b] The company is liquidated on August 17, 2021

^[c] The Group has acquired stake on July 7, 2021

^[d] The company is merged with L&T Technology Services LLC w.e.f. October 1, 2021

^[e] The company is dissolved on September 7, 2021

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

NOTE [40] (contd.)

Sr. No.	Name of associates	Principal place of business	As at 31-3-2022		As at 31-3-2021	
			Proportion of effective ownership interest (%)	Proportion of voting power held (%)	Proportion of effective ownership interest (%)	Proportion of voting power held (%)
1	Larsen & Toubro Qatar & HBK Contracting Co. WLL	Qatar	50.00	50.00	50.00	50.00
2	L&T Camp Facilities LLC	UAE	49.00	49.00	49.00	49.00
3	Magtorq Private Limited	India	42.85	42.85	42.85	42.85
4	Magtorq Engineering Solutions Private Limited	India	39.28	39.28	39.28	39.28
5	Gujarat Leather Industries Limited ^[a]	India	50.00	50.00	50.00	50.00

^[a] The company is under liquidation

Sr. No.	Name of joint ventures	Principal place of business	As at 31-3-2022	As at 31-3-2021
			Proportion of effective ownership interest (%)	Proportion of effective ownership interest (%)
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	India	60.00	60.00
8	L&T Sapura Shipping Private Limited	India	60.00	60.00
9	L&T-Chiyoda Limited	India	50.00	50.00
10	L&T Hydrocarbon Caspian LLC	Azerbaijan	50.00	50.00
11	L&T Infrastructure Development Projects Limited	India	51.00	51.00
12	L&T Chennai-Tada Tollway Limited	India	51.00	51.00
13	L&T Rajkot-Vadinar Tollway Limited	India	51.00	51.00
14	L&T Deccan Tollways Limited	India	52.89	52.89
15	L&T Samakhiali Gandhidham Tollway Limited	India	51.01	51.01
16	Kudgi Transmission Limited	India	51.00	51.00
17	L&T Sambalpur-Rourkela Tollway limited	India	51.00	51.00
18	Panipat Elevated Corridor Limited	India	51.00	51.00
19	Vadodara Bharuch Tollway Limited	India	51.00	51.00
20	L&T Transportation Infrastructure Limited	India	63.86	63.86
21	L&T Interstate Road Corridor Limited	India	51.00	51.00
22	Ahmedabad-Maliya Tollway Limited	India	51.00	51.00
23	L&T Halol-Shamlaji Tollway Limited ^[a]	India	–	24.98
24	PNG Tollway Limited	India	37.74	37.74
25	Watrak Infrastructure Private Limited ^[b]	India	51.00	–
26	Raykal Aluminium Company Private Limited	India	75.50	75.50
27	Indiran Engineering Projects and Systems Kish PJSC	Iran	50.00	50.00
28	L&T Infrastructure Engineering Limited and LEA Associates South Asia Private Limited JV LLP ^[c]	Maldives	61.00	–

^[a] The company ceased to be a joint venture w.e.f. October 21, 2021

^[b] The company has been incorporated on November 18, 2021

^[c] The entity is formed on May 24, 2021

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

NOTE [40] (contd.)

Sr. No.	Name of joint operations (with specific ownership interest in the arrangement)	Principal place of business	As at 31-3-2022	As at 31-3-2021
			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. Limited 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 Limited - 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 Limited (formerly known as EMAS Saudi Arabia Limited)	Kingdom of Saudi Arabia	50.00	50.00
34	L&T Infrastructure Engineering - LEA Associates South Asia JV	India	61.00	61.00
35	L&T Infra Engineering JV United Consultancy	Bhutan	75.81	75.81

NOTE [41]

The components of other equity shown in the Consolidated Balance Sheet include the Group's share in the respective reserves of subsidiaries, joint arrangements and associates. Retained earnings comprise Group's share in general reserve and balance of Profit and Loss. Non-controlling interest includes its share in the reserves.

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 acquisition of part stake (from open market):

Name of group companies	2021-22				2020-21			
	Acquisition (%)	Payment made	(Dr)/Cr to Non-controlling interest ^[1]	(Dr)/Cr to Retained earnings	Acquisition (%)	Payment made	(Dr)/Cr to Non-controlling interest ^[1]	(Dr)/Cr to Retained earnings
L&T Finance Holdings Limited	2.76%	542.83	(546.56)	3.73	–	–	–	–

₹ crore

(ii) On account of dilution due to exercise of Employee Stock Options (without ceding control):

Name of group companies	2021-22				2020-21			
	Dilution (%)	Proceeds received	(Dr)/Cr to Non-controlling interest ^[1]	(Dr)/Cr to Retained earnings	Dilution (%)	Proceeds received	(Dr)/Cr to Non-controlling interest ^[1]	(Dr)/Cr to Retained earnings
L&T Finance Holdings Limited	0.12%	14.36	41.52	(27.16)	0.10%	8.58	32.75	(24.17)
Larsen & Toubro Infotech Limited	0.22%	0.05	27.37	(27.32)	0.27%	0.06	28.73	(28.67)
L&T Technology Services Limited	0.34%	0.10	19.23	(19.13)	0.38%	0.11	18.09	(17.98)
Mindtree Limited	0.04%	0.11	7.15	(7.04)	0.05%	0.15	6.99	(6.84)
Total		14.62	95.27	(80.65)		8.90	86.56	(77.66)

₹ crore

^[1] 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:

Sr. No.	Name of company	Effect on consolidated profit/(loss) before non-controlling interest		Line item in Statement of Profit & Loss in which the gain/(loss) is recognised
		2021-22	2020-21	
1	L&T Uttaranchal Hydropower Limited	119.70	–	Exceptional items before tax
2	L&T Vision Ventures Limited	1.62	–	Revenue from operations
3	L&T Capital Markets Limited	–	224.72	Exceptional items before tax
4	Subsidiaries in Electrical and Automation business			
	a. Henikwon Corporation SDN. BHD.			
	b. Kana Controls General Trading & Contracting Company W.L.L.			
	c. L&T Electrical & Automation FZE			
	d. L&T Electricals & Automation Saudi Arabia Company Limited LLC	–	(370.41)	Profit before tax from discontinued operations
	e. PT. Tamco Indonesia			
	f. Tamco Electrical Industries Australia Pty Limited			
	g. Tamco Switchgear (Malaysia) SDN. BHD.			
	h. Servowatch Systems Limited			
	Total	121.32	(145.69)	

₹ crore

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		L&T Finance Holdings Limited	
	2021-22	2020-21	2021-22	2020-21
Revenue	10859.26	12125.67	312.03	166.74
Profit/(loss) for the year	807.98	1.36	218.18	116.05
Other comprehensive income	62.02	43.19	2.42	0.11
Total comprehensive income	870.00	44.55	220.60	116.16
Effective % of non-controlling interest	33.74%	36.38%	33.74%	36.38%
Profit/(loss) allocated to non-controlling interest (including consolidation adjustments)	303.19	226.45	(12.31)	6.94

Particulars	₹ crore			
	Larsen & Toubro Infotech Limited		L&T Technology Services Limited	
	2021-22	2020-21	2021-22	2020-21
Revenue	14406.43	11563.54	5873.68	4971.60
Profit/(loss) for the year	2260.93	1787.39	918.55	673.13
Other comprehensive income	64.27	438.62	80.57	254.00
Total comprehensive income	2325.20	2226.01	999.12	927.13
Effective % of non-controlling interest	25.95%	25.73%	26.10%	25.76%
Profit/(loss) allocated to non-controlling interest (including consolidation adjustments)	541.80	455.44	236.68	170.84
Dividend to non-controlling interest	225.14	135.58	93.59	55.84

Particulars	₹ crore	
	Mindtree Limited	
	2021-22	2020-21
Revenue	10525.29	7967.80
Profit/(loss) for the year	1652.80	1110.30
Other comprehensive income	97.61	329.82
Total comprehensive income	1750.41	1440.12
Effective % of non-controlling interest	39.01%	38.97%
Profit/(loss) allocated to non-controlling interest (including consolidation adjustments)	547.88	340.18
Dividend to non-controlling interest	176.57	112.12

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

NOTE [42] (contd.)

(ii) Summarised Balance Sheet

₹ crore

Particulars	L&T Finance Limited		L&T Finance Holdings Limited	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Current assets (a)	50913.19	49371.46	1328.59	2748.26
Current liabilities (b)	46082.61	37390.19	152.58	754.58
Net current assets (c)=(a)-(b)	4830.58	11981.27	1176.01	1993.68
Non-current assets (d)	45258.65	46845.00	9227.53	10091.42
Non-current liabilities (e)	33597.85	43204.83	–	1074.82
Net non-current assets (f)=(d)-(e)	11660.80	3640.17	9227.53	9016.60
Net assets (g)=(c)+(f)	16491.38	15621.44	10403.54	11010.28
Accumulated non-controlling interest	2517.52	2388.47	3724.73	3916.45

₹ crore

Particulars	Larsen & Toubro Infotech Limited		L&T Technology Services Limited	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Current assets (a)	8339.06	7574.04	4020.12	3313.92
Current liabilities (b)	2617.77	2321.66	1230.42	1010.68
Net current assets (c)=(a)-(b)	5721.29	5252.38	2789.70	2303.24
Non-current assets (d)	3364.24	2413.66	1688.19	1506.19
Non-current liabilities (e)	682.66	726.24	496.35	469.35
Net non-current assets (f)=(d)-(e)	2681.58	1687.42	1191.84	1036.84
Net assets (g)=(c)+(f)	8402.87	6939.80	3981.54	3340.08
Accumulated non-controlling interest	2140.89	1779.56	1051.78	869.76

₹ crore

Particulars	Mindtree Limited	
	As at 31-3-2022	As at 31-3-2021
Current assets (a)	6072.10	4573.20
Current liabilities (b)	2200.80	1592.20
Net current assets (c)=(a)-(b)	3871.30	2981.00
Non-current assets (d)	2084.70	1787.40
Non-current liabilities (e)	482.60	449.80
Net non-current assets (f)=(d)-(e)	1602.10	1337.60
Net assets (g)=(c)+(f)	5473.40	4318.60
Accumulated non-controlling interest	2609.82	2193.14

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

NOTE [42] (contd.)

(iii) Summarised Statement of cash flows

₹ crore

Particulars	L&T Finance Limited		L&T Finance Holdings Limited	
	2021-22	2020-21	2021-22	2020-21
Cash flows from operating activities	1928.55	4761.01	408.15	(170.40)
Cash flows from investing activities	(1726.55)	(2471.20)	(0.77)	272.18
Cash flows from financing activities	(281.00)	(3235.28)	(1664.28)	1295.74
Net increase/(decrease) in cash and cash equivalents	(79.00)	(945.47)	(1256.90)	1397.52

₹ crore

Particulars	Larsen & Toubro Infotech Limited		L&T Technology Services Limited	
	2021-22	2020-21	2021-22	2020-21
Cash flows from operating activities	1606.90	2179.46	899.30	1267.13
Cash flows from investing activities	(668.70)	(1638.19)	(388.60)	(964.62)
Cash flows from financing activities	(1046.90)	(512.82)	(476.00)	(353.80)
Net increase/(decrease) in cash and cash equivalents	(108.70)	28.45	34.70	(51.29)

₹ crore

Particulars	Mindtree Limited	
	2021-22	2020-21
Cash flows from operating activities	1537.30	1995.30
Cash flows from investing activities	(686.00)	(1183.30)
Cash flows from financing activities	(595.70)	(422.50)
Net increase/(decrease) in cash and cash equivalents	255.60	389.50

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	₹ crore							
	L&T - MHI Power Boilers Private Limited		L&T Sapura Shipping Private Limited		L&T - MHI Power Turbine Generators Private Limited		L&T Infrastructure Development Projects Limited (consolidated)	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Current assets								
Cash and bank balances	510.08	549.29	38.29	0.80	6.27	9.17	1231.79	1605.66
Other assets	2437.62	2631.37	215.81	142.68	1064.19	1302.59	1176.96	1082.99
Total current assets (A)	2947.70	3180.66	254.10	143.48	1070.46	1311.76	2408.75	2688.65
Total non-current assets (including Goodwill) (B)	502.71	551.12	532.21	575.39	623.15	673.45	8806.46	10815.82
Current liabilities								
Financial liabilities (excluding trade payables)	230.50	403.26	443.43	271.13	419.12	643.98	1128.50	2031.78
Other liabilities (including trade payables)	1474.69	1583.95	22.82	33.08	331.03	655.23	353.76	523.86
Total current liabilities (C)	1705.19	1987.21	466.25	304.21	750.15	1299.21	1482.26	2555.64
Non-current liabilities								
Financial liabilities (excluding trade payables)	10.08	15.69	–	–	500.23	252.67	7100.33	8326.21
Other liabilities (including trade payables)	–	–	–	–	58.06	73.23	496.23	574.11
Total non-current liabilities (D)	10.08	15.69	–	–	558.29	325.90	7596.56	8900.32
Non-controlling interest (NCI) (E)	–	–	–	–	–	–	83.75	138.64
Net assets (A+B-C-D-E)	1735.14	1728.88	320.06	414.66	385.17	360.10	2052.64	1909.87

(b) Reconciliation of carrying amounts of material joint ventures:

Particulars	₹ crore							
	L&T - MHI Power Boilers Private Limited		L&T Sapura Shipping Private Limited		L&T - MHI Power Turbine Generators Private Limited		L&T Infrastructure Development Projects Limited (consolidated)	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Opening net assets	1728.88	1732.94	414.66	527.79	360.10	332.97	1909.87	2142.95
Profit/(loss) for the year (net of NCI)	241.02	253.08	(107.69)	(96.68)	9.85	35.85	24.76	(130.07)
Dividend distributed during the year	(234.10)	(234.10)	–	–	–	–	(8.53)	–
Other comprehensive income (net of NCI)	(0.66)	(23.04)	13.09	(16.45)	11.28	(8.72)	109.24	(102.92)
Equity component of other financial instruments	–	–	–	–	3.95	–	–	–
Other adjustments	–	–	–	–	–	–	17.31	(0.09)
Closing net assets	1735.14	1728.88	320.06	414.66	385.18	360.10	2052.65	1909.87
Group's share in %	51.00%	51.00%	60.00%	60.00%	51.00%	51.00%	51.00%	51.00%
Group's share	884.92	881.72	192.04	248.80	196.44	183.65	1201.84	1128.81
Parent's investment in group companies	–	–	–	–	–	–	10.88	10.88
Other adjustments	–	–	–	–	–	–	34.63	19.85
Carrying amount	884.92	881.72	192.04	248.80	196.44	183.65	1247.35	1159.54

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

NOTE [43] (contd.)

(c) Summarised Statement of Profit and Loss of material joint ventures:

₹ crore

Particulars	L&T - MHI Power Boilers Private Limited		L&T Sapura Shipping Private Limited		L&T - MHI Power Turbine Generators Private Limited		L&T Infrastructure Development Projects Limited (consolidated)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	2310.60	1763.44	0.70	0.23	607.55	724.85	1711.68	1548.31
Interest income	24.92	42.76	0.25	0.13	2.29	10.83	38.29	54.53
Depreciation and amortisation	(63.32)	(67.17)	(61.13)	(61.04)	(49.46)	(52.64)	(580.46)	(491.09)
Finance cost	(0.30)	(1.92)	(12.94)	(7.93)	(50.11)	(36.68)	(893.51)	(842.38)
Tax expense	(83.34)	(89.15)	(0.14)	–	–	–	(35.84)	(34.91)
Profit/(loss) for the year (net of NCI)	241.02	253.08	(107.69)	(96.68)	9.85	35.85	24.76	(130.07)
Other comprehensive income (net of NCI)	(0.66)	(23.04)	13.09	(16.45)	11.28	(8.72)	109.24	(102.92)
Total comprehensive income (net of NCI)	240.36	230.04	(94.60)	(113.13)	21.13	27.13	134.00	(232.99)

(d) Financial information in respect of individually not material joint ventures/associates:

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
Aggregate carrying amount of investment in individually not material joint venture/associate	208.60	196.55
Aggregate amounts of the Group's share of:		
Profit/(loss) for the year	43.92	(34.38)
Other comprehensive income for the year	0.63	(14.09)
Total comprehensive income for the year	44.55	(48.47)

(e) Carrying amount of investments in joint ventures/associates:

₹ crore

Particulars	As at 31-3-2022	As at 31-3-2021
Non-material associates	10.23	10.70
Non-material joint ventures	198.37	185.85
Sub-total	208.60	196.55
Material joint ventures	2520.75	2473.71
Total	2729.35	2670.26

(f) Share in profit/(loss) of joint ventures/associates (net):

₹ crore

Particulars	2021-22	2020-21
Non-material associates	(0.60)	(1.54)
Non-material joint ventures	44.52	(32.84)
Sub-total	43.92	(34.38)
Material joint ventures	84.27	48.78
Total	128.19	14.40

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

NOTE [44]

Disclosures pursuant to Ind AS 103 "Business Combinations":

Acquisition of Cuelogic Technologies Private Limited

- (i) On July 7, 2021, the Group has acquired 100% stake in Cuelogic Technologies Private Limited (Cuelogic), a Pune based company, operating in the IT & Technology Services. Cuelogic is a digital engineering company which builds and modernises digital products leveraging cloud native methodologies across web and mobile. Cuelogic will help bolster Group's digital engineering practice.
- (ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

	₹ crore	
	Cuelogic	
Assets		
Non-current assets		
Intangible assets	16.52	
Property, plant and equipment	0.81	
Other non-current assets	2.17	19.50
Current assets		
Trade receivables	7.65	
Cash and bank balances	9.91	
Other current assets	1.55	19.11
Total assets		38.61
Liabilities		
Non-current liabilities		
Deferred tax liability		3.38
Current liabilities		
Trade payables	2.21	
Other current liabilities	6.56	8.77
Total liabilities		12.15
Net assets acquired		26.46

- (iii) Calculation of Goodwill:

	₹ crore	
	Cuelogic	
Cash (A)	45.03	
Deferred consideration (B)	5.97	
Contingent consideration payable over three years (C)	12.86	
Purchase consideration (D=A+B+C)		63.86
Less: Fair value of net assets acquired		26.46
Goodwill		37.40

- (iv) Goodwill is attributable to future growth of business from this acquisition and assembled workforce. The goodwill is not deductible for income tax purposes.
- (v) The Group has recognised contingent consideration in accordance with the terms of the share purchase agreement. The maximum contingent consideration of ₹ 14.13 crore is payable to the promoters of Cuelogic upon achievement of the specified financial targets. The fair value of the contingent consideration is determined by assigning probabilities to achievement of targets.
- (vi) The entity has reported revenue of ₹ 43.10 crore and profit of ₹ 0.50 crore from the date of acquisition till March 31, 2022. Had the entity been acquired from April 1, 2021, it would have reported revenue of ₹ 57.50 crore and profit of ₹ 1.00 crore during 2021-22.
- (vii) The transaction costs of ₹ 0.39 crore related to the acquisition have been expensed in the Statement of Profit and Loss for the year ended March 31, 2022.
- (viii) Trade receivables acquired have been substantially collected during the year.

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

NOTE [45]

Disclosure pursuant to Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations":

- (a) During the previous year 2020-21, the Group completed divestment of Electrical and Automation (E&A) business which was classified as discontinued operation. The operating profit from E&A business upto the date of divestment and the gain on divestment have been shown below.

		₹ crore
Sr. No.	Particulars	2020-21
(i)	Revenue from operations	1605.67
(ii)	Other income	5.38
(iii)	Total income [(i)+(ii)]	1611.05
(iv)	Total expenses	1528.47
(v)	Profit/(loss) before tax [(iii)-(iv)]	82.58
(vi)	Tax expenses	30.12
(vii)	Profit/(loss) after tax [(v)-(vi)]	52.46
(viii)	Non-controlling interest - discontinued operations	-
(ix)	Profit for the year attributable to owners of the Company [(vii)-(viii)]	52.46
(x)	Gain on sale of Electrical and Automation business before tax	10707.92
(xi)	Tax on above (including related deferred tax reversal)	2522.46
(xii)	Gain on sale of E&A business (net of tax) [includes reclassification of exchange differences on foreign currency translation ₹ 138.50 crore]	8185.46
(xiii)	Other comprehensive income	14.90
(xiv)	Total comprehensive income [(ix)+(xii)+(xiii)]	8252.82

- (b) Details of net assets of Electrical & Automation business divested:

		₹ crore
Particulars		As at August 31, 2020
Group(s) of assets classified as held for sale:		
	Property, plant and equipment	812.09
	Capital work-in-progress	11.22
	Goodwill	335.11
	Other intangible assets	205.55
	Intangible assets under development	130.46
	Right-of-use assets	17.50
	Other loans	3.35
	Inventories	840.18
	Trade receivables	1195.14
	Cash and cash equivalents	151.74
	Tax assets	1.63
	Other assets	504.59
	Total	4208.56
Liabilities associated with group(s) of assets classified as held for sale:		
	Borrowings	59.06
	Trade payables	943.43
	Provisions	169.44
	Tax liabilities (net)	6.84
	Other liabilities	574.71
	Total	1753.48
	Carrying amount of net assets sold	2455.08

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

NOTE [45] (contd.)

(c) Summarised Statement of Cash Flows of discontinued operations:

	₹ crore
Particulars	2020-21
Cash flows from operating activities	87.01
Cash flows from investing activities	(57.17)
Cash flows from financing activities	6.98
Net increase/(decrease) in cash and cash equivalents	36.82

(d) The Group has following non-current assets/disposal group recognised as held for sale:

Asset/disposal group	Reportable segment
As at 31-3-2022	
Asset management business (L&T Investment Management Limited)	Financial services
As at 31-3-2021	
Current assets (L&T Vision Ventures Limited)	Others

(e) The details of assets/disposal group classified as held for sale and liabilities associated thereto are as under:

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Group(s) of assets classified as held for sale:		
Property, plant and equipment	0.41	–
Goodwill	627.88	–
Other intangible assets	2.21	–
Right-of-use assets	1.40	–
Other loans	0.01	6.24
Investments	160.01	–
Trade receivables	18.98	–
Cash and cash equivalents	3.32	–
Tax assets	11.17	–
Other assets	5.39	–
Total	830.78	6.24
Liabilities associated with group(s) of assets classified as held for sale:		
Borrowings	–	3.19
Trade payables	4.17	–
Provisions	1.60	–
Other liabilities	73.96	0.01
Total	79.73	3.20

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					
	For the year ended 31-3-2022			For the year ended 31-3-2021		
	External	Inter-segment	Total	External	Inter-segment	Total
Revenue						
Infrastructure	72404.36	1155.73	73560.09	61431.32	530.32	61961.64
Hydrocarbon	19174.55	90.66	19265.21	16924.54	39.26	16963.80
Power	4418.00	30.19	4448.19	3174.15	18.49	3192.64
Heavy Engineering	2724.29	314.52	3038.81	2711.67	306.81	3018.48
Defence Engineering	3217.93	8.47	3226.40	3396.30	13.82	3410.12
Electrical & Automation (discontinued operations)	–	–	–	1520.63	85.04	1605.67
IT & Technology Services	32255.77	218.05	32473.82	25463.36	155.40	25618.76
Financial Services	11971.10	–	11971.10	13403.55	–	13403.55
Developmental Projects	4367.52	–	4367.52	3621.43	–	3621.43
Others	5987.71	294.13	6281.84	5852.71	240.04	6092.75
Total	156521.23	2111.75	158632.98	137499.66	1389.18	138888.84
Revenue from discontinued operations	–	–	–	(1520.63)	(85.04)	(1605.67)
Inter-segment revenue	–	(2111.75)	(2111.75)	–	(1304.14)	(1304.14)
Total	156521.23	–	156521.23	135979.03	–	135979.03
Segment result [Profit/(loss) before interest and tax]						
Infrastructure			5182.41			4521.54
Hydrocarbon			1500.64			1369.25
Power			139.49			111.22
Heavy Engineering			470.46			488.32
Defence Engineering			533.48			616.98
Electrical & Automation (discontinued operations)			–			84.37
IT & Technology Services			6410.44			4823.20
Financial Services			1469.80			1285.78
Developmental Projects			(230.59)			(196.55)
Others			938.52			1122.96
Total			16414.65			14227.07
Result of discontinued operations			–			(84.37)
Inter-segment margins on capital jobs			(65.32)			(24.95)
Finance costs			(3125.70)			(3913.44)
Unallocated corporate income net of expenditure			1187.10			2031.49
Profit before exceptional items and tax			14410.73			12235.80
Tax expense:						
Current tax			(4512.09)			(3923.39)
Deferred tax			295.48			(87.43)
Net profit after tax (before exceptional items) from continuing operations			10194.12			8224.98
Exceptional items before tax			119.70			(3693.78)
Tax expense on exceptional items:						
Current tax			(22.77)			(48.44)
Deferred tax			–			186.20
Exceptional items (net of tax)			96.93			(3556.02)
Net profit after tax from continuing operations			10291.05			4668.96
Share in profit/(loss) after tax of joint ventures/associates (net)			128.19			14.40
Profit for the year from continuing operations			10419.24			4683.36
Discontinued operations						
Profit from discontinued operations			–			10790.50
Tax expense of discontinued operations			–			(2552.58)
Net profit after tax from discontinued operations			–			8237.92
Net profit after tax from continuing operations & discontinued operations			10419.24			12921.28
Non-controlling interest for the year			(1749.91)			(1338.35)
Net profit after tax, non-controlling interests and share in profit/(loss) of joint ventures/associates			8669.33			11582.93

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 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Infrastructure	85192.89	77112.89	60959.09	51943.12
Hydrocarbon	13799.14	10346.92	11632.20	11489.78
Power	7037.69	6694.17	4757.17	4672.13
Heavy Engineering	2899.17	3169.97	1314.82	1430.06
Defence Engineering	4847.75	5857.41	3732.45	3766.94
IT & Technology Services	34529.13	30340.20	8088.49	6898.22
Financial Services	105459.21	107342.41	86746.21	89968.72
Developmental Projects	27552.27	30091.85	7416.60	8689.24
Others	14375.84	13636.87	6301.54	5984.01
Segment total	295693.09	284592.69	190948.57	184842.22
Corporate unallocated assets/liabilities	27007.36	28690.99	36378.15	40521.40
Inter-segment assets/liabilities	(2651.53)	(2009.97)	(2651.53)	(2009.97)
Consolidated total assets/liabilities	320048.92	311273.71	224675.19	223353.65

₹ crore

Particulars	Depreciation, amortisation, impairment & obsolescence included in segment expense		Non-cash expenses other than depreciation included in segment expense	
	2021-22	2020-21	2021-22	2020-21
Infrastructure	737.86	705.46	36.31	33.53
Hydrocarbon	170.45	179.36	2.56	3.58
Power	32.33	35.58	0.91	0.48
Heavy Engineering	46.41	47.21	1.18	0.82
Defence Engineering	116.76	136.69	1.83	1.14
Electrical & Automation (discontinued operations)	–	0.69	–	2.14
IT & Technology Services	1202.94	1162.65	59.66	39.27
Financial Services	104.29	86.41	26.43	54.51
Developmental Projects	330.44	390.97	–	–
Others	101.95	104.26	2.29	2.39
Segment total	2843.43	2849.28	131.17	137.86
Unallocable	125.31	77.51	4.14	1.95
Relates to discontinued operations	–	(0.69)	–	(2.14)
Inter-segment	(20.79)	(21.89)	–	–
Consolidated total	2947.95	2904.21	135.31	137.67

Note: Impairment loss included in segment expense: Hydrocarbon segment: ₹ 0.30 crore (previous year: Nil), Financial Services segment: Nil (previous year: ₹ 5.18 crore), Developmental Projects segment: Nil (previous year: ₹ 76.17 crore) and Corporate Unallocable: Nil (previous year: ₹ 1.92 crore).

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Infrastructure	12.20	6.80	194.80	276.08	0.40	(1.73)
Hydrocarbon	0.63	3.24	–	–	(71.71)	(50.03)
Power	–	–	–	–	151.41	173.29
Heavy Engineering	–	–	–	–	–	(86.68)
Defence Engineering	–	–	–	–	27.17	8.09
Electrical & Automation (discontinued operations)	–	0.63	–	–	–	–
IT & Technology Services	131.24	33.05	–	–	–	–
Financial Services	280.34	257.82	5741.54	7206.59	–	–
Developmental Projects	31.54	394.47	361.36	627.12	20.93	(63.93)
Others	67.33	63.82	–	–	(0.01)	(0.14)
Segment total	523.28	759.83	6297.70	8109.79	128.19	(21.13)
Unallocable	1055.17	948.85	(194.80)	(276.08)	–	35.53
Relates to discontinued operations	–	(0.63)	–	–	–	–
Inter-segment	(515.10)	(330.39)	(150.36)	(142.67)	–	–
Consolidated total	1063.35	1377.66	5952.54	7691.04	128.19	14.40

₹ crore

Particulars	Additions to non-current assets		Investment in associates and joint ventures accounted applying equity method included in segment assets	
	2021-22	2020-21	As at 31-3-2022	As at 31-3-2021
Infrastructure	1996.60	1177.39	4.88	4.23
Hydrocarbon	516.16	105.93	241.11	319.28
Power	53.30	55.88	1194.99	1173.34
Heavy Engineering	42.17	36.32	–	–
Defence Engineering	84.26	56.83	40.97	13.80
Electrical & Automation (discontinued operations)	–	68.81	–	–
IT & Technology Services	1847.12	1024.00	–	–
Financial Services	142.31	692.09	–	–
Developmental Projects	656.13	324.35	1247.34	1159.54
Others	984.87	735.65	0.06	0.07
Segment total	6322.92	4277.25	2729.35	2670.26
Unallocable	2024.21	1809.22	–	–
Inter-segment	(239.32)	(1207.12)	–	–
Consolidated total	8107.81	4879.35	2729.35	2670.26

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

NOTE [46] (contd.)

(b) Geographical information

₹ crore

Particulars	Revenue ⁽¹⁾	
	2021-22	2020-21
India (i)	100738.60	86564.17
Foreign countries (ii):		
United States of America	21914.49	17806.21
Kingdom of Saudi Arabia	7848.53	7641.83
Sultanate of Oman	2997.58	2333.69
United Arab Emirates	2813.65	1981.85
Bangladesh	2473.87	1456.73
Qatar	2140.05	1670.39
Algeria	1984.40	3019.13
Kuwait	1666.82	2930.32
United Kingdom	1565.20	995.39
Other countries	10378.04	11099.95
Total foreign countries (ii)	55782.63	50935.49
Total (i+ii)	156521.23	137499.66
Less: Discontinued operations	–	1520.63
Total	156521.23	135979.03

⁽¹⁾ 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 31-3-2022	As at 31-3-2021
India	47882.84	48168.09
Foreign countries	2181.15	2601.29
Total	50063.99	50769.38

(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 Group's reportable segments are organised based on the nature of products and services offered by these segments.

(e) Segment reporting: basis of identifying operating segments, reportable segments and definition of each reportable segment:

(i) Basis of identifying operating segments:

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components); (b) whose operating results are regularly reviewed by the Group's Corporate Executive Management to make decisions about resource allocation and performance assessment; and (c) for which discrete financial information is available.

The Group has nine reportable segments [described under "segment composition"] which are the Group's independent businesses. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements. In arriving at the reportable segment, the 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) Segment composition:
- **Infrastructure 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 & metals.
 - **Hydrocarbon segment** comprises EPC solutions for the global Oil & Gas Industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning.
 - **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages.
 - **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas and Thermal & Nuclear Power.
 - **Defence Engineering segment** comprises (a) design, development, serial production and through life-support of equipment, systems and platforms for Defence and Aerospace sectors and (b) design, construction and repair/refit of defence vessels.
 - **Electrical & Automation segment** (upto the date of divestment and disclosed as discontinued operation) comprises (a) manufacture and sale of low and medium voltage switchgear components, custom-built low and medium voltage switchboards, electronic energy meters/protection (relays) systems and control & automation products and (b) marine control & automation systems.
 - **IT & Technology Services segment** comprises information technology and integrated engineering services.
 - **Financial Services segment** comprises rural finance, housing finance, infrastructure finance and asset management.
 - **Developmental 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) hydel power (upto the date of divestment).
 - **Others segment** includes realty, manufacture and sale of industrial valves, smart world & communication projects (including military communications), manufacture, marketing and servicing of construction equipment and parts thereof, marketing and servicing of mining machinery and parts thereof, manufacture and sale of rubber processing machinery and digital platforms – (i) SuFin for B2B e-commerce & (ii) EduTech for higher education and professional skilling. 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, 2022.

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	2021-22				
	Revenue as per Ind AS 115			Other revenue	Total as per Statement of Profit and Loss/Segment report
	Domestic	Foreign	Total		
Infrastructure	55530.37	16737.96	72268.33	136.03	72404.36
Hydrocarbon	12320.94	6789.80	19110.74	63.82	19174.56
Power	4150.44	264.56	4415.00	3.00	4418.00
Heavy Engineering	1597.04	1084.61	2681.65	42.64	2724.29
Defence Engineering	2796.28	418.70	3214.98	2.94	3217.92
IT & Technology Services	2278.72	29977.05	32255.77	–	32255.77
Financial Services	482.85	–	482.85	11488.25	11971.10
Developmental Projects	3282.83	–	3282.83	1084.69	4367.52
Others	5504.74	453.15	5957.89	29.82	5987.71
Total	87944.21	55725.83	143670.04	12851.19	156521.23

₹ crore

Segment	2020-21				
	Revenue as per Ind AS 115			Other revenue	Total as per Statement of Profit and Loss/Segment report
	Domestic	Foreign	Total		
Infrastructure	45439.78	15689.25	61129.03	302.29	61431.32
Hydrocarbon	8923.18	7985.88	16909.06	15.48	16924.54
Power	3004.23	148.25	3152.48	21.67	3174.15
Heavy Engineering	1176.67	1492.11	2668.78	42.89	2711.67
Defence Engineering	2565.67	823.24	3388.91	7.39	3396.30
Electrical & Automation (discontinued operations)	1048.59	462.59	1511.18	9.45	1520.63
IT & Technology Services	1806.84	23656.52	25463.36	–	25463.36
Financial Services	455.59	1.68	457.27	12946.28	13403.55
Developmental Projects	2564.96	–	2564.96	1056.47	3621.43
Others	4682.73	648.53	5331.26	521.45	5852.71
Total	71668.24	50908.05	122576.29	14923.37	137499.66
Less: Revenue from discontinued operations	1048.59	462.59	1511.18	9.45	1520.63
Total	70619.65	50445.46	121065.11	14913.92	135979.03

(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		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
2021-22	133075.90	–	133075.90	10594.14	–	10594.14
2020-21	112080.96	112.61	112193.57	8984.15	1398.57	10382.72

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	
	2021-22	2020-21	2021-22	2020-21
Provision as at April 1	3405.59	3181.21	1174.22	1012.05
Changes in allowance for ECL:				
Provision/(reversal) of allowance for ECL	430.06	375.05	375.95	144.83
Additional provision (net)	200.08	279.07	69.28	17.95
Written off as bad debts	(146.52)	(425.58)	–	–
Translation adjustment	3.10	(4.24)	0.27	(0.61)
Addition on account of business combination	0.20	0.09	–	–
Provision as at March 31	3892.51	3405.60	1619.72	1174.22

(d) Contract balances:

(i) Movement in contract balances during the year:

₹ crore

Particulars	2021-22			2020-21		
	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	47619.14	27819.73	19799.41	51849.63	28019.45	23830.18
Balance as at March 31	52043.67	30781.57	21262.10	47619.14	27819.73	19799.41
Net increase/(decrease)	4424.53	2961.84	1462.69	(4230.49)	(199.72)	(4030.77)

Note:

During the current year, increase in net contract balances is primarily due to higher revenue recognition as compared to progress bills raised.

During the previous year, decrease in net contract balances is primarily due to lower revenue recognition as compared to progress bills raised.

(ii) Revenue recognised from opening balance of contract liabilities amounts to ₹ 6520.65 crore (previous year: ₹ 6529.93 crore).

(iii) Revenue recognised from the performance obligation satisfied (or partially satisfied) upto previous year (arising out of contract modifications) amounts to ₹ 183.85 crore (previous year: ₹ 184.65 crore).

(e) Cost to obtain/fulfil the contract:

(i) Amortisation in Statement of Profit and Loss: ₹ 68.94 crore (previous year: ₹ 48.77 crore).

(ii) Recognised as contract assets as at March 31, 2022: ₹ 88.46 crore (as at March 31, 2021: ₹ 117.28 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	2021-22	2020-21
Opening contracted price of orders on hand as at April 1 ⁽¹⁾	757584.33	726478.59
Add:		
Fresh orders/change orders received (net)	185311.91	172612.76
Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net)	544.16	(19858.81)
Addition/(deletion) on account of business combination/divestment	–	(5195.92)
Increase/(decrease) due to exchange rate movements (net) and others	1641.45	(1971.03)
Less:		
Orders completed during the year	95534.85	114481.26
Closing contracted price of orders on hand as at March 31 ⁽¹⁾	849547.00	757584.33
Total revenue recognised during the year	143670.04	122576.29
Less: Revenue out of orders completed during the year	33146.95	31443.00
Revenue out of orders under execution at the end of the year (i)	110523.09	91133.29
Revenue recognised upto previous year (from orders pending completion at the end of the year) (ii)	364086.72	324114.92
Increase/(decrease) due to exchange rate movements (net) (iii)	(3447.08)	585.64
Balance revenue to be recognised in future viz. Order book (iv)	378384.27	341750.48
Closing contracted price of orders on hand as at March 31 ⁽¹⁾ (i+ii+iii+iv)	849547.00	757584.33

⁽¹⁾ 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, 2022	378384.27	158010.81	114741.81	67802.71	23743.85	5596.80	8488.29
As at March 31, 2021	341750.48	133445.56	111800.51	64675.40	18652.99	6020.31	7155.71

(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:

Period of the concession	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.
Remuneration	Fare collection rights from the users of the Metro Rail System, license to use land provided by the government for constructing depots and for transit oriented development and earn lease rental income on such development and grant of viability gap fund.
Funding from grantor	Viability Gap Funding of ₹ 1458 crore.
Infrastructure return at the end of the concession period	Being DBFOT project, the project assets have to be transferred at the end of concession period.
Renewal and termination options	Further extension of 25 years will be granted at the option of the concessionaire upon satisfaction of Key Performance Indicators laid under the concession agreement. This option is to be exercised by the concessionaire during the 33 rd 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.

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

NOTE [47] (contd.)

Rights & Obligations	<p>Major obligations of the concessionaire are relating to:</p> <ol style="list-style-type: none"> (a) project agreements (b) change in ownership (c) issuance of Golden Share to the Government (d) maintenance of aesthetic quality of the Rail System (e) operation and maintenance of the rolling stock and equipment necessary and sufficient for handling users equivalent to 110% of the average PHPDT etc. <p>Major obligations of the Government are:</p> <ol style="list-style-type: none"> (a) providing required constructible right of way for construction of rail system and land required for construction of depots and transit oriented development (b) providing reasonable support and assistance in procuring applicable permits required for construction (c) providing reasonable assistance in obtaining access to all necessary infrastructure facilities and utilities (d) obligations relating to competing facilities (e) obligations relating to supply of electricity etc.
Classification of service arrangement	Intangible assets have been recognised towards rights to charge the users of the utility.
Construction revenue recognised	₹ 27.62 crore (previous year: ₹ 80.04 crore) [included in Note 47(a) <i>supra</i>]

NOTE [48]

- (a) Exceptional items (net of tax) for 2021-22 include:
- (i) Gain on divestment of stake in a hydel power plant: ₹ 143.63 crore.
 - (ii) Tax expense on transfer of NxT digital business from the Parent to Mindtree Limited, a subsidiary: ₹ 46.70 crore.
- (b) Exceptional items (net of tax) for 2020-21 include:
- (i) Gain on divestment of wealth management business: ₹ 176.28 crore.
 - (ii) Impairment of funded exposure in L&T Special Steels and Heavy Forgings Private Limited: ₹ 1075.30 crore (net), comprising impairment of ₹ 1139.03 crore, applying value-in-use method and using discount rate of 11.90% and provision towards constructive obligation to fund its future losses ₹ 14.85 crore, reduced by interest income of ₹ 78.58 crore from the joint venture.
 - (iii) Impairment of following assets in power development business on assessment of recoverable value and management's long-term plan for the business: ₹ 2657.00 crore comprising:
 - Property, plant and equipment including capital work-in-progress in a hydel power plant: ₹ 1053.00 crore, applying value-in-use method and using discount rate of 12.75%.
 - Finance lease receivables in a thermal power project: ₹ 1604.00 crore, applying fair value method based on benchmark multiples (level 2 of the fair value hierarchy).

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 31-3-2022			As at 31-3-2021		
			Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
1	Inventories	11	3044.91	2898.41	5943.32	3606.22	2214.32	5820.54
2	Trade receivables	13	44154.26	1984.66	46138.92	41202.04	1027.74	42229.78
3	Other loans	17	280.34	–	280.34	235.35	–	235.35
4	Other financial assets	18	3834.23	5.81	3840.04	3250.33	1.35	3251.68
5	Other current assets	19	50884.49	9248.40	60132.89	46580.54	8210.94	54791.48

(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 31-3-2022			As at 31-3-2021		
			Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
1	Lease liability		352.25	54.29	406.54	367.44	38.66	406.10
2	Trade payables:							
	Due to micro enterprises and small enterprises		481.19	94.72	575.91	368.94	120.05	488.99
	Due to others	28	48246.80	2321.53	50568.33	42903.66	2352.58	45256.24
3	Other financial liabilities	29	6621.12	22.20	6643.32	5307.03	21.90	5328.93
4	Other current liabilities	30	28755.17	5888.93	34644.10	25762.66	5506.97	31269.63
5	Provisions	31	2620.50	735.36	3355.86	2244.34	754.34	2998.68

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 31-3-2020	82331.33	35021.02	23654.77	1741.60	424.95	143173.67
ii	Additions to lease liability	-	-	-	153.00	202.79	355.79
iii	Changes from financing cash flows	13804.46	(6151.20)	(16385.72)	(188.28)	(193.36)	(9114.10)
iv	Effect of changes in foreign exchange rates	37.85	(166.70)	(31.87)	(6.19)	0.62	(166.29)
v	Interest accrued (net of interest paid)	(267.27)	(614.32)	1350.88	-	-	469.29
vi	Other changes (transfer within categories)	(13786.33)	(345.00)	14131.33	9.34	(9.34)	-
vii	De-recognition of lease liability	-	-	-	(91.75)	(19.56)	(111.31)
viii	Liabilities classified as held for sale/realised on disposal	-	22.03	-	-	-	22.03
ix	Balance as at 31-3-2021 (ix = i to viii)	82120.04	27765.83	22719.39	1617.72	406.10	134629.08
x	Additions to lease liability	-	-	-	332.86	111.83	444.69
xi	Changes from financing cash flows	(5278.53)	2739.13	(5873.78)	(211.69)	(195.51)	(8820.38)
xii	Effect of changes in foreign exchange rates	40.71	51.19	(0.58)	17.46	(4.50)	104.28
xiii	Interest accrued (net of interest paid)	1007.20	(79.19)	(1743.18)	-	-	(815.17)
xiv	Other changes (transfer within categories)	(16271.11)	-	16271.11	(101.57)	101.57	-
xv	De-recognition of lease liability	-	-	-	(21.47)	(12.95)	(34.42)
xvi	Balance as at 31-3-2022 (xvi = ix to xv)	61618.31	30476.96	31372.96	1633.31	406.54	125508.08

Amounts reported in Statement of Cash Flows under financing activities:

₹ crore

Sr. No.	Particulars	2021-22	2020-21
a	Proceeds from non-current borrowings	24654.13	36258.60
b	Repayment of non-current borrowings	(35806.44)	(38839.86)
c	Proceeds from/(repayment of) other borrowings (net)	2739.13	(6151.20)
d	Repayment of lease liability	(407.20)	(381.64)
e	Total changes from financing cash flows (e = a to d)	(8820.38)	(9114.10)

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	2021-22	2020-21
	Consolidated Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current income tax:		
	Current income tax expense	4552.46	6124.21
	Effect of previously unrecognised tax losses and tax offsets used during the current year	(31.96)	(164.99)
	Tax expense of earlier years	14.36	117.77
		4534.86	6076.99
	(ii) Deferred tax:		
	Tax expense on origination and reversal of temporary differences	(295.54)	350.21
	Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised	0.06	(1.56)
		(295.48)	348.65
	Income tax expense/(income) [(i)+(ii)]	4239.38	6425.64
	Income tax expense attributable to:		
	Profit from continuing operations (including exceptional items)	4239.38	3873.06
	Profit from discontinued operations	–	2552.58
		4239.38	6425.64
(b)	Other comprehensive income section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On re-measurement of defined benefit plans	25.04	13.53
		25.04	13.53
	(B) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	0.49	0.16
		0.49	0.16
	(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	71.85	(2.45)
		71.85	(2.45)
	(B) Deferred tax expense/(income):		
	Net gain/(loss) on cost of hedging reserve	0.77	2.98
	On mark to market gain/(loss) on cash flow hedges	44.65	481.63
	On gain/(loss) on fair value of debt securities	(23.02)	31.14
	On exchange differences in translating the financial statements of foreign operations	(6.69)	4.42
		15.71	520.17
	Income tax expense/(income) [(i)+(ii)]	113.09	531.41

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	2021-22	2020-21
(a)	Profit before tax from:		
	Continuing operations (including exceptional items)	14530.43	8542.02
	Discontinued operations	–	10790.50
		14530.43	19332.52
(b)	Corporate tax rate as per Income Tax Act, 1961	25.17%	25.17%
(c)	Tax on accounting profit [(c)=(a)*(b)]	3657.02	4865.61
(d)	(i) Tax on Corporate Social Responsibility expenses, not tax deductible	58.78	52.83
	(ii) Tax effect on impairment/(reversal) and fair valuation losses recognised on which deferred tax asset is not recognised	(21.41)	875.18
	(iii) Effect of previously unrecognised tax losses and unutilised tax credits used to reduce tax expense	(31.90)	(166.56)
	(iv) Tax effect of losses of current year on which no deferred tax benefit is recognised	582.49	488.34
	(v) Effect of tax paid on foreign source income which is exempt from tax in India	(158.70)	(329.17)
	(vi) Effect of current tax related to earlier years	14.36	117.77
	(vii) Tax effect on various other items	138.75	521.64
	Total effect of tax adjustments [(i) to (vii)]	582.37	1560.03
(e)	Tax expense recognised during the year [(e)=(c)+(d)]	4239.39	6425.64
(f)	Effective tax rate [(f)=(e)/(a)]	29.18%	33.24%

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

Particulars	As at 31-3-2022		As at 31-3-2021	
	₹ crore	Expiry year	₹ crore	Expiry year
Tax losses (Business loss and unabsorbed depreciation)				
- Amount of losses having expiry	3619.73	FY 2022-23 to FY 2029-30	2270.66	FY 2021-22 to FY 2028-29
- Amount of losses having no expiry	5363.93		5206.14	
Tax losses (Capital loss)	2482.70	FY 2022-23 to FY 2029-30	1280.40	FY 2021-22 to FY 2028-29
Total	11466.36		8757.20	

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

₹ crore

Sr. No.	Particulars	As at 31-3-2022	As at 31-3-2021
(a)	Towards provision for diminution in value of investments	1599.73	2020.94
(b)	Arising out of upward revaluation of tax base of assets (on account of indexation benefit)	3467.76	2991.19
(c)	Other items giving rise to temporary differences	2170.90	2597.66
	Total	7238.39	7609.79

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 31-3-2021	Charge/ (credit) to Statement of Profit and Loss	Effect due to acquisition	Classified as held for sale	Charge/(credit) to Other comprehensive income	Debit/(credit) to hedge reserve (other than through OCI)	Exchange difference	Deferred tax liabilities/ (assets) as at 31-3-2022
Deferred tax liabilities:								
- Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	2384.61	(85.49)	-	1.35	-	-	0.21	2300.68
- Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	175.19	19.15	-	-	-	-	-	194.34
- Net gain/(loss) on derivative transactions to be offered for tax purposes in the year of transfer/ settlement	227.02	10.41	-	-	45.42	(0.23)	-	282.62
- Other items giving rise to temporary differences	1248.25	(192.54)	-	(6.83)	0.03	-	(1.53)	1047.38
Deferred tax liabilities	4035.07	(248.47)	-	(5.48)	45.45	(0.23)	(1.32)	3825.02
Offsetting of deferred tax liabilities with deferred tax (assets)	(2856.41)							(2785.69)
Net deferred tax liabilities	1178.66							1039.33
Deferred tax (assets):								
- Provision for doubtful debts, loans & advances and contract assets	(2523.45)	44.76	-	-	0.02	-	-	(2478.67)
- Unpaid statutory liabilities	(296.45)	(57.43)	-	-	-	-	-	(353.88)
- Unabsorbed depreciation	(1217.80)	3.56	-	-	-	-	-	(1214.24)
- Carried forward tax losses	(461.64)	7.49	-	-	-	-	-	(454.15)
- Unutilised MAT credit	(216.99)	31.23	-	-	-	-	-	(185.76)
- Other items giving rise to temporary differences	(837.08)	(76.62)	3.38	1.23	(29.27)	-	(0.73)	(939.10)
Deferred tax (assets)	(5553.41)	(47.01)	3.38	1.23	(29.25)	-	(0.73)	(5625.79)
Offsetting of deferred tax (assets) with deferred tax liabilities	2856.41							2785.69
Net deferred tax (assets)	(2697.00)							(2840.10)
Net deferred tax liability/(assets)	(1518.34)	(295.48)	3.38	(4.25)	16.20	(0.23)	(2.05)	(1800.77)

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: Amount of ₹ 876.60 crore (previous year: ₹ 804.43 crore) has been incurred. Out of above, ₹ 876.60 crore (previous year: ₹ 790.91 crore) is included in "employee benefits expense" [Note 37] and Nil (previous year: ₹ 7.24 crore) pertains to discontinued operations in the Statement of Profit and Loss and Nil (previous year: ₹ 6.28 crore) has been capitalised.
- (b) Defined benefit plans:
- (i) The amounts recognised in Balance Sheet are as follows:

Particulars	₹ crore							
	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
A) Present value of defined benefit obligation								
– Wholly funded	1191.84	1092.08	–	–	–	–	5849.85	5238.92
– Wholly unfunded	236.44	210.43	354.57	360.06	371.56	377.95	–	–
	1428.28	1302.51	354.57	360.06	371.56	377.95	5849.85	5238.92
Less: Fair value of plan assets	1090.95	1026.31	–	–	–	–	6301.93	5727.47
Add: Amount not recognised as an asset [limit in para 64(b)]	0.39	1.06	–	–	–	–	6.13	7.14
Amount to be recognised as liability or (asset)	337.72	277.26	354.57	360.06	371.56	377.95	(445.95)	(481.41)
B) Amounts reflected in the Balance Sheet								
Liabilities	337.93	277.78	354.57	360.06	371.56	377.95	65.91	51.62
Assets	(0.21)	(0.52)	–	–	–	–	–	–
Net liability/(asset)	337.72	277.26	354.57	360.06	371.56	377.95	65.91	51.62
Net liability/(asset) - Current	337.72	277.26	20.64	21.64	25.93	29.09	65.91	51.62
Net liability/(asset) - Non-current	–	–	333.93	338.42	345.63	348.86	–	–

- (ii) The amounts recognised in Statement of Profit and Loss are as follows:

Particulars	₹ crore							
	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1 Current service cost	209.67	183.77	22.70	21.81	2.98	4.03	229.00 ^[3]	172.67 ^[3]
2 Interest cost	69.37	67.41	22.67	22.31	23.52	23.62	426.23	402.85
3 Interest income on plan assets	(62.93)	(54.36)	–	–	–	–	(426.23)	(402.85)
4 Re-measurement - Actuarial losses/ (gains) - Difference between actual return on plan assets and interest income	(34.31)	(53.12)	–	–	–	–	36.84	(194.87)
5 Re-measurement - Actuarial losses/ (gains) - Others	(16.13)	3.05	(37.12)	(12.06)	(18.32)	5.25	–	–
6 Past service cost	–	–	–	–	10.22	–	–	–
7 Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	(36.84)	194.87
8 Adjustment for earlier years	–	0.19	–	–	–	–	–	–
9 Re-measurement - Effect of the limit in para 64(b)	–	(0.59)	–	–	–	–	–	–
10 Translation adjustments	(0.55)	0.29	–	–	–	–	–	–
11 Amount capitalised out of the above	–	(0.32)	–	(0.02)	–	–	–	–
Total (1 to 11)	165.12	146.32	8.25	32.04	18.40	32.90	229.00	172.67

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
I. Amount included in "Employee benefits expense"	209.22	180.30	22.70	21.34	13.20	4.03	229.00	169.56
II. Amount included as part of "Manufacturing, construction and operating expenses"	0.76	0.87	–	–	–	–	–	–
III. Amount included as part of "finance costs"	5.58	12.20	22.67	22.31	23.52	23.62	–	–
IV. Amount included as part of "Other comprehensive income"	(50.44)	(50.59)	(37.12)	(12.06)	(18.32)	5.25	–	–
V. Amount included in "profit from discontinued operations"	–	3.54	–	0.45	–	–	–	3.11
Total (I+II+III+IV+V)	165.12	146.32	8.25	32.04	18.40	32.90	229.00	172.67
Actual return on plan assets	97.24	107.48	–	–	–	–	389.39	597.72

(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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Opening balance of the present value of defined benefit obligation	1302.51	1285.39	360.06	340.27	377.95	369.12	5238.92	4675.02
Add: Current service cost	209.67	183.77	22.70	21.81	2.98	4.03	229.00 ^[3]	172.67 ^[3]
Add: Interest cost	69.37	67.41	22.67	22.31	23.52	23.62	426.23	402.85
Add: Contribution by plan participants								
i) Employer	–	–	–	–	–	–	–	–
ii) Employee	–	–	–	–	–	–	576.95	483.25
iii) Transfer-in/(out)	–	–	–	–	–	–	–	–
Add/(less): Actuarial losses/(gains) arising from changes in -								
i) Demographic assumptions	(1.69)	(5.08)	4.44	2.44	–	–	–	–
ii) Financial assumptions	(50.25)	38.95	(32.23)	9.07	(16.71)	6.00	–	–
iii) Experience adjustments	35.81	(31.41)	(9.33)	(23.58)	(1.61)	(0.75)	–	–
Less: Benefits paid ^[1]	(145.29)	(223.37)	(13.74)	(11.98)	(24.79)	(24.07)	(769.57)	(579.02)
Less: Unfunded liability classified as held for sale/divestment	–	(1.04)	–	(0.28)	–	–	–	–
Add: Past Service Cost	–	–	–	–	10.22	–	–	–
Add: Liabilities assumed on transfer of employees	0.25	(5.22)	–	–	–	–	147.94	79.50
Add: Business combination/acquisition	1.62	–	–	–	–	–	–	–
Add: Adjustment for earlier years	–	(0.17)	–	–	–	–	–	4.68
Add/(less): Translation adjustments	6.28	(6.72)	–	–	–	–	0.38	(0.03)
Closing balance of the present value of defined benefit obligation	1428.28	1302.51	354.57	360.06	371.56	377.95	5849.85	5238.92

^[1] Excluding amount pertaining to discontinued operations.

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	
	2021-22	2020-21	2021-22	2020-21
Opening balance of the fair value of the plan assets	1026.31	851.04	5727.47	4960.42
Add: Interest income on plan assets ^[2]	62.93	54.36	426.23	402.85
Add/(less): Actuarial gains/(losses) - Difference between actual return on plan assets and interest income	34.31	53.12	(36.84)	194.87
Add: Contribution by the employer	74.13	223.62	216.30	171.45
Add: Contribution by plan participants	–	–	590.76	437.87
Add: Assets assumed on transfer of employees	0.07	(0.84)	147.58	134.49
Less: Benefits paid	(106.80)	(154.99)	(769.57)	(579.02)
Add: Adjustment for earlier years	–	–	–	4.54
Closing balance of the plan assets	1090.95	1026.31	6301.93	5727.47

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.

^[2] 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 ₹ 122.46 crore (previous year: ₹ 74.74 crore) towards its gratuity plan and ₹ 196.05 crore (previous year: ₹ 180.66 crore) towards its trust-managed provident fund plan during the year 2022-23.

^[3] Employer's contribution to provident fund.

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

₹ crore

Particulars	Gratuity plan					
	As at 31-3-2022			As at 31-3-2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	6.28	6.28	–	50.84	50.84
Equity instruments	26.35	–	26.35	19.98	–	19.98
Debt instruments - Corporate bonds	215.05	–	215.05	263.69	0.31	264.00
Debt instruments - Central government bonds	173.34	–	173.34	191.62	–	191.62
Debt instruments - State government bonds	146.59	–	146.59	106.67	–	106.67
Debt instruments - Public sector unit bonds	21.40	–	21.40	23.54	–	23.54
Mutual funds - Equity	24.09	45.83	69.92	23.21	23.41	46.62
Mutual funds - Debt	1.90	–	1.90	1.69	3.17	4.86
Mutual funds - Others	–	3.90	3.90	–	2.90	2.90
Special deposit scheme	–	1.48	1.48	–	1.48	1.48
Fixed deposits	–	3.37	3.37	–	3.44	3.44
Insurer managed fund	–	410.99	410.99	–	381.78	381.78
Other (payables)/receivables	4.30	6.08	10.38	4.60	(76.02)	(71.42)
Closing balance of the plan assets	613.02	477.93	1090.95	635.00	391.31	1026.31

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

NOTE [52] (contd.)

₹ crore

Particulars	Trust-managed provident fund plan					
	As at 31-3-2022			As at 31-3-2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	–	29.71	29.71	–	50.17	50.17
Equity instruments	237.14	–	237.14	100.23	–	100.23
Debt instruments - Corporate bonds	1901.76	–	1901.76	1640.71	23.77	1664.48
Debt instruments - Central government bonds	1112.23	–	1112.23	1264.76	–	1264.76
Debt instruments - State government bonds	1740.15	–	1740.15	1313.54	–	1313.54
Debt instruments - Public sector unit bonds	648.19	–	648.19	709.73	–	709.73
Mutual funds - Equity	86.04	240.75	326.79	125.00	158.04	283.04
Mutual funds - Debt	0.72	0.01	0.73	0.72	17.61	18.33
Mutual funds - Others	12.24	30.19	42.43	–	5.98	5.98
Special deposit scheme	–	233.25	233.25	–	271.56	271.56
Fixed deposits	–	1.87	1.87	–	2.68	2.68
Others	1.02	26.66	27.68	24.15	18.82	42.97
Closing balance of the plan assets	5739.49	562.44	6301.93	5178.84	548.63	5727.47

- (vi) The average duration (in number of years) of the defined benefit obligation at the end of the reporting period is as follows:

Plans	As at 31-3-2022	As at 31-3-2021
1. Gratuity	6.66	6.97
2. Post-retirement medical benefit plan	14.50	14.92
3. Pension plan	7.52	8.01

- (vii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):

Plans	As at 31-3-2022	As at 31-3-2021
(A) Discount rate:		
(a) Gratuity plan	6.82%	6.30%
(b) Pension plan	6.82%	6.30%
(c) Post-retirement medical benefit plan	6.82%	6.30%
(B) Annual increase in healthcare costs (see note below)	5.00%	5.00%
(C) Salary growth rate:		
(a) Gratuity plan	6.20%	6.06%
(b) Pension plan	9.00%	9.00%

- (D) Attrition rate for various age groups:

- For gratuity plan, the attrition rate varies from 1% to 40% (previous year: 1% to 31%).
- For pension plan, the attrition rate varies from 0% to 2% (previous year: 0% to 2%).
- For post-retirement medical benefit plan, the attrition rate varies from 1% to 40% (previous year: 1% to 23%).

- 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.
- 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.
- The obligation of the Group under the post-retirement medical benefit plan is limited to the overall ceiling limits. At present, healthcare cost, as indicated in the principal actuarial assumption given above, has been assumed to increase at 5% p.a.

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 31-3-2022	As at 31-3-2021	As at 31-3-2022	As at 31-3-2021
Gratuity				
Impact of change in salary growth rate	92.70	89.01	(83.36)	(79.91)
Impact of change in discount rate	(82.42)	(79.22)	93.34	90.02
Post-retirement medical benefit plan				
Impact of change in health care cost	27.04	27.96	(22.18)	(22.84)
Impact of change in discount rate	(46.48)	(48.28)	58.96	61.81
Company pension plan				
Impact of change in discount rate	(26.45)	(28.08)	30.37	32.39

(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) *supra*. An insignificant portion of the gratuity plan of the Group attributable to subsidiary companies is administered by the respective subsidiary companies and is funded through insurer managed funds. A part of the gratuity plan is unfunded and managed within the Group. Further, the unfunded portion also includes amounts payable in respect of the Group's foreign operations which result in gratuity payable to employees engaged as per the local laws of country of operation. Employees do not contribute to any of these plans.

(B) Post-retirement medical 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.

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 loss. Any loss/gain arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

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

(ix) The Group will assess the impact of Code on Wages, 2019 and the Code on Social Security, 2020 and give effect in the financial statements when the date of implementation of these codes and the Rules/Schemes thereunder are notified.

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 following Government Grants as income/reduction from underlying expenses:

Particulars	2021-22	2020-21
(i) Export incentives, duty drawback and other schemes	89.65	311.27
(ii) Benefits towards employee benefits expenses for COVID-19 pandemic	13.85	48.80
(iii) Tax credit for Research & Development in foreign jurisdiction(s)	5.67	5.10

₹ 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

(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	2 L&T Interstate Road Corridor Limited
3 Ahmedabad - Maliya Tollway Limited	4 L&T Halol-Shamlaji Tollway Limited ^[1]
5 L&T Chennai-Tada Tollway Limited	6 Panipat Elevated Corridor Limited
7 L&T Rajkot-Vadinar Tollway Limited	8 Vadodara Bharuch Tollway Limited
9 L&T Deccan Tollways Limited	10 L&T Samakhiali Gandhidham Tollway Limited
11 Kudgi Transmission Limited	12 L&T Sambalpur-Rourkela Tollway limited
13 L&T Transportation Infrastructure Limited	14 L&T-Chiyoda Limited
15 L&T - MHI Power Boilers Private Limited	16 L&T - MHI Power Turbine Generators Private Limited
17 L&T-Sargent & Lundy Limited	18 L&T Howden Private Limited
19 L&T Sapura Shipping Private Limited	20 L&T Sapura Offshore Private Limited
21 L&T Special Steels and Heavy Forgings Private Limited	22 L&T MBDA Missile Systems Limited
23 Raykal Aluminium Company Private Limited	24 L&T Infrastructure Engineering Limited and LEA Associates South Asia Private Limited JV LLP ^[2]

^[1] The company ceased to be a joint venture w.e.f. October 21, 2021

^[2] The entity is formed on May 24, 2021

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

Provident Fund Trusts:

1 Larsen & Toubro Officers & Supervisory Staff Provident Fund	2 Larsen & Toubro Limited Provident Fund of 1952
3 Larsen & Toubro Limited Provident Fund	4 L&T Kansbahal Officers & Supervisory Provident Fund
5 L&T Kansbahal Staff & Workmen Provident Fund	6 L&T Construction Equipment Employees Provident Fund Trust
7 L&T Valves Employees Provident Fund	

Gratuity Trusts:

1 Larsen & Toubro Officers & Supervisors Gratuity Fund	2 Larsen & Toubro Gratuity Fund
3 L&T Technology Services Limited Employee Group Gratuity Scheme	4 L&T Shipbuilding Limited Employees Group Gratuity Assurance Scheme
5 Nabha Power Limited Employees' Group Gratuity Assurance Scheme	6 L&T Hydrocarbon Engineering Limited Group Gratuity Scheme
7 Mindtree Limited Employees Gratuity Fund Trust	8 L&T-Gulf Employees Group Gratuity Assurance Scheme

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 their relatives with whom transactions were carried out during the year:

(A) Executive Directors:			
1	Mr. S. N. Subrahmanyam (Chief Executive Officer & Managing Director)	2	Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)
3	Mr. Shailendra Roy (Whole-time Director) ^[1]	4	Mr. Subramanian Sarma (Whole-time Director) ^[2]
5	Mr. D. K. Sen (Whole-time Director)	6	Mr. M. V. Satish (Whole-time Director)
7	Mr. J. D. Patil (Whole-time Director)	8	Mr. S. V. Desai (Whole-time Director) ^[3]
9	Mr. T. Madhava Das (Whole-time Director) ^[3]		
(B) Non-executive/Independent Directors:			
1	Mr. A. M. Naik (Group Chairman)	2	Mr. M. M. Chitale
3	Mr. Subodh Bhargava ^[4]	4	Mr. M. Damodaran
5	Mr. Vikram Singh Mehta	6	Mr. Adil Zainulbhai
7	Ms. Sunita Sharma ^[5]	8	Mr. Thomas Mathew T ^[6]
9	Mr. Ajay Shankar ^[7]	10	Ms. Naina Lal Kidwai ^[8]
11	Mr. Sanjeev Aga	12	Mr. Narayanan Kumar
13	Mr. Hemant Bhargava	14	Ms. Preetha Reddy ^[9]
15	Mr. Pramit Jhaveri ^[10]		

^[1] Ceased w.e.f. July 7, 2020 on account of superannuation

^[2] Appointed as Whole-time Director w.e.f. August 19, 2020 (Non-executive Director till August 18, 2020)

^[3] Appointed w.e.f. July 11, 2020

^[4] Ceased w.e.f. March 29, 2022 on account of completion of term

^[5] Ceased w.e.f. May 3, 2021 on account of withdrawal of nomination by Life Insurance Corporation of India

^[6] Ceased w.e.f. April 2, 2020 on account of completion of term

^[7] Ceased w.e.f. May 29, 2020 on account of completion of term

^[8] Ceased w.e.f. February 28, 2021 on account of completion of term

^[9] Appointed w.e.f. March 1, 2021

^[10] Appointed w.e.f. April 1, 2022

- (v) Entity with common Key Managerial Personnel with whom transactions were carried out during the year:

1 Mindtree Foundation

- (b) Disclosure of related party transactions:

Sr. No.	Nature of transaction/relationship/major parties	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(i)	Purchase of goods & services (including commission paid)				
	Joint ventures, including:	1564.42		1312.21	
	L&T - MHI Power Boilers Private Limited		705.70		698.19
	L&T - MHI Power Turbine Generators Private Limited		352.83		253.06
	L&T-Chiyoda Limited		227.63		147.76
	Associates, including:	28.63		18.18	
	Magtorq Private Limited		27.60		18.18
	Total	1593.05		1330.39	
(ii)	Sale of goods/contract revenue & services				
	Joint ventures, including:	74.28		58.96	
	L&T - MHI Power Boilers Private Limited		47.78		40.53
	L&T Special Steels and Heavy Forgings Private Limited		12.73		5.49
	L&T - MHI Power Turbine Generators Private Limited		8.63		0.05
	L&T-Chiyoda Limited		2.69		7.74
	Total	74.28		58.96	

₹ crore

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

NOTE [54] (contd.)

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(iii)	Purchase/lease of property, plant and equipment				
	Joint ventures:	0.05		26.38	
	L&T Infrastructure Development Projects Limited		–		26.38
	L&T-Sargent & Lundy Limited		0.05		–
	Total	0.05		26.38	
(iv)	Sale of property, plant and equipment				
	Key management personnel:	–		0.61	
	Mr. Shailendra Roy		–		0.61
	Total	–		0.61	
(v)	Investments as other equity/equity				
	Joint ventures, including:	2.11		–	
	L&T - MHI Power Turbine Generators Private Limited		2.02		–
	Total	2.11		–	
(vi)	Net inter-corporate deposits given/(repaid)				
	Joint ventures:	148.03		151.59	
	L&T Special Steels and Heavy Forgings Private Limited		–		151.59
	L&T Sapura Shipping Private Limited		148.03		–
	Total	148.03		151.59	
(vii)	Net inter-corporate borrowing taken/(repaid)				
	Joint venture:	100.75		32.00	
	L&T MBDA Missile Systems Limited		100.75		32.00
	Total	100.75		32.00	
(viii)	Charges paid for miscellaneous services				
	Joint ventures, including:	17.74		29.90	
	L&T-Sargent & Lundy Limited		4.45		3.61
	L&T-Chiyoda Limited		12.06		25.17
	Total	17.74		29.90	
(ix)	Rent paid, including lease rentals under leasing arrangements				
	Joint ventures, including:	0.24		0.01	
	L&T - MHI Power Boilers Private Limited		0.11		–
	L&T Special Steels and Heavy Forgings Private Limited		0.06		–
	L&T - MHI Power Turbine Generators Private Limited		0.06		0.01
	Associate:	0.08		–	
	Magtorq Private Limited		0.08		–
	Total	0.32		0.01	
(x)	Rent received, overheads recovered and miscellaneous income				
	Joint ventures, including:	107.66		101.34	
	L&T - MHI Power Boilers Private Limited		41.32		31.86
	L&T-Sargent & Lundy Limited		10.87		11.57
	L&T-Chiyoda Limited		23.97		25.39
	Total	107.66		101.34	

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

NOTE [54] (contd.)

Sr. No.	Nature of transaction/relationship/major parties	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
(xi)	Charges recovered for deputation of employees to related parties				
	Joint ventures:	5.34		7.64	
	L&T Infrastructure Development Projects Limited		0.73		1.14
	L&T Special Steels and Heavy Forgings Private Limited		0.76		0.73
	L&T Sapura Shipping Private Limited		3.85		2.94
	L&T-Chiyoda Limited		–		2.83
	Total	5.34		7.64	
(xii)	Dividend received				
	Joint ventures, including:	156.83		174.38	
	L&T - MHI Power Boilers Private Limited		119.39		119.39
	L&T-Chiyoda Limited		14.85		40.50
	Total	156.83		174.38	
(xiii)	Guarantee charges recovered from				
	Joint venture:	0.64		0.47	
	L&T - MHI Power Turbine Generators Private Limited		0.64		0.47
	Total	0.64		0.47	
(xiv)	Interest paid to				
	Joint ventures:	9.10		13.64	
	L&T MBDA Missile Systems Limited		6.81		2.81
	L&T - MHI Power Turbine Generators Private Limited		2.29		10.83
	Total	9.10		13.64	
(xv)	Interest received from				
	Joint ventures:	65.12		206.60	
	L&T Special Steels and Heavy Forgings Private Limited		–		134.52
	L&T Infrastructure Development Projects Limited		9.84		21.44
	Kudgi Transmission Limited		45.52		45.93
	L&T Sapura Shipping Private Limited		9.76		4.71
	Associate:	0.18		0.19	
	L&T Camp Facilities LLC		0.18		0.19
	Total	65.30		206.79	
(xvi)	Allowance/(reversal) for expected credit loss				
	Joint ventures, including:	(0.31)		0.31	
	L&T Special Steels and Heavy Forgings Private Limited		–		(0.09)
	L&T - MHI Power Boilers Private Limited		(1.46)		0.39
	L&T - MHI Power Turbine Generators Private Limited		0.11		0.02
	L&T Sapura Offshore Private Limited		0.18		–
	Raykal Aluminium Company Private Limited		0.85		–
	Total	(0.31)		0.31	
(xvii)	Impairment on loans & advances				
	Joint venture:	–		1139.03	
	L&T Special Steels and Heavy Forgings Private Limited		–		1139.03
	Total	–		1139.03	
(xviii)	Provision towards constructive obligation				
	Joint venture:	–		14.84	
	L&T Special Steels and Heavy Forgings Private Limited		–		14.84
	Total	–		14.84	

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

NOTE [54] (contd.)

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2021-22		2020-21	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(xix)	Donation given				
	Entity with common Key Management Personnel:				
	Mindtree Foundation	8.90		1.65	
			8.90		1.65
	Total	8.90		1.65	
(xx)	Provision towards unspent CSR expenses				
	Entity with common Key Management Personnel:				
	Mindtree Foundation	7.70		–	
			7.70		–
	Total	7.70		–	
(xxi)	Contribution to post employment benefit plan				
(A)	Towards Employer's contribution to provident fund trusts, including:				
	Larsen & Toubro Officers & Supervisory Staff Provident Fund	210.90		199.05	
			199.44		186.25
	Total	210.90		199.05	
(B)	Towards Employer's contribution to gratuity fund trusts, including:				
	Larsen & Toubro Officers & Supervisors Gratuity Fund	27.98		–	86.47
	L&T Technology Services Limited Employee Group Gratuity Scheme		12.67		18.06
	Mindtree Limited Employees Gratuity Fund Trust		14.27		56.12
	Total	27.98		188.49	
(C)	Towards Employer's contribution to superannuation trust:				
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme	7.51		6.81	
	Total	7.51	7.51	6.81	6.81

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

(xix) Compensation to Key Management Personnel (KMP):

		2021-22			2020-21				
Key Management Personnel		Short term employee benefits	Post employment benefits	Total	Short term employee benefits	Post employment benefits	Other long term benefit	Share based payment	Total
		Executive Directors:							
(a)	Mr. S. N. Subrahmanyam	24.46	6.53	30.99	11.26	2.97	–	–	14.23
(b)	Mr. R. Shankar Raman	16.12	4.30	20.42	7.50	1.98	–	–	9.48
(c)	Mr. Shailendra Roy	–	–	–	4.83	7.64 ^[1]	10.20 ^[2]	–	22.67
(d)	Mr. Subramanian Sarma (Executive Director w.e.f. August 19, 2020)	13.71	3.65	17.36	4.48	1.02	–	8.39 ^[3]	13.89
(e)	Mr. D. K. Sen	9.27	2.46	11.73	3.93	1.01	–	–	4.94
(f)	Mr. M. V. Satish	8.75	2.30	11.05	4.24	1.08	–	–	5.32
(g)	Mr. J. D. Patil	8.64	2.29	10.93	4.23	1.09	–	–	5.32
(h)	Mr. S. V. Desai	9.91	2.60	12.51	2.83	0.64	–	–	3.47
(i)	Mr. T. Madhava Das	9.72	2.55	12.27	2.94	0.72	–	–	3.66
Non-executive/Independent Directors:									
(a)	Mr. A. M. Naik (Group Chairman)	9.14	3.00 ^[4]	12.14	9.18	3.00 ^[4]	–	–	12.18
(b)	Mr. Subramanian Sarma (Non-executive Director till August 18, 2020)	–	–	–	3.10	1.26 ^[5]	–	–	4.36
(c)	Other Non-executive/Independent Directors	5.66	–	5.66	5.86	–	–	–	5.86
	Total	115.38	29.68	145.06	64.38	22.41	10.20	8.39	105.38

^[1] Post retirement benefits include gratuity ₹ 6.60 crore

^[2] Represents encashment of past service accumulated leave

^[3] Represents fair value of employee stock options granted during 2020-21 to be vested over a period of time

^[4] Represents pension

^[5] Represents end of service benefit as per applicable local laws till August 18, 2020

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

NOTE [54] (contd.)

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

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2022		As at 31-3-2021	
		Amount	Amounts for major parties	Amount	Amounts for major parties
					₹ crore
(i)	Accounts receivable				
	Joint ventures, including:	92.55		135.57	
	L&T - MHI Power Boilers Private Limited		57.76		75.49
	L&T - MHI Power Turbine Generators Private Limited		13.39		1.18
	L&T Deccan Tollways Limited		–		50.00
	Associate:	0.21		0.20	
	Larsen & Toubro Qatar & HBK Contracting Co. WLL		0.21		0.20
	Total	92.76		135.77	
(ii)	Accounts payable including other payable				
	Joint ventures, including:	1777.11		1772.76	
	L&T - MHI Power Boilers Private Limited		757.16		863.49
	L&T - MHI Power Turbine Generators Private Limited		796.53		576.54
	L&T Infrastructure Development Projects Limited		63.19		177.35
	Associates, including:	7.94		14.54	
	Magtorq Private Limited		7.09		5.75
	L&T Camp Facilities LLC		0.60		8.79
	Total	1785.05		1787.30	
(iii)	Investment in debt securities [including preference shares (debt portion)]				
	Joint ventures:	911.98		1097.54	
	L&T Special Steels and Heavy Forgings Private Limited*		213.17		213.17
	L&T Infrastructure Development Projects Limited		–		272.65
	Kudgi Transmission Limited#		698.81		611.72
	Total	911.98		1097.54	
	* Before set-off of losses under equity accounting				
	# Secured				
(iv)	Loans & advances recoverable				
	Joint ventures, including:	2314.01		2163.31	
	L&T Special Steels and Heavy Forgings Private Limited*		1781.18		1746.17
	L&T Sapura Shipping Private Limited		328.43		162.61
	Associates:	14.84		19.44	
	L&T Camp Facilities LLC		10.61		14.44
	Magtorq Private Limited		4.23		5.00
	Total	2328.85		2182.75	
	* Before set-off of losses under equity accounting and impairment				
(v)	Impairment/provision of loans & advances recoverable				
	Joint ventures, including:	1145.08		1144.11	
	L&T Special Steels and Heavy Forgings Private Limited		1139.03		1139.03
	Total	1145.08		1144.11	
(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:	193.74		90.91	
	L&T MBDA Missile Systems Limited		193.74		90.91
	Total	193.74		90.91	

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

NOTE [54] (contd.)

		₹ crore			
Sr. No.	Category of balance/relationship/major parties	As at 31-3-2022		As at 31-3-2021	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(viii)	Advances from customers				
	Joint venture:				
	L&T - MHI Power Boilers Private Limited	17.34		20.46	
	Total	17.34	17.34	20.46	20.46
(ix)	Due to directors ^[a] :	93.81		41.04	
	Key Management Personnel, including:				
	Mr. A. M. Naik		3.35		3.60
	Mr. S. N. Subrahmanyam		21.40		8.40
	Mr. R. Shankar Raman		13.98		5.49
	Mr. Shailendra Roy		–		0.92
	Mr. D. K. Sen		7.62		2.40
	Mr. M. V. Satish		7.05		2.66
	Mr. J. D. Patil		7.23		2.91
	Mr. Subramanian Sarma		11.70		5.31
	Mr. S. V. Desai		8.56		2.29
	Mr. T. Madhava Das		8.40		2.43
	Total	93.81		41.04	
(x)	Provision towards unspent CSR expenses				
	Entity with common Key Management Personnel:				
	Mindtree Foundation	7.70		–	
	Total	7.70	7.70	–	–
(xi)	Post employment benefit plans				
(A)	Due to provident fund trusts, including:	78.10		56.45	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		74.44		52.92
	Total	78.10		56.45	
(B)	Due to gratuity trusts, including:	48.81		19.77	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		15.47		–
	L&T Technology Services Limited Employee Group Gratuity Scheme		10.04		11.11
	Mindtree Limited Employees Gratuity Fund Trust		20.71		7.60
	Total	48.81		19.77	
(C)	Due to superannuation fund:	12.89		4.48	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		12.89		4.48
	Total	12.89		4.48	
(xii)	Capital commitment given				
	Joint ventures:				
	L&T-Sargent & Lundy Limited	0.11	0.08	–	–
	L&T Special Steels and Heavy Forgings Private Limited		0.02		–
	L&T - MHI Power Turbine Generators Private Limited		0.01		–
	Total	0.11		–	–
(xiii)	Revenue commitment given				
	Joint ventures, including:				
	L&T - MHI Power Boilers Private Limited	1424.92	820.89	2551.02	1643.73
	L&T - MHI Power Turbine Generators Private Limited		305.67		387.72
	L&T-Chiyoda Limited		101.92		327.86
	Associates, including:				
	Magtorq Private Limited	52.26	51.54	35.45	35.08
	Total	1477.18		2586.47	

^[a] includes commission due to other Non-executive directors ₹ 4.52 crore (previous year: ₹ 4.63 crore)

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

NOTE [54] (contd.)

		₹ crore			
Sr. No.	Category of balance/relationship/major parties	As at 31-3-2022		As at 31-3-2021	
		Amount	Amounts for major parties	Amount	Amounts for major parties
(xiv)	Revenue commitment received				
	Joint ventures, including:				
	L&T - MHI Power Boilers Private Limited	125.16	107.24	187.73	158.78
	L&T MBDA Missile Systems Limited		17.53		20.00
	Total	125.16		187.73	
(xv)	Provision for expected credit loss				
	Joint ventures, including:				
	L&T - MHI Power Boilers Private Limited	22.02	21.82	23.30	23.28
	Total	22.02		23.30	
(xvi)	Guarantees given on behalf of				
	Joint ventures, including:				
	L&T - MHI Power Turbine Generators Private Limited	300.23	255.12	363.85	312.67
	Total	300.23		363.85	

“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		2021-22	2020-21
Basic EPS			
Profit after tax from continuing operations (₹ crore)	A	8669.33	3345.01
Profit after tax from discontinued operations (₹ crore)	B	–	8237.92
Profit after tax from continuing operations & discontinued operations (₹ crore)	C=A+B	8669.33	11582.93
Weighted average number of equity shares outstanding	D	1,40,47,47,700	1,40,41,46,937
Basic EPS from continuing operations (₹)	A/D	61.71	23.82
Basic EPS from discontinued operations (₹)	B/D	–	58.67
Basic EPS from continuing operations & discontinued operations (₹)	C/D	61.71	82.49
Diluted EPS			
Profit after tax from continuing operations (₹ crore)	A	8669.33	3345.01
Profit after tax from discontinued operations (₹ crore)	B	–	8237.92
Profit after tax from continuing operations & discontinued operations (₹ crore)	C=A+B	8669.33	11582.93
Weighted average number of equity shares outstanding	D	1,40,47,47,700	1,40,41,46,937
Add: Weighted average number of potential equity shares on account of employee stock options	E	15,40,580	14,20,264
Weighted average number of equity shares outstanding for diluted EPS	F=D+E	1,40,62,88,280	1,40,55,67,201
Diluted EPS from continuing operations (₹)	A/F	61.65	23.80
Diluted EPS from discontinued operations (₹)	B/F	–	58.61
Diluted EPS from continuing operations & discontinued operations (₹)	C/F	61.65	82.41
Face value per share (₹)		2	2

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 1-4-2021	13.19	338.80	471.79	536.29	72.43	1432.50
2	Additional provision during the year	22.06	36.42	107.00	434.69	19.51	619.68
3	Provision used during the year	(2.64)	(11.74)	–	(49.42)	–	(63.80)
4	Unused provision reversed during the year	(4.79)	(4.75)	(0.08)	(168.15)	(8.34)	(186.11)
5	Translation adjustments	–	–	–	0.42	–	0.42
6	Balance as at 31-3-2022 (1 to 5)	27.82	358.73	578.71	753.83	83.60	1802.69

Breakup of provisions:

₹ crore

Particulars	Note 24	Note 31	Total
Balance as at 1-4-2021	68.38	1364.12	1432.50
Balance as at 31-3-2022	118.24	1684.45	1802.69

(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, 2022 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 service 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	2021-22	2020-21
(i)	Recognised as expense in the Statement of Profit and Loss	186.05	197.16
(ii)	Capital expenditure on:		
(a)	Tangible assets	3.74	1.24
(b)	Intangible assets being expenditure on new product development	0.13	9.80
(c)	Other intangible assets	0.52	8.10

Of the above, expenditure on research and development activities of discontinued operations is as follows:

		₹ crore	
Sr. No.	Particulars	2021-22	2020-21
(i)	Recognised as expense in the Statement of Profit and Loss	–	32.29
(ii)	Capital Expenditure on:		
(a)	Tangible assets	–	0.49
(b)	Intangible assets being expenditure on new product development	–	9.39
(c)	Other intangible assets	–	0.01

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 exposures. 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 the HPFE becomes an on-balance sheet exposure, the changes in MTM of the hedge contracts will impact the Balance Sheet of the Group. Further, given the effective horizons of the Group’s risk management activities which coincide with the 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 the pricing due to competitive pressures when there have been significant volatility in foreign currency exchange rates.

The Group may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. In addition, the Group has entered, and may enter in the future, into 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 31-3-2022						As at 31-3-2021					
	US Dollar including pegged currencies	EURO	Algerian Dinar	Canadian Dollar	Japanese Yen	Kuwaiti Dinar	US Dollar including pegged currencies	EURO	Algerian Dinar	Canadian Dollar	Japanese Yen	Kuwaiti Dinar
	Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	(1100.21)	747.08	(358.10)	573.06	(184.60)	109.56	(1207.93)	400.90	(97.62)	232.84	(505.18)
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non-financial assets/(non-financial liabilities)	332.11	(56.08)	-	-	-	-	357.96	65.82	-	-	-	-
Derivatives including embedded derivatives for hedging receivable/(payable) exposures with respect to firm commitments and highly probable forecast transactions	38860.98	(2817.23)	-	13.46	473.12	696.42	29116.78	(4244.49)	-	37.78	1031.00	404.79
Receivable/(payable) exposures with respect to forward contracts and embedded derivatives not designated as cash flow hedge	3294.27	32.10	-	-	(23.99)	38.45	2337.79	164.57	-	-	(14.43)	21.02

₹ 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 exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Group uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increase in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VAR for the Group at 95% confidence level is ₹ 201.00 crore as at March 31, 2022 and ₹ 203.08 crore as at March 31, 2021.

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, 2022 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 is a natural hedge with receivables in respect of financial services business. There is a portion of debt that is linked to international interest rate benchmarks like LIBOR. The Group also hedges a portion of these risks by way of derivative instruments like interest rate swaps and currency swaps.

The Group has insignificant portion of the loan book which has a floating rate linked to one month USD LIBOR.

With the transition of LIBOR into another benchmark (SOFR), there will be a spread adjustment that will have to be applied to these loans. The loans are expected to be either refinanced and linked to a new benchmark or simply transitioned to the new benchmark before LIBOR ceases to be published.

The Group's Treasury team constantly tracks the developments related to this proposed transition and has also had interactions with the counterparty lenders to prepare for the transition.

In the cases mentioned above, the lenders and the Group are likely to agree on a neutral spread adjustment which does not impact the counterparties financially.

The exposure of the Group's borrowing to interest rate changes is ₹ 25848.75 crore (previous year: ₹ 48077.49 crore).

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

NOTE [58] (contd.)

A hypothetical 50 basis point shift in respective currency LIBOR 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:

Particulars	Increase/(decrease) in Profit after tax		Increase/(decrease) in Equity	
	2021-22	2020-21	As at 31-3-2022	As at 31-3-2021
₹ crore				
INR loans (net of loans given)				
Interest rates - increase by 0.50% in INR interest rate	42.41	13.71	42.41	13.71
Interest rates - decrease by 0.50% in INR interest rate	(42.41)	(13.71)	(42.41)	(13.71)
USD (including pegged currencies) loans				
Interest rates - increase by 0.50% in USD interest rate	(12.70)	(19.80)	(12.70)	(19.80)
Interest rates - decrease by 0.50% in USD interest rate	12.70	19.80	12.70	19.80

(b) Liquidity risk management:

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate 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:

Particulars	Increase/(decrease) in investment value	
	As at 31-3-2022	As at 31-3-2021
₹ crore		
Debt funds and debt securities - increase by 0.50% in fair market value	102.95	119.74
Debt funds and debt securities - decrease by 0.50% in fair market value	(102.95)	(119.74)
Equity and equity marketable securities - increase by 5% in NAV	6.31	6.10
Equity and equity marketable securities - decrease by 5% in NAV	(6.31)	(6.10)

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 1-4-2020	570.38	268.65	3785.93	4624.96
New assets originated or purchased	461.25	60.59	35.71	557.55
Amount written off	–	–	(2230.13)	(2230.13)
Transfers to Stage 1	43.35	(26.24)	(17.11)	–
Transfers to Stage 2	(30.17)	34.57	(4.40)	–
Transfers to Stage 3	(27.72)	(143.69)	171.41	–
Impact of changes in credit risk on account of stage movements	(42.17)	331.10	1476.54	1765.47
Increase/(decrease) provision on existing financial assets including recovery	(66.11)	(179.38)	603.77	358.28
Loss allowance as at 31-3-2021	908.81	345.60	3821.72	5076.13
New assets originated or purchased	856.54	25.76	44.39	926.69
Amount written off	–	–	(1797.23)	(1797.23)
Transfers to Stage 1	22.80	(7.99)	(14.81)	–
Transfers to Stage 2	(117.67)	130.61	(12.94)	–
Transfers to Stage 3	(34.35)	(7.28)	41.63	–
Impact of changes in credit risk on account of stage movements	(22.29)	225.08	961.18	1163.97
Increase/(decrease) provision on existing financial assets including recovery	(522.81)	389.69	(1609.92)	(1743.04)
Loss allowance as at 31-3-2022	1091.03	1101.47	1434.02	3626.52

(iv) Reconciliation of allowance for expected credit loss ("ECL") on trade receivables (other than financial services business):

	₹ crore	
Particulars	2021-22	2020-21
Provision as at April 1	3405.60	3181.21
Changes in allowance for ECL:		
Provision/(reversal) of allowance for ECL	430.06	375.05
Additional provision (net)	200.08	279.07
Written off as bad debts	(146.52)	(425.58)
Translation adjustment	3.09	(4.24)
Addition on account of business combination	0.20	0.09
Provision as at March 31 (Note 13)	3892.51	3405.60

(v) Amounts written off:

	₹ crore	
Particulars	2021-22	2020-21
Amount of financial assets written off during the period but still enforceable	1860.23	1972.77

(d) Commodity price risk management:

The Group bids for and executes EPC projects on 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, 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, etc. and further uses hedging instruments where available [Note 59(k)(ii)]. There is certain residual risk carried by the Group that cannot be hedged against.

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 are volatile and have witnessed sharp two-way movement during the financial year. This may impact 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 31-3-2022	As at 31-3-2021
I.	Measured at Fair Value through Profit or Loss (FVTPL):			
(a)	Mandatorily measured:			
(i)	Investment in equity instruments	6,12	769.03	642.70
(ii)	Investment in preference shares	6,12	121.00	87.01
(iii)	Investment in mutual funds and units of fund	6,12	12949.25	20236.28
(iv)	Investment in government securities, debentures and bonds	6,12	1899.90	1739.80
(v)	Derivative instruments not designated as cash flow hedges	9,18	73.22	116.07
(vi)	Embedded derivatives not designated as cash flow hedges	9,18	24.48	33.68
(vii)	Investment in security receipts	6	4886.22	4114.88
(viii)	Investment in commercial paper	6,12	1576.15	–
(ix)	Other Investments	6,12	0.91	0.94
	Sub-total (a)		22300.16	26971.36
(b)	Designated:			
(i)	Loans	16	22753.78	22877.66
	Sub-total (b)		22753.78	22877.66
	Sub-total (I = a+b)		45053.94	49849.02
II.	Measured at amortised cost:			
(i)	Loans	7,8,16,17	66785.59	71541.63
(ii)	Investment in government securities, debentures, bonds and CBLO	6,12	2700.24	584.31
(iii)	Investment in commercial paper	6,12	919.14	–
(iv)	Other Investments	6,12	1577.08	800.37
(v)	Trade receivables	13	46138.92	42229.78
(vi)	Advances recoverable in cash	18	844.34	958.08
(vii)	Unbilled Revenue	18	1363.54	837.93
(viii)	Cash and bank balances	9,14,15	19879.53	16753.48
(ix)	Other receivables		1028.89	850.12
	Sub-total (II)		141237.27	134555.70
III.	Measured at Fair Value through Other Comprehensive Income (FVTOCI):			
(c)	Mandatorily measured:			
(i)	Investment in government securities, debentures and bonds	6,12	9474.33	8749.31
(ii)	Investment in preference shares	6,12	0.67	0.67
(iii)	Derivative instruments designated as cash flow hedges	9,18	1715.78	1344.88
(iv)	Embedded derivative designated as cash flow hedges	9,18	26.40	19.13
	Sub-total (c)		11217.18	10113.99
(d)	Designated:			
(i)	Investment in equity instruments	6,12	0.10	0.10
	Sub-total (d)		0.10	0.10
	Sub-total (III = c+d)		11217.28	10114.09
	Total (I+II+III)		197508.49	194518.81

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 31-3-2022	As at 31-3-2021
I.	Measured at Fair Value through Profit or Loss (FVTPL):			
(i)	Derivative instruments not designated as cash flow hedges	23,29	36.44	22.81
(ii)	Embedded derivatives not designated as cash flow hedges	23,29	26.86	11.73
(iii)	Others		143.41	150.24
	Sub-total (I)		206.71	184.78
II.	Measured at amortised cost:			
(i)	Borrowings	22,26,27	123468.23	132605.26
(ii)	Trade payables:			
	Due to micro enterprises and small enterprises		575.91	488.99
	Due to others	28	50568.33	45256.24
(iii)	Lease liability		2039.85	2023.82
(iv)	Others		6082.59	4856.27
	Sub-total (II)		182734.91	185230.58
III.	Derivative instruments (including embedded derivatives) through Other Comprehensive Income:			
(i)	Derivative instruments designated as cash flow hedges	23,29	393.21	416.22
(ii)	Embedded derivatives designated as cash flow hedges	23,29	70.60	57.49
	Sub-total (III)		463.81	473.71
IV.	Financial guarantee contracts	23,29	1.88	0.91
	Total (I+II+III+IV)		183407.31	185889.98

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

Sr. No.	Particulars	₹ crore	
		2021-22	2020-21
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 fair value through Profit or Loss:		
1.	Gains/(losses) on fair valuation or sale of investments	393.27	1002.28
2.	Gains/(losses) on fair valuation or sale of loans (Financial Services)	(347.37)	(158.76)
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	256.76	(55.52)
(b)	Gains/(losses) on fair valuation or settlement of embedded derivative contracts not designated as cash flow hedges	(44.32)	(146.41)
(c)	Gains/(losses) on fair valuation or settlement of futures not designated as cash flow hedges	85.56	(42.46)
	Sub-total (A)	343.90	599.13
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.)	476.13	(314.22)
(ii)	(Allowance)/reversal for expected credit loss during the year	(2567.56)	(2865.02)
(iii)	Provision for impairment loss (other than ECL) [net]	(499.77)	(330.11)
(iv)	Impairment loss recognised in Statement of Profit and Loss [as exceptional items (net of tax)]	–	(2743.03)
(v)	Gains/(losses) on derecognition:		
(a)	Bad debts written off (net)	(73.50)	(321.07)
(b)	Gains/(losses) on transfer of financial assets (including non-recourse basis)	(314.07)	(295.75)
	Sub-total (B)	(2978.77)	(6869.20)

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

NOTE [59] (contd.)

		₹ crore	
Sr. No.	Particulars	2021-22	2020-21
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.)	(91.33)	284.50
(ii)	Unclaimed credit balances written back	106.17	232.51
	Sub-total (C)	14.84	517.01
	Total (I = A+B+C)	(2620.03)	(5753.06)
II.	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Other Comprehensive Income:		
A.	Gains recognised in Other Comprehensive Income:		
(i)	Financial assets measured at fair value through Other Comprehensive Income:		
(a)	Gains/(losses) on fair valuation or sale of government securities, bonds, debentures etc.	(32.64)	239.70
(ii)	Derivative measured at fair value through Other Comprehensive Income:		
(b)	Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hedges	732.32	1911.09
(c)	Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	(38.33)	30.97
	Sub-total (A)	661.35	2181.76
	Less:		
B.	Gains reclassified to Profit and Loss from Other Comprehensive Income		
(i)	Financial assets measured at fair value through Other Comprehensive Income:		
1.	On government securities, bonds, debentures etc. upon sale	46.85	116.01
(ii)	Derivative measured at fair value through Other Comprehensive Income:		
2.	On forward contracts upon hedged future cash flows affecting the Profit or Loss or related assets or liabilities	404.51	405.36
3.	On embedded derivative contracts upon hedged future cash flows affecting the Profit or Loss or related assets or liabilities	(4.78)	3.72
	Sub-total (B)	446.58	525.09
	Net gains recognised in Other Comprehensive Income (A-B)	214.77	1656.67
C.	Impairment loss recognised in Statement of Profit and Loss	(12.00)	(151.26)
III.	Interest and Other income/expense:		
A.	Dividend Income:		
	Dividend income from investments measured at FVTPL	4.26	28.47
	Sub-total (A)	4.26	28.47
B.	Interest Income:		
(i)	Financial assets measured at amortised cost	10199.48	12984.43
(ii)	Financial assets measured at fair value through Other Comprehensive Income	690.55	615.14
(iii)	Financial assets measured at fair value through Profit or Loss	2670.07	1820.54
	Sub-total (B)	13560.10	15420.11
C.	Interest expense:		
(i)	Financial liabilities measured at amortised cost	(8728.85)	(11067.75)
(ii)	Derivative instruments (including embeded derivatives) that are measured at fair value through Other Comprehensive Income (reclassified to Profit and Loss during the year)	(76.02)	(137.51)
(iii)	Financial liabilities measured at fair value through Profit or Loss	-	(0.17)
	Sub-total (C)	(8804.87)	(11205.43)
	Total (III = A+B+C)	4759.49	4243.15

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:

Particulars	Note	₹ crore			
		As at 31-3-2022		As at 31-3-2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:					
Loans	7,8,16,17	46742.98	46742.98	52659.55	52659.55
Government securities, debentures and bonds	6,12	2700.24	2700.24	584.31	584.31
Total		49443.22	49443.22	53243.86	53243.86
Financial liabilities:					
Borrowings	22,27	67337.14	69463.66	63597.99	67013.47
Total		67337.14	69463.66	63597.99	67013.47

Notes:

1. Carrying amount of loans are net of provision for expected credit losses.
 2. The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of loans given and borrowings taken for short term or at floating rate of interest are considered to be close to the fair value. Accordingly, these items have not been included in the above table.
- (e) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

As at 31-3-2022	₹ crore				Valuation technique for level 3 items
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Loans	–	6254.58	40488.40	46742.98	Discounted cash flow
Government securities, debentures and bonds	2338.82	137.81	223.61	2700.24	
Total	2338.82	6392.39	40712.01	49443.22	
Financial liabilities:					
Borrowings	–	29417.01	40046.65	69463.66	Discounted cash flow
Total	–	29417.01	40046.65	69463.66	

As at 31-3-2021	₹ crore				Valuation technique for level 3 items
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Loans	–	6833.45	45826.10	52659.55	Discounted cash flow
Government securities, debentures and bonds	550.34	33.97	–	584.31	
Total	550.34	6867.42	45826.10	53243.86	
Financial liabilities:					
Borrowings	582.62	21378.03	45052.82	67013.47	Discounted cash flow
Total	582.62	21378.03	45052.82	67013.47	

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:

Particulars	Note	As at 31-3-2022				As at 31-3-2021			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
₹ crore									
Financial assets:									
Financial assets at FVTPL:									
(i) Equity shares	6,12	163.39	–	605.64	769.03	104.79	–	537.91	642.70
(ii) Preference shares	6,12	–	–	121.00	121.00	–	–	87.01	87.01
(iii) Mutual fund	6,12	12918.05	–	–	12918.05	20174.92	–	–	20174.92
(iv) Debt instruments viz. government securities, bonds and debentures	6,12	1309.10	–	590.80	1899.90	1014.35	–	725.45	1739.80
(v) Derivative instruments not designated as cash flow hedges	9,8	–	73.22	–	73.22	–	116.07	–	116.07
(vi) Embedded derivative instruments not designated as cash flow hedges	9,18	–	24.48	–	24.48	–	33.68	–	33.68
(vii) Other investments	6,12	–	1576.15	4918.33	6494.48	–	0.94	4176.24	4177.18
(viii) Loans (Financial Services)	16	–	–	22753.78	22753.78	–	–	22877.66	22877.66
Financial assets at FVTOCI:									
(i) Debt instruments viz. government securities, bonds and debentures	6,12	6591.99	2882.05	0.29	9474.33	6503.01	2104.54	141.76	8749.31
(ii) Preference shares	6	–	–	0.67	0.67	–	–	0.67	0.67
(iii) Equity shares	6	–	–	0.10	0.10	–	–	0.10	0.10
(iv) Derivative financial instruments designated as cash flow hedges	9,18	–	1715.78	–	1715.78	–	1344.88	–	1344.88
(v) Embedded derivative financial instruments designated as cash flow hedges	9,18	–	26.40	–	26.40	–	19.13	–	19.13
Total		20982.53	6298.08	28990.61	56271.22	27797.07	3619.24	28546.80	59963.11
Financial liabilities:									
Financial liabilities at FVTPL:									
(a) Designated at FVTPL:									
(i) Derivative instruments not designated as cash flow hedges	23,29	–	36.44	–	36.44	–	22.81	–	22.81
(ii) Embedded derivative instruments not designated as cash flow hedges	23,29	–	26.86	–	26.86	–	11.73	–	11.73
(iii) Others		–	–	143.41	143.41	–	–	150.24	150.24
(b) Designated at FVTOCI:									
(i) Derivative financial instruments designated as cash flow hedges	23,29	–	393.21	–	393.21	–	416.22	–	416.22
(ii) Embedded derivative financial instruments designated as cash flow hedges	23,29	–	70.60	–	70.60	–	57.49	–	57.49
Total		–	527.11	143.41	670.52	–	508.25	150.24	658.49

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 reporting period.
- (b) Preference share and government securities, bonds and debentures – Future cash flows are discounted using G-sec rates as at reporting date.

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

NOTE [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 31-3-2020	543.25	89.88	1153.39	24877.64	2605.09	29269.25
Addition during the year	–	10.85	–	3721.30	1913.27	5645.42
Disposal during the year	–	(13.60)	(9.29)	(5562.49)	(214.55)	(5799.93)
Gains/(losses) recognised in Profit or Loss	(5.24)	0.55	(125.61)	(158.79)	(127.57)	(416.66)
Impairment recognised in Profit or Loss	–	–	(151.28)	–	–	(151.28)
Balance as at 31-3-2021	538.01	87.68	867.21	22877.66	4176.24	28546.80
Addition during the year	65.08	35.67	–	7315.57	1495.55	8911.87
Disposal during the year	–	(1.20)	(627.35)	(7091.37)	(501.07)	(8220.99)
Transferred to held for sale	(3.43)	–	–	–	–	(3.43)
Gains/(losses) recognised in Profit or Loss	6.08	(0.48)	(74.06)	(348.08)	(252.39)	(668.93)
Gains/(losses) recognised in Other comprehensive income	–	–	30.52	–	–	30.52
Impairment recognised in Profit or Loss	–	–	394.77	–	–	394.77
Balance as at 31-3-2022	605.74	121.67	591.09	22753.78	4918.33	28990.61

(h) Sensitivity disclosure for level 3 fair value measurements:

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	31-3-2022	31-3-2021		
₹ crore				
Equity shares	536.43	474.78	Book value	Increase/(decrease) of 5% in the book value would result in impact on profit or loss by ₹ 21.87 crore (previous year: ₹ 19.57 crore)
	69.31	63.23	31-3-2022 and 31-3-2021: 1. Net realisation per month ₹ 31.83 per sq. ft. 2. Capitalisation rate 11.50%	Increase/(decrease) of 1% in net realisation would result in impact on profit or loss by ₹ 0.21 crore (previous year: ₹ 0.21 crore) Increase/(decrease) of 25 bps in capitalisation rate would result in impact on profit or loss by ₹ 0.45 crore (previous year: ₹ 0.45 crore)
Preference shares	45.52	10.85	Book value	Increase/(decrease) of 5% in the book value would result in impact on profit or loss by ₹ 2.28 crore (previous year: ₹ 0.54 crore)
	76.15	76.83	Expected yield	Increase/(decrease) in the fair value by 5% would result in impact on profit or loss by ₹ 3.80 crore (previous year: ₹ 3.82 crore)
Debt instruments	591.09	867.21	Expected yield	Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 1.22 crore (previous year: ₹ 1.76 crore)
Loans	22753.78	22877.66	Expected yield	Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 42.57 crore (previous year: ₹ 42.80 crore)
Other Investments	4918.33	4176.24	Net Assets Value (NAV)	Increase/(decrease) in the NAV by 5% would result in impact on profit or loss ₹ 183.99 crore (previous year: ₹ 156.25 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
Balance as at 31-3-2020	218.20
Addition during the year	18.48
Charge recognised in Statement of Profit and Loss	(49.95)
Settled during the year	(40.81)
Foreign exchange difference	4.32
Balance as at 31-3-2021	150.24
Addition during the year	18.70
Charge recognised in Statement of Profit and Loss	15.56
Settled during the year	(43.30)
Foreign exchange difference	2.21
Balance as at 31-3-2022	143.41

Note:

A 1% 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 31-3-2022			As at 31-3-2021		
		Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
		₹ crore					
A. Non-derivative liabilities:							
Borrowings	22, 26, 27	66227.77	71580.33	137808.10	54965.72	106704.95	161670.67
Trade payables:							
Due to micro enterprises and small enterprises		481.19	94.72	575.91	368.94	120.05	488.99
Due to others	28	48246.80	2321.53	50568.33	42903.66	2352.58	45256.24
Other financial liabilities	23, 29	6152.71	73.27	6225.98	4871.37	135.19	5006.56
Lease Liability		535.44	2120.69	2656.13	501.67	2123.87	2625.54
Total		121643.91	76190.54	197834.45	103611.36	111436.64	215048.00
B. Derivative liabilities:							
Forward contracts	23, 29	405.55	28.59	434.14	386.74	62.67	449.41
Embedded derivatives	23, 29	85.26	13.17	98.43	69.74	–	69.74
Total		490.81	41.76	532.57	456.48	62.67	519.15

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 31-3-2022				As at 31-3-2021			
	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	48885.03	80.88	27681.16	21203.87	37310.77	79.03	20391.92	16918.85
EURO	1330.72	91.80	829.41	501.31	1715.73	90.63	1450.44	265.29
Malaysian Ringgit	38.98	18.28	38.98	–	91.85	19.40	91.85	–
Omani Riyal	365.55	202.36	265.40	100.15	785.49	193.34	599.11	186.38
Arab Emirates Dirham	1024.89	21.26	950.49	74.40	926.09	21.26	779.75	146.34
Canadian Dollar	13.46	59.84	13.46	–	37.78	57.24	37.78	–
British Pound	214.37	104.57	214.37	–	257.70	100.22	257.70	–
Japanese Yen	1502.65	0.69	1401.81	100.84	2537.18	0.73	2426.78	110.40
Kuwaiti Dinar	808.30	261.19	795.36	12.94	831.62	255.45	645.10	186.52
Qatari Riyal	1739.15	21.06	1734.08	5.07	1207.41	20.72	958.10	249.31
Australian Dollar	16.69	55.64	16.69	–	72.07	55.10	72.07	–
South African Rand	–	–	–	–	63.52	4.67	63.52	–
Danish Krone	–	–	–	–	38.91	11.94	38.91	–
Thai Baht	2.77	2.31	2.77	–	–	–	–	–
Swedish Krona	48.20	8.03	48.20	–	108.54	8.70	108.54	–
(b) Payable hedges:								
US Dollar	12538.47	74.88	11573.90	964.57	14875.35	73.39	11322.88	3552.47
EURO	5026.27	87.39	4916.55	109.72	7293.72	87.63	7013.89	279.83
Qatari Riyals	149.96	20.82	149.96	–	29.59	20.69	29.59	–
Arab Emirates Dirham	42.35	20.71	42.35	–	46.35	20.28	46.35	–
British Pound	127.11	105.93	127.11	–	26.41	101.30	26.41	–
Japanese Yen	897.43	0.67	897.43	–	1325.68	0.72	1325.68	–
Kuwaiti Dinar	32.43	253.45	32.43	–	242.90	242.90	242.90	–
Omani Riyal	–	–	–	–	9.46	189.04	9.46	–
Swiss Franc	426.30	79.43	425.40	0.90	355.03	80.29	185.27	169.76
Chinese Yuan	500.30	12.04	500.30	–	85.99	11.23	85.99	–
Canadian Dollar	3.63	60.69	3.63	–	3.51	58.77	3.51	–

(B) Options taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2022				As at 31-3-2021			
	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	962.41	82.68	46.90	915.51	1052.91	81.76	90.50	962.41
EURO/US Dollar	1213.94	\$1.18 to \$1.27	661.17	552.77	1093.04	\$1.08 to \$1.18	582.92	510.12
US Dollar/EURO	592.34	\$ 1.16	379.50	212.84	618.03	\$1.15 to \$1.18	238.53	379.50
(b) Payable hedges:								
US Dollar/EURO	592.34	\$ 1.16	379.50	212.84	618.03	\$1.15 to \$1.18	238.53	379.50
EURO/US Dollar	264.83	\$ 1.27	167.71	97.12	273.94	\$1.08	106.23	167.71

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 31-3-2022				As at 31-3-2021			
	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	2262.85	76.32	2262.85	–	1444.18	73.26	1444.18	–
Canadian Dollar	4.55	60.69	4.55	–	3.48	58.01	3.48	–
British Pound	13.18	99.50	13.18	–	66.98	100.72	66.98	–
Australian Dollar	10.82	56.92	10.82	–	3.34	55.64	3.34	–
South African Rand	–	–	–	–	1.95	4.86	1.95	–
Danish Krone	6.17	11.37	6.17	–	–	–	–	–
Norwegian Krone	1.62	8.78	1.62	–	–	–	–	–
EURO	63.43	84.58	63.43	–	86.29	86.29	86.29	–
Arab Emirates Dirham	115.83	20.87	115.83	–	112.90	20.34	112.90	–
Swedish Krona	–	–	–	–	10.04	8.37	10.04	–

(ii) Outstanding commodity price hedge instruments:

(A) Commodity forward contract:

Particulars	As at 31-3-2022				As at 31-3-2021			
	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) ^[1]	(489.40)	743343.39	(489.40)	–	(114.88)	587748.64	(114.88)	–
Aluminium (Tn) ^[1]	229.82	228503.75	129.98	99.84	(11.71)	151245.62	11.78	(23.49)
Iron Ore (Tn)	25.25	12174.31	25.25	–	33.68	7447.47	33.68	–
Lead (Tn)	9.51	170723.79	9.51	–	48.19	142370.06	48.19	–
Nickel (Tn)	71.39	1346959.25	71.39	–	143.04	1030545.11	143.04	–

^[1] Negative nominal amount represents sell position (net).

(B) Commodity option contract:

Particulars	As at 31-3-2022				As at 31-3-2021			
	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	11.30	^[1]	11.30	–	–	–	–	–

^[1] 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 31-3-2022		As at 31-3-2021	
	Currency exposure	Commodity price exposure	Currency exposure	Commodity price exposure
(i) Forward contracts				
(a) Current:				
Asset - Other financial assets	882.85	117.38	664.20	165.25
Liability - Other financial liabilities	383.79	29.18	329.79	61.35
(b) Non-current:				
Asset - Other financial assets	627.16	–	451.91	–
Liability - Other financial liabilities	27.82	–	44.22	3.02
(ii) Option contracts				
(a) Current:				
Asset - Other financial assets	36.77	–	20.38	–
Liability - Other financial liabilities	11.04	–	9.78	–
(b) Non-current:				
Asset - Other financial assets	78.02	–	62.26	–
Liability - Other financial liabilities	11.98	–	25.54	–

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

NOTE [59] (contd.)

(B) Fair value hedge:

Particulars	₹ crore			
	As at 31-3-2022		As at 31-3-2021	
	Currency exposure	Commodity price exposure	Currency exposure	Commodity price exposure
Forward contracts				
(a) Current:				
Asset - Other financial assets	3.99	—	7.65	—
Liability - Other financial liabilities	—	—	3.06	—

(m) Breakup of cash flow hedging reserve and cost of hedging reserve:

Particulars	₹ crore			
	As at 31-3-2022		As at 31-3-2021	
	Cash flow hedging reserve	Cost of hedging reserve	Cash flow hedging reserve	Cost of hedging reserve
Balance towards continuing hedges	318.08	(4.76)	284.77	(4.34)
Balance for which hedge accounting discontinued	405.17	0.04	207.34	(2.67)
Total	723.25	(4.72)	492.11	(7.01)

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

Particulars	₹ crore	
	2021-22	2020-21
(A) Future cash flows are no longer expected to occur:		
(i) Sales, administration and other expenses	21.57	39.49
(B) Hedged expected future cash flows affecting Profit or loss:		
(i) Progress billing	20.40	260.25
(ii) Revenue from operations	284.56	38.12
(iii) Manufacturing, construction and operating expenses	44.78	90.86
(iv) Finance costs	(75.37)	(137.54)
(v) Sales, administration and other expenses	47.30	242.30

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

NOTE [59] (contd.)

(o) Movement of cash flow hedging reserve and cost of hedging reserve:

	₹ crore	
Cash flow hedging reserve	2021-22	2020-21
Opening balance	492.11	(421.77)
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedges	1.77	222.30
Changes in fair value of forward contracts designated as hedging instruments	762.09	1837.49
Changes in intrinsic value of option contracts	7.24	(6.94)
Changes in fair value of swaps	4.90	28.16
Amount reclassified to Profit or Loss	(408.11)	(421.08)
Amount included in non-financial asset/liability	0.15	(6.62)
Amount included in progress billing in Balance Sheet	(20.40)	(260.25)
Taxes related to above	(116.50)	(479.18)
Closing balance	723.25	492.11

	₹ crore	
Cost of hedging reserve	2021-22	2020-21
Opening balance	(7.01)	(15.15)
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	(82.21)	(138.38)
Amount reclassified to Profit or Loss	85.27	149.50
Taxes related to above	(0.77)	(2.98)
Closing balance	(4.72)	(7.01)

NOTE [60]

Value of financial assets and inventories hypothecated as collateral for liabilities and/or commitments and/or contingent liabilities:

	₹ crore	
Particulars	As at 31-3-2022	As at 31-3-2021
Current:		
Inventories and trade receivables	11409.83	15290.95
Cash and cash equivalents	4623.16	345.59
Loans	39256.71	34777.90
Other assets	690.07	522.27
Total inventories and current financial assets hypothecated as collateral	55979.77	50936.71
Non-current:		
Loans	39027.52	47357.97
Total non-current financial assets hypothecated as collateral	39027.52	47357.97

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: ₹ 1021.62 crore (previous year: ₹ 1023.64 crore). Out of above, ₹ 971.23 crore (previous year: ₹ 984.30 crore) is on the net investment in finance lease and ₹ 50.39 crore (previous year: ₹ 39.34 crore) is income relating to variable lease payments not included in the measurement of the net investment in finance leases.
- C. Selling profit on finance lease recognised in the Statement of Profit and Loss: ₹ 1.13 crore (previous year: ₹ 14.55 crore).
- D. Sub-lease income recognised on finance leases: ₹ 0.10 crore (previous year: ₹ 0.18 crore).
- E. The gross investment in these leases and the present value of minimum lease payments receivable is as under:

Sr. No.	Particulars	Minimum lease payments		Present value of minimum lease payments	
		As at	As at	As at	As at
		31-3-2022	31-3-2021	31-3-2022	31-3-2021
1	Receivable not later than 1 year	1241.74	1151.43	343.45	207.15
2	Receivable later than 1 year and not later than 2 years	1518.23	1235.89	643.44	310.37
3	Receivable later than 2 years and not later than 3 years	1291.33	1517.28	478.98	642.15
4	Receivable later than 3 years and not later than 4 years	1017.80	1290.94	246.71	478.38
5	Receivable later than 4 years and not later than 5 years	1008.68	1017.77	265.92	246.40
6	Receivable later than 5 years	11440.94	12449.61	5578.63	5841.02
7	Unguaranteed residual value	990.36	990.36	990.36	990.36
8	Gross investment in leases (1+2+3+4+5+6+7)	18509.08	19653.28	8547.49	8715.83
9	Less: Unearned finance income	9961.59	10937.45		
10	Present value of minimum lease payments receivable (8-9)	8547.49	8715.83		
11	Less: Impairment [in Developmental Projects Segment (Note 48)] / Expected credit loss on lease receivables	1989.06	1687.42	1989.06	1687.42
	Net lease receivables (10-11)	6558.43	7028.41	6558.43	7028.41

F. Reconciliation of carrying amount of net investment in finance lease receivables:

Sr. No.	Particulars	₹ crore	
		2021-22	2020-21
1	Opening balance	7028.41	8898.18
2	Finance income/sub-lease income recognised during the year	971.33	984.48
3	Addition to finance lease during the year	7.84	28.65
4	Lease rental received during the year	(1147.51)	(1195.48)
5	Impairment [in Developmental Projects Segment (Note 48)]/ Expected credit loss recognised during the year	(301.64)	(1687.42)
6	Closing balance (1+2+3+4+5)	6558.43	7028.41

(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: ₹ 107.52 crore (previous year: ₹ 101.31 crore).
- C. Sub-lease income recognised on operating leases: ₹ 2.98 crore (previous year: ₹ 3.94 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 31-3-2022	As at 31-3-2021
1	Receivable not later than 1 year	52.46	70.29
2	Receivable later than 1 year and not later than 2 years	41.48	48.66
3	Receivable later than 2 years and not later than 3 years	17.61	22.82
4	Receivable later than 3 years and not later than 4 years	1.37	7.41
5	Receivable later than 4 years and not later than 5 years	0.50	0.37
6	Receivable later than 5 years	0.40	0.64
Total (1+2+3+4+5+6)		113.82	150.19

(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 ₹ 3.08 crore (previous year: ₹ 4.12 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	
	2021-22	2020-21	2021-22	2020-21	As at 31-3-2022	As at 31-3-2021
Land	19.70	19.03	3.80	5.64	343.82	368.80
Buildings	397.69	363.20	423.10	354.63	1606.87	1602.80
Plant & equipment	36.13	73.57	28.04	5.78	33.27	42.82
Furniture & fixtures	1.67	1.67	–	–	3.48	5.14
Vehicles	0.21	0.16	–	0.34	0.25	0.45
Computers	0.59	0.24	–	1.76	0.93	1.52
Total	455.99	457.87	454.94	368.15	1988.62	2021.53

- (iv) Interest expense on lease liabilities amounts to ₹ 155.59 crore (previous year: ₹ 203.57 crore) [including ₹ Nil (previous year: ₹ 0.28 crore) pertaining to discontinued operations].
- (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 - ₹ 3102.47 crore (previous year: ₹ 2339.65 crore) [including ₹ Nil (previous year: ₹ 4.60 crore) pertaining to discontinued operations];
 - B. Low value leases - ₹ 68.62 crore (previous year: ₹ 38.88 crore)
- (vi) Total cash outflow for leases amounts to ₹ 3557.66 crore (previous year: ₹ 2792.92 crore) [including ₹ Nil (previous year: ₹ 5.89 crore) pertaining to discontinued operations] 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 as at year end. The aggregate future cash flows to which the Group is exposed in respect of these contracts are:

Fixed payments of ₹ 7.38 crore (previous year: ₹ 8.39 crore) per year, for a lease term of 5.5 years (previous year: 10 years)

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

NOTE [62]

Additional information pursuant to Schedule III to the Companies Act, 2013 as at and for the year ended 31-3-2022:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
Parent company								
Larsen and Toubro Limited	81.44%	67114.05	90.89%	7879.45	(11.00%)	(36.21)	87.16%	7843.24
Indian Subsidiaries								
Infrastructure:								
Hi-Tech Rock Products and Aggregates Limited	(0.00%)	(1.34)	(0.02%)	(1.33)	—	—	(0.01%)	(1.33)
L&T Geostructure Private Limited	0.35%	287.61	0.56%	48.36	(0.02%)	(0.08)	0.54%	48.28
L&T Infrastructure Engineering Limited	0.06%	47.53	0.02%	2.06	—	—	0.02%	2.06
IT & Technology Services:								
Larsen & Toubro Infotech Limited	10.20%	8402.87	26.08%	2260.93	19.51%	64.27	25.84%	2325.20
L&T Technology Services Limited	4.83%	3981.54	10.60%	918.55	24.46%	80.57	11.10%	999.12
Mindtree Limited (Consolidated)	6.64%	5473.94	19.07%	1652.90	29.63%	97.61	19.45%	1750.51
L&T Thales Technology Services Private Limited	0.06%	51.50	0.16%	13.50	0.04%	0.14	0.15%	13.64
Graphene Semiconductor Services Private Limited	0.01%	10.98	0.00%	0.14	—	—	0.00%	0.14
Seastar Labs Private Limited	0.00%	0.06	(0.00%)	(0.05)	—	—	(0.00%)	(0.05)
Esencia Technologies India Private Limited	0.00%	0.59	(0.00%)	(0.01)	—	—	(0.00%)	(0.01)
Lymbyc Solutions Private Limited	0.00%	0.52	(0.02%)	(2.16)	—	—	(0.02%)	(2.16)
Powerup Cloud Technologies Private Limited	0.01%	6.48	0.02%	1.97	(0.01%)	(0.02)	0.03%	1.95
Cuelogic Technologies Private Limited	0.02%	13.63	(0.00%)	(0.13)	—	—	(0.00%)	(0.13)
Financial Services:								
L&T Finance Holdings Limited	13.68%	11271.13	2.52%	218.18	0.73%	2.42	2.45%	220.60
L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)	1.63%	1340.38	0.05%	4.11	0.20%	0.66	0.06%	4.77
L&T Infra Investment Partners Advisory Private Limited	0.03%	21.52	0.04%	3.58	—	—	0.04%	3.58
L&T Infra Investment Partners Trustee Private Limited	0.00%	0.08	0.00%	0.01	—	—	0.00%	0.01
L&T Investment Management Limited	0.66%	541.57	1.75%	151.38	(0.30%)	(1.00)	1.67%	150.38
L&T Mutual Fund Trustee Limited	0.00%	0.96	0.00%	0.04	—	—	0.00%	0.04
L&T Financial Consultants Limited	0.30%	245.15	0.78%	67.67	0.01%	0.03	0.75%	67.70
Mudit Cement Private Limited	0.03%	22.28	(0.07%)	(6.26)	—	—	(0.07%)	(6.26)
L&T Finance Limited	20.01%	16491.38	9.32%	807.99	18.83%	62.02	9.67%	870.01
L&T Infra Investment Partners	0.48%	398.81	(0.53%)	(46.33)	—	—	(0.51%)	(46.33)
Developmental Projects:								
L&T Metro Rail (Hyderabad) Limited	(2.03%)	(1669.37)	(20.14%)	(1745.85)	0.15%	0.51	(19.40%)	(1745.34)

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)
Power Development:								
L&T Arunachal Hydropower Limited	(0.00%)	(0.15)	0.00%	0.08	—	—	0.00%	0.08
L&T Himachal Hydropower Limited	(0.00%)	(0.59)	0.03%	2.43	—	—	0.03%	2.43
L&T Power Development Limited	3.04%	2508.59	2.52%	218.93	—	—	2.43%	218.93
L&T Uttarakhand Hydropower Limited	—	—	0.45%	39.16	—	—	0.44%	39.16
Nabha Power Limited	4.79%	3951.21	3.48%	301.82	(0.20%)	(0.66)	3.35%	301.16
Realty:								
Chennai Vision Developers Private Limited	(0.00%)	(0.03)	(0.00%)	(0.01)	—	—	(0.00%)	(0.01)
L&T Asian Realty Project LLP	(0.08%)	(68.80)	(0.27%)	(23.38)	—	—	(0.25%)	(23.38)
L&T Parel Project Private Limited (formerly known as L&T Parel Project LLP)	0.25%	206.60	0.69%	59.82	(0.01%)	(0.03)	0.66%	59.79
L&T Realty Developers Limited	1.13%	927.59	1.69%	146.42	(0.01%)	(0.04)	1.63%	146.38
LTR SSM Private Limited	—	—	—	—	—	—	—	—
L&T Seawoods Limited	3.40%	2801.36	0.62%	53.36	0.01%	0.02	0.60%	53.38
L&T Vision Ventures Limited	—	—	—	—	—	—	—	—
L&T Innovation Campus (Chennai) Limited (formerly known as L&T Electricals and Automation Limited)	(0.00%)	(2.32)	(0.01%)	(0.59)	—	—	(0.01%)	(0.59)
L&T Westend Project LLP	—	—	—	—	—	—	—	—
Valves, Construction Equipment:								
L&T Construction Equipment Limited	0.25%	204.38	0.13%	11.45	(0.03%)	(0.10)	0.13%	11.35
L&T Valves Limited	0.59%	484.44	0.16%	14.10	(0.02%)	(0.07)	0.16%	14.03
Others:								
Bhilai Power Supply Company Limited	0.00%	0.05	—	—	—	—	—	—
L&T Power Limited	0.01%	5.84	0.00%	0.12	—	—	0.00%	0.12
Kesun Iron and Steel Company Private Limited	—	—	—	—	—	—	—	—
L&T Aviation Services Private Limited	0.05%	37.13	0.02%	2.00	—	—	0.02%	2.00
L&T Capital Company Limited	0.00%	3.70	—	—	—	—	—	—
L&T Infra Contractors Private Limited	—	—	—	—	—	—	—	—
Foreign Subsidiaries								
Infrastructure:								
Larsen & Toubro (Oman) LLC	0.52%	425.11	0.07%	6.11	2.81%	9.25	0.17%	15.36
Larsen & Toubro Qatar LLC	(0.00%)	(0.50)	(0.00%)	(0.24)	(0.10%)	(0.34)	(0.01%)	(0.58)
Larsen & Toubro Saudi Arabia LLC	0.55%	455.00	0.51%	44.38	19.67%	64.78	1.21%	109.16
Larsen & Toubro T&D SA (Proprietary) Limited	0.00%	3.73	0.00%	0.13	0.06%	0.21	0.01%	0.34
Larsen & Toubro (East Asia) Sdn. Bhd.	0.01%	4.61	0.00%	0.29	0.03%	0.10	0.00%	0.39

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)
Hydrocarbon:								
Larsen & Toubro Heavy Engineering LLC	(0.16%)	(128.91)	(0.10%)	(8.69)	(1.34%)	(4.42)	(0.15%)	(13.11)
L&T Modular Fabrication Yard LLC	0.22%	179.07	(0.42%)	(36.01)	2.11%	6.95	(0.31%)	(29.06)
Larsen Toubro Arabia LLC	(0.32%)	(262.34)	0.43%	37.11	(3.10%)	(10.22)	0.30%	26.89
L&T Hydrocarbon Saudi Company	(0.79%)	(653.33)	0.09%	7.64	(25.16%)	(82.88)	(0.84%)	(75.24)
Larsen & Toubro Kuwait Construction General Contracting Company WLL	0.01%	8.92	0.01%	0.81	0.09%	0.28	0.01%	1.09
PT Larsen & Toubro Hydrocarbon Engineering Indonesia	—	—	—	—	—	—	—	—
Larsen & Toubro Electromech LLC	(0.09%)	(72.11)	(1.43%)	(123.69)	1.31%	4.30	(1.33%)	(119.39)
L&T Hydrocarbon International FZE	0.00%	0.48	0.01%	0.48	—	—	0.01%	0.48
IT & Technology Services:								
L&T Information Technology Services (Shanghai) Co., Limited	(0.00%)	(1.66)	0.03%	2.24	(0.06%)	(0.20)	0.02%	2.04
L&T Infotech Financial Services Technologies Inc.	0.38%	312.83	1.26%	108.97	(0.88%)	(2.89)	1.18%	106.08
Larsen & Toubro Infotech Canada Limited	0.06%	49.32	0.13%	11.54	0.53%	1.74	0.15%	13.28
Larsen & Toubro Infotech LLC	0.01%	6.63	0.00%	0.25	0.07%	0.24	0.01%	0.49
Larsen and Toubro Infotech South Africa (Proprietary) Limited	0.02%	17.76	0.07%	5.72	0.27%	0.89	0.07%	6.61
Larsen & Toubro Infotech GmbH	0.45%	366.93	(0.18%)	(15.97)	0.40%	1.32	(0.16%)	(14.65)
L&T Information Technology Spain SL	0.00%	0.47	0.00%	0.16	(0.00%)	(0.01)	0.00%	0.15
Larsen & Toubro Infotech Norge AS	0.01%	9.33	0.07%	5.67	0.04%	0.12	0.06%	5.79
Larsen & Toubro LLC	0.00%	2.95	0.00%	0.01	0.03%	0.10	0.00%	0.11
L&T Infotech S. DE R.L. DE C.V.	0.01%	4.22	0.03%	2.45	0.06%	0.19	0.03%	2.64
Syncordis S.A.	0.05%	42.13	0.11%	9.13	(0.24%)	(0.78)	0.09%	8.35
Syncordis France SARL	(0.01%)	(7.48)	(0.02%)	(1.54)	0.05%	0.15	(0.02%)	(1.39)
Syncordis Limited	(0.04%)	(24.91)	(0.08%)	(6.99)	0.12%	0.40	(0.07%)	(6.59)
Syncordis PSF S.A.	0.01%	9.03	0.07%	6.23	(0.07%)	(0.22)	0.07%	6.01
Nielsen+Partner Unternehmensberater GmbH	0.01%	10.29	(0.02%)	(1.48)	(0.04%)	(0.14)	(0.02%)	(1.62)
Nielsen+Partner Unternehmensberater AG	0.00%	3.20	(0.01%)	(0.50)	0.07%	0.22	(0.00%)	(0.28)
Nielsen+Partner Pte Limited	0.03%	27.43	(0.09%)	(7.95)	0.28%	0.92	(0.08%)	(7.03)
Nielsen&Partner Company Limited	(0.00%)	(2.49)	(0.01%)	(0.80)	0.01%	0.04	(0.01%)	(0.76)
Nielsen&Partner Pty Limited	(0.01%)	(5.07)	(0.05%)	(4.15)	(0.04%)	(0.14)	(0.05%)	(4.29)
Ruletronics Limited	—	—	(0.00%)	(0.28)	(0.01%)	(0.02)	(0.00%)	(0.30)
Ruletronics Systems Inc.	0.00%	0.99	0.00%	0.21	0.01%	0.03	0.00%	0.24
Lymbyc Solutions Inc.	(0.00%)	(0.39)	—	—	—	—	—	—
L&T Technology Services LLC	0.38%	309.07	0.50%	43.38	5.11%	16.86	0.67%	60.24
Graphene Solutions PTE Limited	0.00%	0.53	(0.00%)	(0.13)	0.01%	0.02	(0.00%)	(0.11)

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)
Graphene Solutions SDN. BHD.	0.00%	0.13	(0.00%)	(0.02)	–	–	(0.00%)	(0.02)
Graphene Solutions Taiwan Limited	0.00%	0.23	(0.00%)	(0.08)	0.00%	0.01	(0.00%)	(0.07)
L&T Technology Services (Shanghai) Co. Limited	0.00%	2.26	0.01%	1.02	0.03%	0.11	0.01%	1.13
Orchestra Technology, Inc.	0.02%	15.19	(0.08%)	(6.77)	0.20%	0.65	(0.07%)	(6.12)
Larsen & Toubro Infotech UK Limited	0.02%	12.71	0.15%	12.79	(0.09%)	(0.30)	0.14%	12.49
LTI Middle East FZ-LLC	0.02%	17.97	0.19%	16.25	0.10%	0.33	0.18%	16.58
L&T Technology Services (Canada) Limited	(0.00%)	(0.88)	(0.01%)	(0.95)	(0.01%)	(0.02)	(0.01%)	(0.97)
Cuelogic Technologies Inc.	0.00%	0.97	0.01%	0.60	0.01%	0.02	0.01%	0.62
Valves, Construction Equipment:								
L&T Valves Arabia Manufacturing LLC	(0.00%)	(2.07)	(0.04%)	(3.33)	(0.01%)	(0.04)	(0.04%)	(3.37)
L&T Valves USA LLC	0.00%	2.18	0.01%	0.82	0.02%	0.06	0.01%	0.88
Electrical & Automation:								
Thaltest Limited	–	–	–	–	–	–	–	–
Others:								
L&T International FZE	0.49%	403.05	0.49%	42.35	4.12%	13.58	0.62%	55.93
L&T Global Holdings Limited	0.73%	601.54	0.00%	0.09	6.46%	21.29	0.24%	21.38
Total Subsidiaries		60142.92		5322.22		348.79		5671.01
Non-controlling Interest in all subsidiaries	(15.73%)	(12966.07)	(20.20%)	(1749.91)	(33.08%)	(108.97)	(20.66%)	(1858.88)
Associates								
Indian Associates								
Gujarat Leather Industries Limited	–	–	–	–	–	–	–	–
Magtorq Private Limited	0.01%	5.54	0.01%	0.77	–	–	0.01%	0.77
Magtorq Engineering Solutions Private Limited	0.00%	0.53	0.00%	0.04	–	–	0.00%	0.04
Foreign Associates								
Larsen & Toubro Qatar & HBK Contracting Co. WLL	(0.00%)	(3.89)	–	–	–	–	–	–
L&T Camp Facilities LLC	0.00%	3.03	(0.02%)	(1.40)	(0.02%)	(0.08)	(0.02%)	(1.48)
Total Associates		5.21		(0.59)		(0.08)		(0.67)
Indian Joint Ventures								
Power:								
L&T - MHI Power Boilers Private Limited	1.07%	884.93	1.42%	122.94	(0.10%)	(0.34)	1.36%	122.60
L&T - MHI Power Turbine Generators Private Limited	0.24%	196.44	0.06%	5.02	1.75%	5.75	0.12%	10.77
L&T Howden Private Limited	0.09%	76.19	0.17%	14.10	–	–	0.16%	14.10
L&T-Sargent & Lundy Limited	0.05%	37.44	0.12%	9.36	0.05%	0.18	0.11%	9.54

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)
Heavy Engineering:								
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]	(2.18%)	(1792.48)	—	—	—	—	—	—
Defence Engineering:								
L&T MBDA Missile Systems Limited	0.04%	33.68	0.30%	26.34	—	—	0.29%	26.34
Hydrocarbon:								
L&T Sapura Offshore Private Limited	0.00%	0.30	0.00%	0.01	—	—	0.00%	0.01
L&T Sapura Shipping Private Limited	0.23%	192.04	(0.75%)	(64.62)	2.39%	7.86	(0.63%)	(56.76)
L&T-Chiyoda Limited	0.06%	48.18	(0.07%)	(6.40)	0.15%	0.50	(0.07%)	(5.90)
Developmental Projects:								
L&T Infrastructure Development Projects Limited (Consolidated)	0.98%	808.58	0.15%	12.62	16.91%	55.71	0.76%	68.33
Others:								
Raykal Aluminium Company Private Limited	0.00%	0.06	(0.00%)	(0.01)	—	—	(0.00%)	(0.01)
Foreign Joint Ventures								
Construction								
L&T Infrastructure Engineering Limited and LEA Associates South Asia Private Limited JV LLP	0.00%	2.00	0.02%	1.80	—	—	0.02%	1.80
Hydrocarbon:								
Indiran Engineering Projects & Systems Kish PJSC	(0.00%)	(0.04)	(0.00%)	(0.01)	0.01%	0.03	0.00%	0.02
L&T Hydrocarbon Caspian LLC	—	—	—	—	—	—	—	—
Total Joint Ventures		<u>487.32</u>		<u>121.15</u>		<u>69.69</u>		<u>190.84</u>
CFS adjustment and elimination	(39.30%)	(32375.77)	(33.49%)	(2902.99)	17.04%	56.16	(31.64%)	(2846.83)
Total		<u>82407.66</u>		<u>8669.33</u>		<u>329.38</u>		<u>8998.71</u>

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

NOTE [63]

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

- (i) The Parent Company renewed the loan of ₹ 24.66 crore to Hi-Tech Rock Product & Aggregates Limited, a subsidiary, as its business was affected majorly due to an inverted duty structure. The subsidiary company has initiated measures to become more cost competitive including redressal of the inverted duty structure through various forums.
- (ii) The Parent Company renewed the loan of ₹ 168.48 crore to L&T Sapura Shipping Private Limited, a joint venture, as the vessel owned by it was under major repairs since its accident in March 2020 and the joint venture company was unable to generate revenue. The vessel is expected to be re-commissioned in 2022-23. The payment of interest of ₹ 3.50 crore on the Parent Company's bridge loan, for repairs of the vessel, is overdue and would be settled out of insurance claim proceeds.
- (iii) The payment of interest of ₹ 35.83 crore on the loan given by L&T Seawoods Limited, a subsidiary, to Asian Realty Projects LLP, another subsidiary, is overdue. The loan would be repaid from the proceeds of the sale of inventory i.e. residential flats. Due to the sub-optimal bookings in the project, the borrower company could not service interest on the loan. The subsidiary companies have taken reasonable steps for regularisation of the account.
- (iv) L&T Chennai Tada Tollway Limited, a subsidiary and SPV of L&T Infrastructure Development Projects Limited, a joint venture, has not repaid the loan of ₹ 265.22 crore to banks as the company is yet to receive the dues on termination of the project as below:
 - (a) Under the Concession agreement, NHAI was to arrange land for conversion of 66 km of 4 lane-road to 6 lanes. The SPV could construct 42 km and remaining 24 km could not be completed as NHAI could not make land available. Due to default by NHAI on this condition, the SPV terminated the project in 2015 and claimed the termination dues as per the concession agreement.
 - (b) Pending settlement of the termination dues, SPV approached the Hon'ble Delhi High Court and obtained the directions for NHAI to deposit toll collections from the project in the SPV's escrow account till the arbitration award.
 - (c) The favourable arbitration award for determination and settlement of termination dues was received in 2019. NHAI, which hitherto was depositing the toll collections in the escrow account, discontinued the same w.e.f. November 8, 2020 and also appealed against the award with High Court of Delhi.
 - (d) With toll collections not available, the SPV could not service the interest payment. The lenders filed an application before the Debt Recovery Tribunal (DRT), Chennai seeking direction to issue recovery certificate against the SPV. As per the DRT order dated April 13, 2022, the SPV was asked to deposit ₹ 70.00 crore in two instalments which are not due yet.
 - (e) The SPV has sought remedy to link the debt servicing with the receipt of termination dues from NHAI.
- (v) L&T Special Steels and Heavy Forgings Private Limited (LTSSHF), a joint venture, owes a loan of ₹ 1871.61 crore to L&T. The loan falls due in 2022-23. LTSSHF has estimated a cash shortfall to fulfil the repayment obligation and is, in discussion with its promoters, exploring options to restructure its balance sheet.

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

NOTE [63] (contd.)

(b) 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, 2022	Balance outstanding as at March 31, 2021	
1	Walls Infra Solution Private Limited	Accounts Payable	NA	– ⁽¹⁾	– ⁽¹⁾	
2	Avn Green Technologies Private Limited	Accounts Payable	NA	– ⁽¹⁾	– ⁽¹⁾	
3	Alert Infraprojects Private Limited	Accounts Payable	NA	0.01	0.01	
4	I S Earth Movers Private Limited	Accounts Payable	NA	– ⁽¹⁾	– ⁽¹⁾	
5	Victor Properties Private Limited	Shares held by struck off company	NA	– ⁽¹⁾	– ⁽¹⁾	
6	Kothari Intergroup Limited	Shares held by struck off company	NA	– ⁽¹⁾	– ⁽¹⁾	
7	Inmech Engineering Private Limited	Loan given to struck off company by subsidiary	NA	– ⁽¹⁾	– ⁽¹⁾	

⁽¹⁾ Less than ₹ 1 Lakhs

NOTE [64]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022.

NOTE [65]

- a. For better understanding of the Group's financial performance, line items have been added to show Profit after tax from continuing operations separately from exceptional items. This is in line with guidance available in Schedule III to the Act.
- b. 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
Sr. No. Particulars	Hi-Tech Rock Products and Aggregates Limited	L&T Geostructure Private Limited	L&T Infrastructure Engineering Limited	Larsen & Toubro Infotech Limited	L&T Technology Services Limited	Mindtree Limited
Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
Currency	INR	INR	INR	INR	INR	INR
Exchange rate on the last day of financial year	-	-	-	-	-	-
Date of incorporation/ Date of Acquisition	01-Jan-08*	25-Nov-20*	09-Dec-98*	23-Dec-96*	14-Jun-12*	02-Jul-19
1 Share capital (including share application money pending allotment)	0.05	25.00	3.60	17.53	21.11	164.83
2 Other equity/Reserves and surplus (as applicable)	(1.39)	262.61	43.93	8385.34	3960.50	5308.60
3 Liabilities	92.54	1091.22	56.88	3300.43	1726.69	2683.37
4 Total equity and liabilities	91.20	1378.83	104.41	11703.30	5708.30	8156.80
5 Total assets	91.20	1378.83	104.41	11703.30	5708.30	8156.80
6 Investments	11.53	0.00	0.09	4142.80	1647.37	2552.30
7 Turnover	48.55	1211.52	84.72	14406.43	5873.68	10525.29
8 Profit before taxation	(1.33)	70.39	3.06	3010.47	1250.84	2210.60
9 Provision for taxation	-	22.03	1.01	749.54	332.29	557.80
10 Profit after taxation	(1.33)	48.36	2.06	2260.93	918.55	1652.80
11 Interim dividend - equity	-	-	-	(437.88)	(210.95)	(164.81)
12 Interim dividend - preference	-	-	-	-	-	-
13 Proposed dividend - equity	-	-	-	(389.35)	(116.98)	(271.42)
14 Proposed dividend - preference	-	-	-	-	-	-
15 % of share holding	100.00	100.00	100.00	74.05	73.90	60.99

Sr. No.	7	8	9	10	11	12
Sr. No. Particulars	L&T Thales Technology Services Private Limited	Graphene Semiconductor Services Private Limited	Seastar Labs Private Limited	Esencia Technologies India Private Limited	Lymbyc Solutions Private Limited	Powerup Cloud Technologies Private Limited
Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
Currency	INR	INR	INR	INR	INR	INR
Exchange rate on the last day of financial year	-	-	-	-	-	-
Date of incorporation/ Date of Acquisition	15-Feb-14	15-Oct-18	15-Oct-18	31-May-17	29-Aug-19	25-Oct-19
1 Share capital (including share application money pending allotment)	2.06	1.43	0.05	0.01	1.15	0.02
2 Other equity/Reserves and surplus (as applicable)	49.44	9.55	0.01	0.58	(0.63)	6.46
3 Liabilities	23.67	0.17	0.14	0.01	2.95	2.12
4 Total equity and liabilities	75.17	11.15	0.20	0.60	3.47	8.60
5 Total assets	75.17	11.15	0.20	0.60	3.47	8.60
6 Investments	27.51	10.66	-	-	0.56	-
7 Turnover	91.91	-	-	-	-	9.75
8 Profit before taxation	18.20	0.22	(0.05)	(0.01)	(1.79)	1.98
9 Provision for taxation	4.70	0.08	-	-	0.37	0.00
10 Profit after taxation	13.50	0.14	(0.05)	(0.01)	(2.16)	1.97
11 Interim dividend - equity	-	-	-	-	-	-
12 Interim dividend - preference	-	-	-	-	-	-
13 Proposed dividend - equity	-	-	-	-	-	-
14 Proposed dividend - preference	-	-	-	-	-	-
15 % of share holding	54.69	73.90	73.90	73.90	74.05	74.05

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	13	14	15	16	17	18
Sr. No. Particulars	Cuelogic Technologies Private Limited	L&T Finance Holdings Limited	L&T Infra Credit Limited	L&T Infra Investment Partners Advisory Private Limited	L&T Infra Investment Partners Trustee Private Limited	L&T Investment Management Limited
Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
Currency	INR	INR	INR	INR	INR	INR
Exchange rate on the last day of financial year	-	-	-	-	-	-
Date of incorporation/ Date of Acquisition	07-Jul-21	01-May-08*	19-Mar-13*	30-May-11*	12-Aug-11*	25-Apr-96*
1 Share capital (including share application money pending allotment)	0.01	2474.04	490.18	5.00	0.10	251.82
2 Other equity/Reserves and surplus (as applicable)	13.62	8797.09	850.20	16.52	(0.02)	289.75
3 Liabilities	15.43	152.89	7850.69	0.57	0.01	84.99
4 Total equity and liabilities	29.06	11424.02	9191.07	22.09	0.09	626.56
5 Total assets	29.06	11424.02	9191.07	22.09	0.09	626.56
6 Investments	0.01	9202.12	2508.07	20.66	0.00	547.85
7 Turnover	43.08	350.46	728.93	6.50	0.03	390.68
8 Profit before taxation	(0.21)	254.43	11.00	4.78	0.01	203.33
9 Provision for taxation	(0.08)	36.25	6.89	1.20	-	51.95
10 Profit after taxation	(0.13)	218.18	4.11	3.58	0.01	151.38
11 Interim dividend - equity	-	-	-	-	-	(251.82)
12 Interim dividend - preference	-	-	-	-	-	-
13 Proposed dividend - equity	-	(81.96)	-	-	-	-
14 Proposed dividend - preference	-	-	-	-	-	-
15 % of share holding	74.05	66.26	66.26	66.26	66.26	66.26

Sr. No.	19	20	21	22	23	24
Sr. No. Particulars	L&T Mutual Fund Trustee Limited	L&T Financial Consultants Limited	Mudit Cement Private Limited	L&T Finance Limited	L&T Metro Rail (Hyderabad) Limited	L&T Arunachal Hydropower Limited
Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
Currency	INR	INR	INR	INR	INR	INR
Exchange rate on the last day of financial year	-	-	-	-	-	-
Date of incorporation/ Date of Acquisition	30-Apr-96*	16-Jun-11*	27-Dec-13	31-Dec-12*	24-Aug-10*	24-Jun-10*
1 Share capital (including share application money pending allotment)	0.15	18.75	84.10	2684.17	2439.00	40.39
2 Other equity/Reserves and surplus (as applicable)	0.81	226.40	(61.82)	13807.21	(4108.37)	(40.54)
3 Liabilities	0.07	184.08	0.11	79680.45	19027.47	0.18
4 Total equity and liabilities	1.03	429.23	22.39	96171.83	17358.10	0.03
5 Total assets	1.03	429.23	22.39	96171.83	17358.10	0.03
6 Investments	0.67	26.88	-	9303.95	-	-
7 Turnover	0.07	159.45	-	11057.58	456.87	-
8 Profit before taxation	0.04	113.06	(6.26)	1091.87	(1746.21)	0.08
9 Provision for taxation	-	45.39	-	283.89	(0.36)	-
10 Profit after taxation	0.04	67.67	(6.26)	807.98	(1745.85)	0.08
11 Interim dividend - equity	-	-	-	-	-	-
12 Interim dividend - preference	-	-	-	-	-	-
13 Proposed dividend - equity	-	-	-	-	-	-
14 Proposed dividend - preference	-	-	-	-	-	-
15 % of share holding	66.26	66.26	66.26	66.26	100.00	100.00

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	Sr. No.	25	26	27	28	29	30
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-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	
Currency	INR	INR	INR	INR	INR	INR	
Exchange rate on the last day of financial year	-	-	-	-	-	-	
Date of incorporation/ Date of Acquisition	22-Jun-10*	12-Sep-07*	09-Apr-07*	14-Aug-08*	25-01-22*	29-Jul-97	
1	Share capital (including share application money pending allotment)	200.55	3112.70	2397.60	0.01	0.01	815.46
2	Other equity/Reserves and surplus (as applicable)	(201.14)	(604.11)	1553.60	(0.04)	206.59	112.13
3	Liabilities	0.64	3.82	6025.91	0.03	437.27	510.10
4	Total equity and liabilities	0.05	2512.41	9977.11	0.00	643.87	1437.69
5	Total assets	0.05	2512.41	9977.11	0.00	643.87	1437.69
6	Investments	-	2508.58	-	0.00	4.16	344.75
7	Turnover	-	2.25	4128.88	-	345.40	373.42
8	Profit before taxation	2.43	221.79	301.82	(0.01)	92.53	173.04
9	Provision for taxation	0.00	2.86	-	-	32.72	26.66
10	Profit after taxation	2.43	218.93	301.82	(0.01)	59.82	146.38
11	Interim dividend - equity	-	-	-	-	-	(50.15)
12	Interim dividend - preference	-	-	-	-	-	(51.86)
13	Proposed dividend - equity	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	100.00	100.00	100.00	100.00	100.00	100.00

Sr. No.	Sr. No.	31	32	33	34	35	36
Particulars	LTR SSM Private Limited	L&T Seawoods Limited	L&T Innovation Campus (Chennai) Limited	L&T Construction Equipment Limited	L&T Valves Limited	Bhilai Power Supply Company Limited	
Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	
Currency	INR	INR	INR	INR	INR	INR	
Exchange rate on the last day of financial year	-	-	-	-	-	-	
Date of incorporation/ Date of Acquisition	24-Sep-18*	13-Mar-08*	12-Dec-07*	18-Dec-18*	23-Nov-61*	11-Jul-95*	
1	Share capital (including share application money pending allotment)	0.10	1846.20	7.44	199.14	18.00	0.05
2	Other equity/Reserves and surplus (as applicable)	(0.10)	955.14	(9.76)	5.24	466.44	-
3	Liabilities	-	797.89	18.17	165.43	503.01	1.06
4	Total equity and liabilities	-	3599.23	15.85	369.81	987.45	1.11
5	Total assets	-	3599.23	15.85	369.81	987.45	1.11
6	Investments	-	541.87	-	-	8.43	-
7	Turnover	-	48.14	-	402.41	971.97	-
8	Profit before taxation	-	85.32	(0.12)	11.76	19.84	-
9	Provision for taxation	-	31.98	0.48	0.31	5.73	-
10	Profit after taxation	-	53.34	(0.59)	11.45	14.10	-
11	Interim dividend - equity	-	-	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	99.00	100.00	100.00	100.00	100.00	99.90

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	Sr. No.	37	38	39	40	41	42
	Particulars	L&T Power Limited	Kesun Iron and Steel Company Private Limited	L&T Aviation Services Private Limited	L&T Capital Company Limited	L&T - MHI Power Boilers Private Limited	L&T - MHI Power Turbine Generators Private Limited
	Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
	Currency	INR	INR	INR	INR	INR	INR
	Exchange rate on the last day of financial year	-	-	-	-	-	-
	Date of incorporation/ Date of Acquisition	09-Mar-06*	16-Jan-09*	06-Nov-09*	06-Apr-00*	09-Oct-06*	27-Dec-06*
1	Share capital (including share application money pending allotment)	0.05	0.01	45.60	0.05	234.10	710.60
2	Other equity/Reserves and surplus (as applicable)	5.79	(0.01)	(8.47)	3.65	1501.04	(325.42)
3	Liabilities	0.05	-	2.25	0.13	1715.27	1308.44
4	Total equity and liabilities	5.89	-	39.38	3.83	3450.41	1693.62
5	Total assets	5.89	-	39.38	3.83	3450.41	1693.62
6	Investments	6.11	-	-	0.00	98.08	61.63
7	Turnover	-	-	20.08	-	2310.60	607.55
8	Profit before taxation	0.17	-	2.69	0.00	324.36	9.85
9	Provision for taxation	0.05	-	0.69	0.00	83.34	-
10	Profit after taxation	0.12	-	2.00	0.00	241.02	9.85
11	Interim dividend - equity	-	-	-	(1.50)	(234.10)	-
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	99.99	95.00	100.00	100.00	51.00	51.00
	Particulars	L&T Howden Private Limited	L&T-Sargent & Lundy Limited	L&T Special Steels and Heavy Forgings Private Limited	L&T MBDA Missile Systems Limited	L&T Sapura Offshore Private Limited	L&T Sapura Shipping Private Limited
	Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
	Currency	INR	INR	INR	INR	INR	USD
	Exchange rate on the last day of financial year	-	-	-	-	-	75.79
	Date of incorporation/ Date of Acquisition	17-Jun-10*	05-May-95*	01-Jul-09*	05-Apr-17*	02-Sep-10*	02-Sep-10*
1	Share capital (including share application money pending allotment)	30.00	5.57	566.60	1.00	0.01	158.85
2	Other equity/Reserves and surplus (as applicable)	122.07	69.30	(2988.87)	65.03	0.49	161.21
3	Liabilities	186.05	35.87	2924.05	265.22	6.01	466.25
4	Total equity and liabilities	338.12	110.74	501.78	331.25	6.51	786.31
5	Total assets	338.12	110.74	501.78	331.25	6.51	786.31
6	Investments	-	65.92	-	-	-	-
7	Turnover	293.77	102.08	263.11	147.03	-	0.70
8	Profit before taxation	37.79	21.42	(183.94)	54.39	0.00	(107.56)
9	Provision for taxation	9.64	2.70	-	2.74	(0.00)	0.13
10	Profit after taxation	28.14	18.71	(183.94)	51.65	0.01	(107.69)
11	Interim dividend - equity	(6.75)	(6.00)	-	-	-	-
12	Interim dividend - preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	50.10	50.00	74.00	51.00	60.00	60.00

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	Sr. No.	61	62	63	64		
		L&T Rajkot-Vadinar Tollway Limited	L&T Chennai-Tada Tollway Limited	Watrak Infrastructure Private Limited	LT IDPL INDVIT Services Limited		
	Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22		
	Currency	INR	INR	INR	INR		
	Exchange rate on the last day of financial year	-	-	-	-		
	Date of incorporation/ Date of Acquisition	08-Sep-08*	24-Mar-08*	18-Nov-21	20-May-99*		
1	Share capital (including share application money pending allotment)	110.00	42.00	0.01	13.95		
2	Other equity/Reserves and surplus (as applicable)	(169.54)	(6.22)	(0.01)	104.55		
3	Liabilities	809.22	318.47	0.01	38.30		
4	Total equity and liabilities	749.68	354.25	0.01	156.80		
5	Total assets	749.68	354.25	0.01	156.80		
6	Investments	-	-	-	1.43		
7	Turnover	112.53	0.00	-	26.45		
8	Profit before taxation	110.90	(0.10)	(0.01)	101.35		
9	Provision for taxation	-	0.21	-	25.38		
10	Profit after taxation	110.90	(0.31)	(0.01)	75.97		
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		
	Sr. No.	65	66	67	68	69	70
		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.	Larsen & Toubro Heavy Engineering LLC
	Financial year ending on	31-Dec-21	31-Dec-21	31-Dec-21	31-Mar-22	31-Mar-22	31-Dec-21
	Currency	OMR	QAR	SAR	ZAR	MYR	OMR
	Exchange rate on the last day of financial year	193.08	20.41	19.80	5.23	18.03	193.08
	Date of incorporation/ Date of Acquisition	29-Jan-94*	31-Mar-04*	22-Jun-99*	06-Sep-10*	13-Jun-96*	07-Apr-08*
1	Share capital (including share application money pending allotment)	28.13	0.41	28.46	3.92	0.86	109.38
2	Other equity/Reserves and surplus (as applicable)	461.63	(1.67)	346.72	(0.19)	3.75	(160.20)
3	Liabilities	2129.47	1.40	1898.81	0.39	75.83	107.93
4	Total equity and liabilities	2619.23	0.14	2273.99	4.12	80.44	57.11
5	Total assets	2619.23	0.14	2273.99	4.12	80.44	57.11
6	Investments	-	-	-	-	-	-
7	Turnover	1426.96	(0.32)	2230.13	-	101.45	5.82
8	Profit before taxation	12.35	(0.32)	109.05	0.13	0.29	(11.64)
9	Provision for taxation	0.70	-	21.37	0.00	-	-
10	Profit after taxation	11.66	(0.32)	87.67	0.13	0.29	(11.64)
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	70.00

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	71	72	73	74	75	76	
Sr. No.	Particulars	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	L&T Information Technology Services (Shanghai) Co., Ltd.
	Financial year ending on	31-Dec-21	31-Dec-21	31-Dec-21	31-Dec-21	31-Dec-21	31-Dec-21
	Currency	OMR	SAR	SAR	KWD	OMR	CNY
	Exchange rate on the last day of financial year	193.08	19.80	19.80	245.75	193.08	11.70
	Date of incorporation/ Date of Acquisition	05-Jul-06*	01-Jul-12*	08-Jul-07*	29-Nov-06*	01-Jan-05	28-Jun-13*
1	Share capital (including share application money pending allotment)	55.70	19.80	1.98	49.15	5.79	1.26
2	Other equity/Reserves and surplus (as applicable)	199.55	(286.52)	(618.41)	(40.28)	31.91	(3.85)
3	Liabilities	215.65	814.51	1668.96	17.41	275.40	11.45
4	Total equity and liabilities	470.90	547.79	1052.53	26.28	313.10	8.86
5	Total assets	470.90	547.79	1052.53	26.28	313.10	8.86
6	Investments	–	–	–	–	–	–
7	Turnover	480.81	463.93	618.54	18.29	720.26	32.19
8	Profit before taxation	(36.75)	43.32	3.02	1.79	(14.98)	(0.79)
9	Provision for taxation	(6.36)	9.72	3.71	–	–	1.44
10	Profit after taxation	(30.39)	33.59	(0.69)	1.79	(14.98)	(2.23)
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	70.00	75.00	100.00	49.00	70.00	74.05

Sr. No.	77	78	79	80	81	82	
Sr. No.	Particulars	L&T Infotech Financial Services Technologies Inc.	Larsen & Toubro Infotech Canada Limited	Larsen & Toubro Infotech LLC	Larsen and Toubro Infotech South Africa (Proprietary) Limited	Larsen & Toubro Infotech GmbH	L&T Information Technology Spain SL
	Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
	Currency	CAD	CAD	USD	ZAR	EURO	EURO
	Exchange rate on the last day of financial year	60.49	60.49	75.79	5.23	84.22	84.22
	Date of incorporation/ Date of Acquisition	01-Jan-11	25-Apr-00	21-Jul-09*	25-Jul-12	14-Jun-99*	01-Feb-16*
1	Share capital (including share application money pending allotment)	151.23	0.00	–	0.21	1.05	0.42
2	Other equity/Reserves and surplus (as applicable)	166.01	49.90	6.63	17.55	345.21	0.70
3	Liabilities	30.82	47.03	6.98	12.87	140.97	4.71
4	Total equity and liabilities	348.06	96.93	13.61	30.63	487.23	5.83
5	Total assets	348.06	96.93	13.61	30.63	487.23	5.83
6	Investments	–	–	–	–	426.70	–
7	Turnover	355.74	350.30	22.25	38.60	168.52	17.89
8	Profit before taxation	149.12	16.41	0.25	7.95	(32.32)	0.22
9	Provision for taxation	39.39	4.38	–	2.31	(0.28)	–
10	Profit after taxation	109.73	12.03	0.25	5.64	(32.04)	0.22
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	74.05	74.05	74.05	51.52	74.05	74.05

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	Sr. No.	95	96	97	98	99	100
	Particulars	Ruletronics Limited	Ruletronics Systems Inc.	Larsen & Toubro Infotech UK Limited	LTI Middle East FZ-LLC	Lymbyc Solutions Inc.	Cuelogic Technologies Inc.
	Financial year ending on	28-Feb-22	31-Dec-21	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
	Currency	GBP	USD	GBP	AED	USD	USD
	Exchange rate on the last day of financial year	100.70	74.34	99.46	20.64	75.79	75.79
	Date of incorporation/ Date of Acquisition	01-Feb-19	01-Feb-19	17-Aug-20*	25-Nov-20*	29-Aug-19	07-Jul-21
1	Share capital (including share application money pending allotment)	0.00	–	0.01	3.84	0.70	0.01
2	Other equity/Reserves and surplus (as applicable)	(0.00)	1.03	13.74	18.26	(1.15)	0.92
3	Liabilities	–	0.06	76.00	293.58	0.45	3.91
4	Total equity and liabilities	–	1.09	89.75	315.68	–	4.84
5	Total assets	–	1.09	89.75	315.68	–	4.84
6	Investments	–	–	–	–	–	–
7	Turnover	1.83	10.77	336.48	369.36	–	10.79
8	Profit before taxation	(0.20)	(0.58)	16.89	19.51	(0.00)	0.97
9	Provision for taxation	–	0.02	3.32	–	–	0.29
10	Profit after taxation	(0.20)	(0.59)	13.57	19.51	(0.00)	0.68
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	74.05	74.05	74.05	74.05	74.05	74.05

Sr. No.	Sr. No.	101	102	103	104	105	106
	Particulars	L&T Technology Services LLC	Graphene Solutions PTE Ltd.	Graphene Solutions SDN. BHD.	Graphene Solutions Taiwan Limited	L&T Technology Services (Shanghai) Co. Ltd	Orchestra Technology, Inc.
	Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Dec-21	31-Dec-21	31-Mar-22
	Currency	USD	SGD	MYR	TWD	CNY	USD
	Exchange rate on the last day of financial year	75.79	55.97	18.03	2.70	11.70	75.79
	Date of incorporation/ Date of Acquisition	26-Jun-14*	15-Oct-18	15-Oct-18	15-Oct-18	06-Aug-19*	02-Oct-20
1	Share capital (including share application money pending allotment)	197.14	0.30	0.17	1.34	3.85	51.29
2	Other equity/Reserves and surplus (as applicable)	112.57	0.23	(0.04)	(1.09)	(1.06)	(36.10)
3	Liabilities	176.49	2.16	0.04	0.55	2.73	65.77
4	Total equity and liabilities	486.20	2.69	0.17	0.80	5.52	80.96
5	Total assets	486.20	2.69	0.17	0.80	5.52	80.96
6	Investments	101.61	–	–	–	–	–
7	Turnover	665.58	0.58	–	–	3.07	167.66
8	Profit before taxation	66.19	(0.13)	(0.02)	(0.06)	1.23	(6.32)
9	Provision for taxation	22.74	–	–	–	0.01	0.02
10	Profit after taxation	43.46	(0.13)	(0.02)	(0.06)	1.22	(6.34)
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	73.90	73.90	73.90	73.90	73.90	73.90

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

₹ crore

Sr. No.	Particulars	107	108	109	110
		L&T Technology Services (Canada) Ltd	L&T Valves Arabia Manufacturing LLC	L&T Valves USA LLC	Larsen & Toubro International FZE
	Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
	Currency	CAD	SAR	USD	USD
	Exchange rate on the last day of financial year	60.49	20.20	75.79	75.79
	Date of incorporation/ Date of Acquisition	20-Aug-19*	30-May-19*	28-May-19*	25-Sep-01*
1	Share capital (including share application money pending allotment)	0.04	5.05	3.79	129.61
2	Other equity/Reserves and surplus (as applicable)	(0.92)	(7.12)	(1.61)	273.43
3	Liabilities	7.91	11.68	21.17	708.79
4	Total equity and liabilities	7.03	9.61	23.35	1111.83
5	Total assets	7.03	9.61	23.35	1111.83
6	Investments	-	-	-	84.41
7	Turnover	6.46	1.36	30.44	146.52
8	Profit before taxation	(1.01)	(4.17)	1.07	44.13
9	Provision for taxation	-	(0.83)	0.25	1.78
10	Profit after taxation	(1.01)	(3.33)	0.82	42.35
11	Interim dividend - equity	-	-	-	-
12	Interim dividend - preference	-	-	-	-
13	Proposed dividend - equity	-	-	-	-
14	Proposed dividend - preference	-	-	-	-
15	% of share holding	73.90	100.00	100.00	100.00

Sr. No.	Particulars	111	112	113
		L&T Global Holdings Limited	Mindtree Software (Shanghai) Co. Ltd	Bluefin Solutions Sdn Bhd
	Financial year ending on	31-Mar-22	31-Mar-22	31-Mar-22
	Currency	USD	CNY	MYR
	Exchange rate on the last day of financial year	75.79	11.96	18.03
	Date of incorporation/ Date of Acquisition	24-Feb-16*	02-Jul-19	02-Jul-19
1	Share capital (including share application money pending allotment)	60.63	1.36	0.17
2	Other equity/Reserves and surplus (as applicable)	540.91	0.46	-
3	Liabilities	0.04	0.15	0.17
4	Total equity and liabilities	601.58	1.97	0.34
5	Total assets	601.58	1.97	0.34
6	Investments	600.82	-	-
7	Turnover	-	0.47	-
8	Profit before taxation	0.09	0.09	-
9	Provision for taxation	-	-	-
10	Profit after taxation	0.09	0.09	-
11	Interim dividend - equity	-	-	-
12	Interim dividend - preference	-	-	-
13	Proposed dividend - equity	-	-	-
14	Proposed dividend - preference	-	-	-
15	% of share holding	100.00	60.99	60.99

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] (contd.)

Notes:

A) Names of subsidiaries which are yet to commence operations:

- a) PT Larsen & Toubro Hydrocarbon Engineering Indonesia
- b) L&T Hydrocarbon Caspian LLC

B) Names of subsidiaries which have been merged/sold/dissolved/struck-off.

(1) Merged:

- a) Ruletronics Systems Private Limited (Merged with Larsen & Toubro Infotech Limited)
- b) Syncordis Software Services India Private Limited (Merged with Larsen & Toubro Infotech Limited)
- c) Esencia Technologies Inc. (Merged with L&T Technology Services LLC)
- d) L&T Hydrocarbon Engineering Limited (Merged with Larsen & Toubro Limited)

(2) Sold:

- a) L&T Vision Ventures Limited
- b) L&T Uttaranchal Hydropower Limited

(3) Liquidated/Dissolved/struck-off/ceased:

- a) Thalest Limited
- b) L&T Hydrocarbon International FZE
- c) L&T Infra Contractors Private Limited
- d) L&T Halol-Shamlaji Tollway Limited

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
Sr. No. Name of associates/joint ventures	L&T-Chiyoda Limited	International Seaports (Haldia) Private Limited ⁽¹⁾	L&T Camp Facilities LLC	Larsen & Toubro Qatar & HBK Contracting Co. WLL	Magtorq Private Limited	Magtorq Engineering Solutions Private Limited	Indiran Engineering Projects and Systems Kish PJSK	Gujarat Leather Industries Limited
1 Latest audited balance sheet date	31-Mar-22	31-Mar-21	31-Dec-21	31-Dec-21	31-Mar-22	31-Mar-22	Refer Note 2	
2 Date on which the associate or joint venture was associated or acquired	26-Oct-94	11-Feb-05	13-Sep-07	28-Jul-04	02-Aug-10	02-Aug-10	31-Oct-09	27-Jun-91
3 Shares of associate/joint ventures held by the company at the year end								
Number	45,00,000	98,30,000	2,450	100	9,000	22,000	875	7,35,000
Amount of investment in associates/joint venture (₹ crore)	4.50	9.83	4.96	0.18	4.42	0.22	0.39	–
Total share capital (₹ crore)	9.00	44.06	10.12	0.41	0.21	0.24	0.78	–
Reserves closing	87.35	44.73	(3.75)	(8.09)	12.72	1.10	(0.85)	–
Total No of shares	90,00,000	4,40,58,020	5,000	200	21,003	24,000	1,750	Refer Note 3
Extent of holding % (Effective)	50.00%	14.25%	49.00%	50.00%	42.85%	39.28%	50.00%	50.00%
4 Description of how there is significant influence				Refer Note 1				
5 Reason why the associate/joint venture is not consolidated								Refer Note 3
6 Net worth attributable to shareholding as per latest audited balance sheet (₹ crore)	48.18	12.65	3.12	(3.84)	5.54	0.53	(0.04)	–
7 Profit/(Loss) for the year (₹ crore)								
Considered in consolidation	(12.79)	15.77	(3.34)	–	1.80	0.10	(0.02)	–
Not considered in consolidation	–	–	–	–	–	–	–	–

⁽¹⁾ 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.

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

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

M. M. CHITALE
Independent Director
(DIN 00101004)

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

Mumbai, May 12, 2022

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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: 11th July 2022

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

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 E-AGM				
F. Quality and accuracy of response to your queries and complaints:				
- by Company				
- by Registrar				
G. Timeliness of response form				
- the Company				
- the Registrar				
H. Please rate the hospitality and efficiency of the persons attending to you when you interact with				
- Investors Relation Cell				
- Office of Registrars				
I. Overall quality of service provided by				
- the Company				
- the Registrar				

* Kindly let us know your experience in space provided overleaf

- J. Do you have any grievance which has not been redressed Yes No

Signature

Fold here

BUSINESS REPLY LETTER

Postage
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.

In case of any queries, kindly contact our Registrar:
KFin Technologies Limited
Unit: Larsen & Toubro Limited
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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.

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