COMPANY INFORMATION

BOARD OF DIRECTORS

A. M. Naik  
Chairman & Managing Director

J. P. Nayak  
Whole-time Director & President  
(Machinery & Industrial Products)

Y. M. Deosthalee  
Whole-time Director &  
Chief Financial Officer

K. Venkataramanan  
Whole-time Director & President  
(Engineering & Construction Projects)

R. N. Mukhiya  
Whole-time Director & President  
(Electrical & Electronics)

K. V. Rangaswami  
Whole-time Director & President  
(Construction)

V. K. Magapu  
Whole-time Director & Senior Executive Vice President  
(IT and Technology Services)

M. V. Kotwal  
Whole-time Director & Senior Executive Vice President  
(Heavy Engineering)

S. Rajgopal  
Nominee — UTI

S. N. Talwar  
Non-Executive Director

M. M. Chitale  
Non-Executive Director

Lt. Gen. Surinder Nath (Retd.)  
Non-Executive Director

U. Sundararajan  
Non-Executive Director

Thomas Mathew T  
Nominee — LIC

N. Mohan Raj  
Nominee — LIC

Subodh Bhargava  
Non-Executive Director

COMPANY SECRETARY

N. Hariharan

REGISTERED OFFICE:

L&T House, Ballard Estate, Mumbai 400 001

L&T’s Corporate Office in Mumbai

62nd ANNUAL GENERAL MEETING

AT BIRLA MATUSHRI SABHAGAR  
19, MARINE LINES, MUMBAI  400 020  
ON FRIDAY, AUGUST 24, 2007  
AT 2.15 P. M.

AUDITORS

M/s. Sharp & Tannan

SOLICITORS

M/s. Manilal Kher Ambalal & Co.

REGISTRAR & SHARE TRANSFER AGENTS

Sharepro Services (India) Private Limited
Leadership Team

(Front row - from left to right) : Mr. Y.M. Deosthalee, Mr. A.M. Naik and Mr. J.P. Nayak
(Rear - from left to right) : Mr. K. Venkataramanan, Mr. K.V. Rangaswami, Mr. M.V. Kotwal, Mr. R.N. Mukhija and Mr. V.K. Magapu.
People

"If you want to belong to a country which is becoming a nation, you have to keep the economy growing by creating jobs. And you can only do that by investing in tomorrow, and tomorrow is made by people.”

- Henning Holck-Larsen

What drives a Company that has touched the lives of millions? What energizes its vision? The answer is simple - its people.

L&T recognizes that people are the key drivers in its success. It is the commitment of its people which helps L&T attain its goals and move forward towards its vision. This impels L&T to make sustained investments in its people, creating the conditions to attract, develop and retain the best talent at all levels.

Shortening the learning curve

“You can’t predict the future — but you can make it happen”

Enhancing skills, knowledge and competency levels are an ongoing process at L&T. L&T believes in nurturing young talent and making them effective as quickly as possible. The ‘Campus to Corporate’ program enables Graduate Engineer Trainees to understand how the engineering knowledge acquired in the institute is applied in the development and delivery of products, projects and services. Further, the program is aimed at enhancing communication and interpersonal skills that would facilitate their smooth transition into L&T.

People Management

“People whose talents are not exploited become disenchanted and disruptive. The important thing is that managers must involve employees; lead employees.”

A Company-wide endeavour covering over four thousand managers has been launched to enable them to hone their abilities in people management, and translate those skills into effective leadership and motivation. Team building and team maintenance can be sustained as an effective management practice only if it is supported by strong relationships between the members of the teams. The process of cascading the program to various levels has begun and is expected to bring significant change in the people management skills of the managers.

Training & Development

“Excellence is an art won by training and habituation.”

A dynamic global business scenario requires continuous learning and upgrading of skills in order to retain the competitive edge. Efforts continue with the expansion of the portfolio of programs offered at L&T. A new series of programs linked to the strategic direction of L&T have been designed for 2007-08. This is in addition to the large scale training efforts in the area of competency and professional
management development at the corporate level as well as the technical, behavioural and soft-skill training on a continuous and regular basis.

L&T has always sought to be a forward integrator of people, ideas and knowledge. The e-learning portal – Any Time Learning, has been launched to ensure that every employee, even in the remotest location or at an international posting, can extend his knowledge-base and understanding of work related subjects. The portal ensures a comprehensive coverage of knowledge, skills and competencies through a diverse set of e-learning modules.

**Leadership Development**

“The quality of leadership, more than any other single factor, determines the success or failure of an organization.”

To ensure quality and depth of leadership, L&T has linked the leadership process with consistency of performance. This is a transparent process to recognize, reward and grow talent. Select employees are also sent to premier business schools and management institutes to gain experience and knowledge through their Advanced Management Programmes.

Building an efficient, effective and highly motivated team enhances L&T’s competitive position and provides it support to face business challenges. In the end, however, what continues to be a motivating source for all our employees is a free and open environment that stimulates learning, provides opportunities for career growth and invokes a sense of immense work satisfaction. In today’s global scenario, where people look at their jobs as stop-stations, we take pride in being known as a Company to which people are proud to belong.
“Every great advance in science has emerged from a new audacity of imagination.”

Technology is the springboard to the future. It is the bridge between aspiration and accomplishment. Every technological achievement is both destination and point of departure for one breakthrough leads to another... and another. If technology drives industry, what drives technology? The answer lies in the human mind, in a spirit that is impatient with the status quo and in the soaring flight of the imagination. It is an answer that is well known to L&T, and is indeed reflected in its tagline – ‘It’s all about Imagineering’.

“Strive for perfection in everything you do. Take the best that exists and make it better. When it does not exist, design it.”

Engineering & Construction
In the field of engineering and construction, L&T’s technology resources constitute a strategic mix of in-house strengths and the expertise of its joint venture partners. Engineering Centres at Mumbai, Vadodara and Delhi carry out process design and simulation, analysis of Computational Fluid Dynamics, mechanical design by analysis, failure analysis and trouble shooting. L&T has set up an engineering and project management centre in Abu Dhabi, with a mandate to undertake oil and gas related projects as well as engineering and consultancy services. Further, an engineering centre set up in Sharjah forms an extended arm in the Gulf that will be involved in proposal engineering, field engineering and detailed engineering in close coordination with the centres in India. All this is supplemented through collaborations with key players: L&T-Valdel for engineering services in the upstream hydrocarbon sector; L&T-Chiyoda for the mid and down stream sectors, and L&T-Sargent & Lundy for the power sector.

Technology in infrastructure development contributes to superior quality, higher safety thresholds and greater speed of construction. In several critical applications, advanced technology provides breakthrough solutions that enable the successful completion of complex structures at difficult locations. The engineering services provided by L&T’s Engineering Design Research Centres at Chennai and Kolkata include feasibility studies, project reports, system engineering, architectural, structural and civil design. The cable-stayed bridge built by L&T’s Construction Division in Jordan illustrates the Company’s ability to build bridges of various types and in different span ranges.

3D model of a synthesis gas reformer, executed by L&T’s Engineering & Construction Division
L&T-Ramboll Consulting Engineers Limited provides civil engineering and consultancy services for a wide range of projects in the transportation sector - ports, airports, highways and bridges.

“Design adds value faster than it adds cost.”

Manufacturing

Design & engineering strengths in the sphere of manufacturing constitute a major competitive advantage for L&T. It is these strengths that enable L&T to set new benchmarks in terms of scale, sophistication and speed. The Company has dedicated engineering centres at each of the manufacturing locations of process plant equipment and defence related equipment. Two ‘Technology Development Centres’ have been set up, tasked with development of new products and of new manufacturing technologies. L&T also has collaboration agreements with the Indian Space Research Organization as well as other niche players to bolster its capabilities in the strategic sectors of aerospace, defence and nuclear power.

L&T’s rich technology base secures widespread public recognition as it successfully manufactures equipment that set bold new precedents. Recently, for instance, L&T manufactured one of the world’s largest FCC regenerators, with an internal diameter of 16.3 metres and weight of over 1320 tonnes. Earlier, L&T engineers had also manufactured the world’s largest reactors in the metal composition of Chrome Molybdenum Vanadium.

In the mining sector, L&T’s R&D engineers have successfully developed an indigenous model of the surface miner with enhanced aesthetics and superior ergonomics. The new model is scheduled to roll out this year.

“Ignovation is the ability to see change as an opportunity - not a threat”

L&T’s Electrical and Electronics Division has been regarded as a pioneer in the design of switchgear and switchboards that are engineered for tropical conditions. It has built further on this rich legacy, leveraging its R&D strengths to develop a host of new product features. In 2006-07, the Division had filed applications for as many as 80 patents. When taken along with the patents applied for and secured earlier, L&T’s Electrical & Electronics Division has a tally of 247 – a landmark for an Indian company. Patent applications cover innovations made on a variety of low voltage indigenously developed switchgear products like the Air Circuit Breakers (ACBs) and Moulded Case Circuit Breakers (MCCBs), medical products, petroleum dispensing pumps, tooling solutions and switchboards. They are visible testimony of the creativity of L&T’s R&D engineers and the technology route that the Company continues to adopt. Further testimony comes from the high rate of introduction of new products. In the switchgear products business, for instance, 35 per cent of the annual revenue comes from new products.

“The new electronic independence re-creates the world in the image of a global village.”

Technology Services

In the technology services space, L&T provides its global client base the winning edge through development of optimal solutions. L&T’s e-engineering services leverage the Company’s own engineering pedigree and experience. The Embedded Systems unit provides technological assistance across a broad spectrum – design, maintenance, re-engineering, testing, prototyping and industrial design.

In every sphere of L&T’s operations, technology will continue to be a key enabler, reinforcing its leadership position and sustaining its competitive strengths in industry while to many, technology is a means to an end, for L&T, technology represents endless possibilities.
Our vision of becoming an Indian multinational encompasses much more than intermittent engagements in international markets. It embodies a long term commitment to consolidating our presence in selected geographies. This involves going through all the intermediate steps of setting up offices, allying with collaborators, putting in place a supply chain mechanism, developing marketing networks, brand promotion, and if feasible, building manufacturing capability. Individual businesses within L&T view foreign markets through the prism of their own competitive strengths and the logistics of their offerings. A common focus across most of the businesses is the Gulf region and China.

The Middle East

L&T has formed several joint venture companies in Gulf Cooperation Council countries - United Arab Emirates, Qatar, Kingdom of Saudi Arabia, Kuwait and Sultanate of Oman for projects in hydrocarbon and infrastructure sectors.

In the manufacturing sector, L&T is establishing state-of-the-art fabrication facilities for modular structures, heavy jackets and oil rigs at Sohar in the Sultanate of Oman. The yard spread over 400,000 sq.m. will have facilities for heavy structural fabrication, sophisticated equipment, systems integration & testing and load-out of ultra-large modules. L&T is also setting up an electrical assembly factory for switchgear and related electrical products at Dammam in the Kingdom of Saudi Arabia.

On the engineering services front, L&T has set up offices to offer design & engineering consultancy services in oil & gas as well as civil works in the United Arab Emirates (UAE). Besides this, special efforts are also being made to offer information technology related services.

L&T has also taken initiatives for allying with international EPC players.

China

L&T has multiple engagements with China, viewing it as a market for the Company’s high technology products, a manufacturing centre, a procurement base and a source for exports to third countries.

With oil majors planning world-scale ventures in China, L&T sees a promising opportunity in participating in these projects. To succeed in China’s cost competitive environment, local presence is essential. A manufacturing facility

“Boundaries exist only in minds that accept them.”
for valves is therefore being set-up in Jiangsu.

In China, the sheer size of the electrical market, the recent addition of more than 100,000 MW power generation capacity and continuous investment in infrastructure development promise an expanding market for electrical products. In view of this, L&T has set up its own new factory at Wuxi for manufacturing and marketing its indigenously developed, high-end Air Circuit Breakers (ACBs) and Moulded Case Circuit Breakers (MCCBs). It has received ISO 9000 and China Compulsory Certification (CCC).

China is also an important market for rubber processing machinery, as tyre majors have set up facilities in China. L&T intends to capitalize on this opportunity by developing and supplying presses in line with the quality of products being currently supplied to global majors from India. To meet this objective, L&T has taken over a running unit of Qingdao Over-World Group Company Limited (OWG). L&T is also building a new state-of-the-art factory and expects to operate from this premise from 2008.

L&T has set up a sourcing office at Shanghai and is procuring a variety of materials and components from China.

L&T’s Heavy Engineering Division has further consolidated its presence in the Chinese market with more orders for critical equipment for petrochemicals and power plants.

During the year, L&T bagged its largest overseas project in the upstream hydrocarbon sector. The order reflects the high level of customer confidence in L&T as a reliable source for single-point execution of vital energy sector projects.

L&T’s investments in its international operations have been a calculated measure of opportunities and risks. With its businesses going increasingly global, L&T will continue to leverage its engineering experience and technological expertise to establish its leadership position worldwide.
L&T believes that the true and full measure of growth, success and progress does not lie in balance sheets or conventional economic indices. Rather, it is best seen in the tangible difference that business and industry make to the lives of people. Through a broad portfolio of social investments, L&T addresses the needs of communities residing in the vicinity of its operations, taking sustainable initiatives in the areas of health and education, environment conservation, infrastructure and community development. L&T attaches equal importance to incidents of concern and people who are victims of nature's fury or social neglect. Many of our social initiatives are undertaken in partnership with government agencies and NGOs.

**Health**

“When health is absent, wisdom cannot reveal itself, art cannot manifest, strength cannot fight, wealth becomes useless, and intelligence cannot be applied.”

L&T’s participation in building a healthy community manifests itself through continuing initiatives in several areas of healthcare - with a focus on mother & child care and HIV/AIDS awareness. All L&T locations, including construction sites, have in-house AIDS awareness programs. Five additional mother and childcare centers have been set up in 2006-07. In partnership with local NGOs, these centers will benefit children of commercial sex workers, street children and tribal communities.

Several family planning camps organized by L&T last year, offering tubectomy and immunization services, benefited more than 7,700 patients. Over 25,000 patients from local communities annually avail of the services offered by OPD facilities at the L&T Health Centre in Mumbai. The Center has been functioning since 1967. Till date, 41,185 sterilizations have been undertaken and 229,801 immunization doses have been administered. Similar Health Centers set up by L&T in the vicinity of its operations around the country organize health checkups, provide gynecology and laboratory facilities, carry out free cataract surgeries and intra ocular lens implantations and help maintain health data for children.

L&T has built 25 deep tube wells providing safe drinking water to over 10,000 people. Equipment and aids for orphanages and physically challenged children, periodic counselling to combat rampant alcoholism, awareness camps on childcare, reproductive health, sanitation, dental check-up, cancer awareness etc. are some of the other healthcare activities that L&T pursues.

**An eye-care camp - part of the range of health services offered by L&T to the community**
Education

“Education is the fundamental method of social progress and reform.”

To educate is to empower. But although everybody has the fundamental right to education in India, not many have access to it. L&T’s diverse and sustained programmes in education seek to bridge this gap, providing underprivileged children with learning opportunities through education materials, teaching aids, recreational tools and up scaling school infrastructure. L&T also enriches children’s lives through programmes like summer camps, maths learning, providing facilities like science laboratories, scholarship to deserving students etc.

The vocational training institutes of the Larsen and Toubro Public Charitable Trust provide skill-based training in Formwork, Masonry, Agro Mechanics, Electricals, Fabrication-Welding and Housekeeping to local communities. Various diploma courses are also conducted by L&T Institute of Technology for the children of the employees. L&T has developed training modules in local languages in six centres across India for imparting skill sets in construction. L&T Training Centers undertake sessions for improving the standards of electrical engineering practices and for upgrading knowledge of maintenance, repair and welding.

Environment

“We generate our own environment. We get exactly what we deserve. Who can change it, anytime we wish, but us?”

Global warming is the subject of intense media scrutiny today. At L&T, we have all along been conscious of the need to achieve progress in harmony with the environment. We continuously seek newer environment-friendly approaches in all our operations - conserving energy, exploring alternative sources like wind and solar energy, reducing water wastage etc. The Zero Discharge concept adopted by the Powai Campus is helping save over 350,000 litres water daily through water treatment and recycling. More than 13,500 trees have been planted in different L&T campuses during the last year and an additional 4,000 saplings distributed among local communities.

Response to natural calamities

The character of a person is best seen in times of a tragedy. L&T and L&T-ites have been at the forefront of providing relief measures during natural calamities like earthquake and floods. L&T has assisted in disaster relief through employee and corporate donations, medical and food supplies, employee volunteering and supply of construction materials. In the aftermath of the floods in Surat, Gujarat, L&T played a major role in road-clearing operation, organizing of medical camps, and supply of food, water, clothes and relief material.

Employee Volunteering...through heart and hands

Social responsibility is born of personal conviction, a matter of individual choice. At L&T, a climate conducive to the spirit of volunteering enables CSR activities to be virtually self-driven while remaining consistent and structured. L&T employees and the 17 ‘ladies clubs’ formed by their spouses at different locations volunteer to serve their communities by investing personal resources and time. From taking initiatives in building the next generation of productive citizens, empowering women, paying regular visits to old age homes, and orphanages, to organizing blood donation camps, our employees have always believed in truly making a difference to the world in which they live.

More is possible and needed.
Peer Recognition

A host of awards, medals and trophies demonstrate that L&T’s efforts and achievements are widely recognized by its peers and the media in India and abroad.

Inset: A Wall Street Journal survey featured L&T among Asia’s ‘Most Admired Companies’ and ranked the Company No. 1 for quality of products and for overall reputation. The survey also highlighted L&T’s key role in building India’s infrastructure.
L&T - Nationwide Network

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

★ Registered Office
■ Campuses - covering fabrication units, factories, centres for design engineering, software development and technology, administrative offices...
△ Management Development Centre
▲ Area Offices
● Branch Offices
L&T - Builders to the Nation