LARSEN & TOUBRO

Beyond Boundaries

69th Annual Report
2013-2014

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

Corporate Social Responsibility Policy

We are committed to fulfilling our Social, Environmental and Economic responsibilities for Sustainable Development. Towards this, we shall:

- Continue to ensure ethics and transparency in our engagements with stakeholders, and advocate responsible business practices
- Incorporate social and environmental considerations in our business operations
- Foster a culture of trust and caring to enhance the well-being of employees and communities
- Promote social equity and partner with communities in health care, education and skill building
- Conserve natural resources, reduce the adverse impact of climate change and enhance energy efficiency
- Adopt sustainable and resource-efficient processes and provide value-added products and services

11th June, 2013

A M NAIK
Group Executive Chairman

LARSEN & TOUBRO

A. M. Naik
Group Executive Chairman

Dear Shareholders,

In May 2014, the country rang in a decisive mandate for change. It is now up to the new political dispensation to deliver on its agenda and accelerate the process of renewed growth. It would need to act decisively on a number of reform measures that will drive development, including reducing subsidies, streamlining approval processes, professionalising the public sector and privatising natural resources under a transparent and stable policy regime.

Looking back, fiscal 2013-14 continued to witness the constraints that have hampered the economy in the last couple of years. GDP growth last year was lacklustre at 4.7% and Fiscal Deficit continued to be high. Feeble industrial production for the third straight year, meant that FY14 ended in negative growth. New investments, particularly in the private sector were muted as many projects remained mired in uncertainty. While the Government managed to contain Fiscal Deficit within budgeted numbers by cutting back on expenditure, the burden from the triad of subsidies continued unabated.

On the positive side, the Current Account Deficit was narrowed down through a restriction on gold imports, aided by stagnant imports of petroleum products as well as capital goods thanks to the industrial slowdown. Wholesale inflation also contracted, leading to a benign commodity pricing environment. There was intermittent progress in key reforms such as expediting and streamlining approval processes, SEB regulations, diesel/LPG price hikes, and establishing policy certainty in areas such as power purchase tariffs and toll-based highway concessions.

In the international arena, FY14 was marked by encouraging developments such as a booming infrastructure sector in the Middle East, with a number of landmark projects in transportation and power transmission & distribution being ordered, and other multi-year opportunities in the pipeline. The Hydrocarbon sector in the region also continues to be vibrant, and attracts a large number of global E&C companies, giving rise to stiff competition.

Performance Overview

Against the backdrop of this challenging environment, your Company has turned in a commendable performance on most key performance parameters.

Order Inflows, which are the mainstay of any company engaged predominantly in Engineering & Construction business, clocked in at ₹ 94,108 Cr., representing a robust 15% growth over the previous year. The unexecuted Order Book at the year-end stands at ₹ 162,952 Cr., thus providing a healthy revenue and margin visibility over the next few years. Despite severe execution challenges in the domestic market, your Company managed to keep project execution largely on track, and helped by robust growth in overseas revenues, registered a 10% growth in Gross Revenues at ₹ 57,164 Cr. Profit after Tax registered ₹ 5,493 Cr which translates to a growth of 25% over the previous year on a like-to-like basis.

At the Group level, Gross Revenues displayed a growth of 14% and stood at ₹ 85,889 Cr for the year under review. PAT, at ₹ 4,902 Cr represents a decline of 6% over the previous year, caused by capacity underutilisation in two new subsidiaries, viz. L&T Shipbuilding Ltd. and L&T Special Steels & Heavy Forgings Pvt. Ltd, as well as execution challenges faced in the Hydrocarbon business.

It gives me pleasure to announce that your Company has recommended dividend of ₹ 14.25 per equity share on a face value of ₹ 2 per share for the year. The corresponding dividend during the previous fiscal was at ₹ 12.33 per equity share.

Internationalisation

Your Company is moving decisively towards consolidating its international operations through a replication in the Middle East of its domestic structure and systems. While the prime focus is the Gulf Cooperation Council countries, the international outreach also extends to South East Asia, CIS, and select African nations. International talent and experience is essential to achieve our goals, and we are strengthening our multi-cultural leadership base, with the induction of professionals possessing rich domain experience and local customer insight.

The thrust on international markets is yielding gratifying results. International Order Inflows represent 33% of the total inflows during the year under review, and showcase remarkable success in winning major new orders in the infrastructure sector.

Talent Management

In an age of increasing technological parity, high calibre talent, with the requisite training and exposure creates a key differentiator between companies and represents a competitive edge. Your company therefore places continuing emphasis on identification and induction of talent at various levels and across multiple functions. Systems are in place to ensure that a multi-cultural leadership team is rapidly integrated into the mainstream and embedded with the values, ethos and philosophy of L&T.

We recognise that the career preferences of the youth today are biased towards jobs in the new economy, making the task of attracting and retaining young talent more difficult. As a counter-weight, your company promotes and projects the opportunity of working on critical projects that would make a tangible difference to nation, society and community.

Sustainable Development

Inclusive growth that takes into account the interests of all stakeholders is at the heart of your Company's value system. These values have helped us empower communities and accelerate their development. Right from inception, we have been involved in community engagement programmes ranging from health, education to skill building. The Company's contribution to CSR has been widely recognized. Early in 2014, L&T received the prestigious The Economic Times 'Corporate Citizen of the Year – 2013' award.

The mandatory spending of 2% of profits on CSR initiatives under the newly introduced provisions of the Companies Act, 2013, is in line with L&T's policy on CSR. We are also using this window of opportunity to extend our social and environmental outreach. A CSR committee with Board-level representation has been constituted to drive projects across the organization in a more robust manner. We have also expanded the sustainability organizational structure and formulated a Sustainability & Corporate Social Responsibility (SCSR) team.

Thrust areas on the sustainability front include augmenting efforts at energy conservation, climate change, water conservation and material management.

Outlook

Despite the continuing slowdown, the macro environment has shown early signs of recovery, and with the dawn of a stable government, promises to improve gradually during FY15. Your Company has identified specific opportunities for growth within India and internationally, which it is targeting effectively. Segments that hold promise in FY15 include –

1) Infrastructure –

a) **Roads –** This segment is expected to pick up in FY15 through ordering of more than 2,300 km of new projects on Engineering, Procurement & Construction (EPC) mode, and 3,000 km in PPP mode. Apart from this, there are several upcoming opportunities in building Expressways and Elevated Corridors. Being the distinct leader in the segment, we will selectively participate in these EPC bids where the prospects meet our internal viability benchmarks. We will also continue to target upcoming road projects in the Gulf countries, where we have had significant order wins during FY14.

b) **Metro and Mono Rails –** The Company has been involved in the execution of metro rail projects in cities across the country and in India's first monorail in Mumbai (Phase I commissioned in FY14). This enables the Company to exploit opportunities to secure contracts in India, where multiple cities are initiating metro rail projects. We have also won two major, prestigious contracts in the Middle East, for Riyadh and Doha Metro projects during FY14, contributing significantly to the order inflow growth during the year. We are participating in bidding for further such prospects in the region.

c) **Railways Business –** The thrust on strengthening the rail network across the country holds good prospects for our Railways business. We have already secured an initial order in consortium with a Japanese company for a major section of the Dedicated Freight Corridor, and are bidding for more packages. We are also exploring international markets, especially the Gulf countries where several projects are coming up.

d) **Water & Renewable Energy –** The sector has seen a strong growth in investments over the last two years, with growing focus from the Government sector in improving access to water and preventing pollution of its sources. In FY14, your Company has been able to achieve significant order inflow growth in this segment, backed by strong project execution capabilities and operational excellence. With a healthy Order Backlog and growing order prospects, the business from these sectors is expected to see an upswing in FY15.

e) **Urban Infrastructure –** Opportunities in residential buildings, office space, hospitals, hotels, educational institutions, shopping complexes and factories continue to provide a large canvas of business potential. Your Company has become the EPC contractor of choice for major developers and this is driving profitable growth. Projects in Mass and Affordable Housing, Healthcare and Educational Institutions hold additional promise in FY15.

f) **Airports –** Increasing passenger and cargo traffic over the last decade has sustained growth in aviation industry. The Government plans to modernise a number of Tier II City airports and build a few Greenfield airports as well. Similarly, a number of nations in the Asian region are modernising and expanding their airport infrastructure. On the back of our excellent track record in this sector, we are well-positioned for airport projects within and outside India.

2) Heavy Engineering & Shipbuilding -

We have the capability to meet the requirements for high technology critical equipment and systems. In the process plant equipment segment, the international market looks promising in the medium term. The domestic nuclear segment is expected to see ordering activity in FY15. However, the setback that the international nuclear power sector experienced with the natural disaster at Fukushima, Japan, will continue to affect demand in this segment, and impinge on volumes in our new forging unit.

During the last few years, the defence sector had been adversely impacted by a slow pace of decision making resulting in deferral of contract awards. However, recent initiatives to involve the private sector in defence equipment manufacturing and the stated intentions of the present stable political establishment augur well for your Company.

The shipyard at Kattupalli, which was commissioned in FY13, is capable of building warships, submarines and specialized commercial ships. It is equipped with a state-of-the-art ship-lift that enables it to undertake simultaneous new build, repair & refits. While the global commercial shipbuilding trend remains subdued, we envisage that the Indian defence sector is likely to open up and provide opportunities for building defence ships.

Apart from this, we are looking at addressing the growing demand for specialised ships such as LNG and Ethane carriers, and Chemical tankers through technical collaborations. We are also looking to leverage our position in the hydrocarbon sector by developing semi-submersible rigs and floating LNG platforms, opportunities emerging from oil & gas exploration and production in deep offshore fields.

3) Hydrocarbon –

On the domestic front, Exploration & Production (E&P) spends in upstream hydrocarbon segment are expected to sustain during FY15. The decision to move towards market driven pricing in both Diesel and Natural Gas is expected to spur upstream capex. Opportunities in LNG regasification terminals and integrated refinery and petrochemical projects should open up in the year ahead. Implementation of re-development projects should provide a fillip to the onshore gas processing segment. Investments are also expected in cross-country pipeline projects.

In the upstream sector, the Company's capabilities extend to the repair, rebuild and construction of new Jack-up Rigs and FPSO topsides. The business is well placed to leverage its multi-locational Modular Fabrication Facilities to respond to global trends towards modularization of onshore gas processing plants.

Several large and prestigious international orders have bolstered our presence in select geographies. We are increasingly pursuing opportunities overseas through alliances with the leading global EPC companies. This has necessitated putting in place a multi-national organization, with a cross-cultural team possessing local knowledge and domain expertise.

The Company has transferred its Hydrocarbon Business to a wholly owned subsidiary in FY14, to enable greater autonomy and formulation of HR policies in line with industry practices so as to attract the best talent.

4) Thermal Power -

Policy paralysis, negative market sentiments and procedural bottlenecks have adversely affected the domestic Power sector in the last couple of years. Pressing concerns with respect to land, fuel, financing and statutory approvals have shrunk the order pipeline, putting pressure on the Company's capacity utilization.

Some welcome steps such as raising distribution tariffs, imposing anti-dumping duties on imported equipment, and fast tracking of Fuel Supply Agreements and other clearances have been taken. However, in view of the large backlog of projects which are stuck due to various constraints, revival in the sector is still some time away.

Under the circumstances, we are doing our best to be competitive through cost reduction, design optimisation and smart sourcing.

We are also placing emphasis on expanding our spectrum of services to select Gulf countries and the Southeast Asia for gas based power plants, and have recently achieved breakthrough orders in Bangladesh.

5) Power Transmission & Distribution -

Government policies lay stress on investments in strengthening the power grid and the power distribution system through central and multilateral funding agencies. We have demonstrated a steady growth in order book position in domestic and international markets.

The emphasis on strengthening of transmission grids in Gulf countries will continue to provide significant business opportunities for power transmission and distribution business in the coming years.

6) Metallurgical and Material Handling -

The outlook in this area continues to be challenging, due to a myriad factors including sector slowdown, mining bans imposed by the judiciary, prevailing complexities of policies governing mining, land acquisition as well as the dearth of new investments. Efforts are underway to resolve these issues through various government proposals, legislations and policies. As the economy grows, demand for metals particularly steel, aluminium and copper will necessitate expansion of capacity. We are well positioned to benefit from the confidence we enjoy because of our track record and timely completion of projects.

Material Handling prospects in areas of steel, mines, power, ports and long distance conveyors for bulk ores are likely to grow in line with economic growth.

7) Electrical & Automation -

The Electrical & Automation business continues to maintain its leadership position in LV Switchgear. It has also made a mark in the MV segment through an acquisition of an international company a few years ago. Product development in both LV and MV Switchgear continues to forge ahead. The project business has enhanced its focus on international markets. The coming year should see an upward momentum. The Company has also acquired three companies which will bridge technology gaps in one case, enhance product range in the second and augment market reach through the third.

8) Machinery & Industrial Products -

The Construction Machinery business was able to register flattish growth despite shrinkage in construction equipment market and entry of new competitors. Your Company acquired the stake of the JV partner Komatsu in Construction Machinery business.

The Company also acquired the stake of JV partner Flowserve in the Valves business. The reported revenues in Valves and Cutting Tools businesses were lower for the Standalone entity, as the businesses were transferred to subsidiaries during FY14. However, the Valves business as a whole continued to grow due to Oil & Gas and Power sector investments in India and overseas. Fresh infusion of investment in these sectors in the US, the Middle East and other countries is expanding the potential for our international operations.

9) Realty –

L&T has recently started realty business by using its own land parcels and in joint ventures with other developers and this has already started yielding good results. Market has received our entry in this business with enthusiasm.

With the help of L&T's brand, its construction capability and marketing reach, this business is poised to deliver profitable growth in the coming years.

10) Information Technology & Integrated Engineering Services Business -

In USD terms, L&T Infotech, a wholly owned subsidiary, grew at 18% Y-o-Y on a consolidated, like-to-like basis. Profit after Tax grew by 4%, due to the impact of prior period adjustment.

L&T Infotech has embarked on building a strong sales and marketing team globally with emphasis on the Americas, Europe, Gulf countries and the Far East. The Company has also undertaken certain major initiatives intended to enhance the visibility, profile and sharpen its distinction through the differentiated solutions it offers in multiple domains.

Technology Services, a Strategic Business Unit of L&T, is being formed into a subsidiary. This will result in consolidation of all engineering services business of L&T and L&T Infotech. This subsidiary will provide autonomous functioning in line with industry practices.

11) Financial Services -

This business, which was listed in 2011, continues to grow profitably with a loan book in excess of Rs 40,000 Cr at the end of FY14. Net Interest Margins at 5.5% reflect the healthy interest spreads that the business earns. The business has successfully concluded acquisitions in mutual funds business and housing finance.

12) Developmental Projects -

Development projects undertaken by the Company in roads, ports, metro rail and power continue to progress satisfactorily, with some of these projects currently operational. The Company has opened up alternate funding lines to enable commissioning of the upcoming projects and reduce dependencies on your Company's balance sheet, and advanced on monetising the value of matured assets

Before I conclude, I would like to extend my thanks to Team L&T, Government, customers, vendors and other stakeholders, without whom our continued growth momentum would not have been possible. I would also like to thank my fellow Board Members for their unstinted support and encouragement.

Thank You

A. M. Naik
Group Executive Chairman
Mumbai, May 30, 2014

Contents

Company Information	7
Organisation Structure	8 - 9
Leadership Team	10
L&T Nationwide Network & Global Presence	12 - 13
Corporate Sustainability	14 - 17
Annual Business Responsibility Report	18 - 35
Standalone Financials - 10 Year Highlights	36
Consolidated Financials - 10 Year Highlights	37
Graphs	38 - 39
Directors' Report	40 - 74
Management Discussion & Analysis	75 - 150
Auditors' Report	151 - 153
Balance Sheet	154
Statement of Profit and Loss	155
Cash Flow Statement	156 - 157
Notes forming part of Accounts	158 - 227
Auditors' Report on Consolidated Financial Statements	228 - 229
Consolidated Balance Sheet	230
Consolidated Statement of Profit and Loss	231
Consolidated Cash Flow Statement	232
Notes forming part of Consolidated Accounts	233 - 294
Information regarding Subsidiary Companies	295 - 320

Company Information

Board of Directors

MR. A. M. NAIK	*Group Executive Chairman*
MR. K. VENKATARAMANAN	*Chief Executive Officer & Managing Director*
MR. M. V. KOTWAL	*Whole-time Director & President (Heavy Engineering)*
MR. S. N. SUBRAHMANYAN	*Whole-time Director & Senior Executive Vice President (Construction & Infrastructure)*
MR. R. SHANKAR RAMAN	*Whole-time Director & Chief Financial Officer*
MR. SHAILENDRA ROY	*Whole-time Director & Senior Executive Vice President (Power, Minerals & Metals)*
MR. S. RAJGOPAL	*Independent Director*
MR. S. N. TALWAR	*Independent Director*
MR. M. M. CHITALE	*Independent Director*
MR. SUBODH BHARGAVA	*Independent Director*
MR. A. K. JAIN	*Nominee of SUUTI*
MR. M. DAMODARAN	*Independent Director*
MR. VIKRAM SINGH MEHTA	*Independent Director*
MR. SUSHOBHAN SARKER	*Nominee of LIC*
MR. ADIL ZAINULBHAI	*Independent Director*

Company Secretary	Mr. N. Hariharan
Registered Office	L&T House, Ballard Estate, Mumbai - 400 001
Auditors	M/s. Sharp & Tannan
Solicitors	M/s. Manilal Kher Ambalal & Co.
Registrar & Share Transfer Agents	Sharepro Services (India) Private Limited

69th ANNUAL GENERAL MEETING AT BIRLA MATUSHRI SABHAGAR, 19, MARINE LINES, MUMBAI 400 020 ON FRIDAY, AUGUST 22, 2014 AT 3.00 P.M.

Y M Deosthalee

K Venkatesh

Infrastructure Development Projects

- Roads
- Ports
- Metros
- Power Transmission

V B Gadgil

Hyderabad Metro

S C Bhargava

Electrical & Automation

Products
- Electrical Standard Products
- Metering & Protection Systems

Projects
- Electrical Systems & Equipment
- Control & Automation

Subsidiaries
- TAMCO Group (Medium Voltage Systems)
- Henikwon Corporation
- L&T Electrical & Automation FZE
- L&T Electricals and Automation Saudi Arabia Company Limited
- Servowatch System
- Kana Controls

S R Subramanian

Construction & Mining Machinery

- Construction Machinery
- Mining Machinery
- Hydraulic Equipment
- Rubber Processing Machinery
- Foundry
- Cutting Tools

Subsidiaries
- L&T Construction Equipment
- L&T Cutting Tools
- L&T Kobelco

N V Venkatasubramanian

L&T Valves

Valves for
- Oil & Gas
- Thermal Power
- Nuclear Power
- Defence
- Chemicals & Petrochemicals

EWAC Alloys

- Maintenance Welding
- Wear Plates
- Welding Equipment
- Services

V K Magapu

L&T Infotech

Industrials Cluster

Verticals
- Energy and Process
- CPG, Retail and Pharma
- Hi-Tech and Consumer Electronics
- Plant Equipment and Industrial Machinery
- Auto and Aero
- Utilities, E&C Companies

Horizontals
- SAP
- Oracle & Microsoft
- Enterprise Integration
- Manufacturing Execution Systems

Services Cluster

Verticals
- Banking and Financial Services
- Insurance
- Media and Entertainment
- Travel and Logistics
- Health Care

Horizontals
- Testing
- Infrastructure Management Services
- Business Intelligence and Data Warehouse
- Mobility Solutions

L&T Technology Services

Verticals
- Industrial Products
- Product Engineering Services
- Process Engineering
- Transportation
- Medical Devices

Horizontals
- Mechanical Design Validation
- Electronics and Software Engineering
- Product Lifecycle Management
- Engineering Process Services

Chief Information Officer

Shrikant Joshi

L&T Realty

- Residential Buildings
- Commercial Complexes
- Mixed-use Projects
- Built-to-Suit Campuses

Shailendra Roy

Metallurgical & Material-Handling

Minerals & Metals
- Ferrous
- Non-Ferrous

Bulk Material Handling
- Steel, Mines, Ports & Specialty Conveyors
- Power

Kansbahal
- Industrial Machinery - Steel, Mining, Material Handling and Foundry Products

Subsidiary
- L&T Oman

Power

EPC Projects
- Coal-based Projects
- Gas-based Projects

Manufacturing
- Supercritical Boilers
- Supercritical Turbines & Generators
- Electrostatic Precipitators
- High-pressure Piping
- Pulverising Mills
- Heavy Foundry
- Axial Fans & Preheaters

Subsidiaries
- L&T MHPS Boilers
- L&T MHPS Turbine Generators
- L&T Howden

Engineering & Design for Gas & Coal-based Plant

Subsidiary
- L&T Sargent & Lundy

Thermal Power Plant Construction

Group Executive Chairman
A M Naik

Chief Executive Officer & Managing Director
K Venkataramanan

M V Kotwal

S N Subrahmanyan

R Shankar Raman

Ashwani Kumar

Yogi Sriram

L&T Hydrocarbon Engineering

Upstream
- Oil & Gas Special Projects
- International Oil & Gas Projects
  - MENA
  - Other Regions
- Floating Systems
- Subsea Systems

Subsidiaries
- L&T Valdel Engineering Services
- L&T Sapura Offshore
- L&T Sapura Shipping
- L&T Modular Fabrication Yard, Oman

Mid & Downstream (HMD) -Domestic
- Refinery & Petrochemical Projects
- Gas Processing, Fertilizers and Unit Systems

Associate
- L&T Chiyoda Engineering Services

Hydrocarbon Construction & Pipelines (HCP) - Domestic
- Process Plant & Construction
- Cross-country Pipelines & Terminals

Subsidiaries
- L&T Gulf Engineering Services

HMD + HCP International
- Cluster 1 (UAE, Oman, Qatar)
- Cluster 2 (Saudi Arabia, Kuwait, Bahrain, Iraq)
- Cluster 3 (CIS & Africa)
- Cluster 4 (South East Asia and Australia)

Subsidiaries
- Larsen Toubro Arabia
- Larsen & Toubro (East Asia)
- PT Larsen & Toubro Hydrocarbon Engineering Indonesia
- Larsen & Toubro Electromech
- Larsen & Toubro ATCO Saudia
- Larsen & Toubro Kuwait Construction

Heavy Engineering

Process Plant & Nuclear Equipment
- Refinery, Oil & Gas
- Fertilizer & Petrochemicals
- Coal Gasification & Thermal Power
- Modification, Revamps & Upgrades
- Nuclear Power Equipment & Systems

Subsidiaries
- L&T Special Steels & Heavy Forgings
- L&T Heavy Engineering, Oman

Defence & Aerospace
- Marine Special Projects, Equipment & Systems
- Weapon & Land Systems
- Flight Systems
- Strategic Electronics

Subsidiaries
- L&T Cassidian
- Spectrum Infotech

Shipbuilding

Commercial & Repairs
- Commercial Ships
- Repairs, Refits & Conversions

Defence
- Surface Ships
- Conventional Submarines

Subsidiary
- L&T Shipbuilding

Buildings & Factories

Commercial Buildings & Airports
- Airports
- IT & Institutional Space
- Health & Leisure
  - Hospitals,
  - Hotels & Mixed Use

Residential Buildings & Factories
- Residential
  - Elite Housing
  - Affordable & Mass Housing
- Factories
  - Heavy & Light
  - Cement & Plant Construction

Subsidiary
- L&T Oman

Heavy Civil Infrastructure

- Metros
- Defence
- Hydel, Ports & Tunnels
- Nuclear Construction & Special Bridges

Limited Liability Partnership
- L&T Geostructure

Transportation Infrastructure

- Roads & Runways (Domestic)
- Roads & Runways (International)

Railways
- Railway Construction
- Railway Systems

Associate
- L&T Ramboll

Subsidiary
- Hitech Rock Products & Aggregates

Power Transmission & Distribution

Domestic
- EHV Substation & Power Distribution
- Electrical & Instrumentation (Power & Infra)
- Transmission Lines

International
- Middle East
- Africa

Subsidiaries
- L&T Oman
- L&T Saudi Arabia
- L&T Qatar

Joint Venture
- L&T T&D South Africa

Water & Renewable Energy

Water & Effluent Treatment
- Water Supply & Distribution
- Waste Water
- Industrial Water Systems
- Water - International

Renewable Energy
- Solar & Microgrid
- Security Systems

Corporate Affairs

Power Development

Development of Thermal and Hydro Power Plants

Nabha Power Limited

Finance & Accounts

- Finance
- Accounts
- Treasury
- Risk Management
- Investor Relations
- Taxation

Corporate HR

Subsidiary Companies

Corporate Functions

Leadership Team

A. M. Naik
Group Executive Chairman

K. Venkataramanan
CEO & Managing Director

M. V. Kotwal
President
(Heavy Engineering)

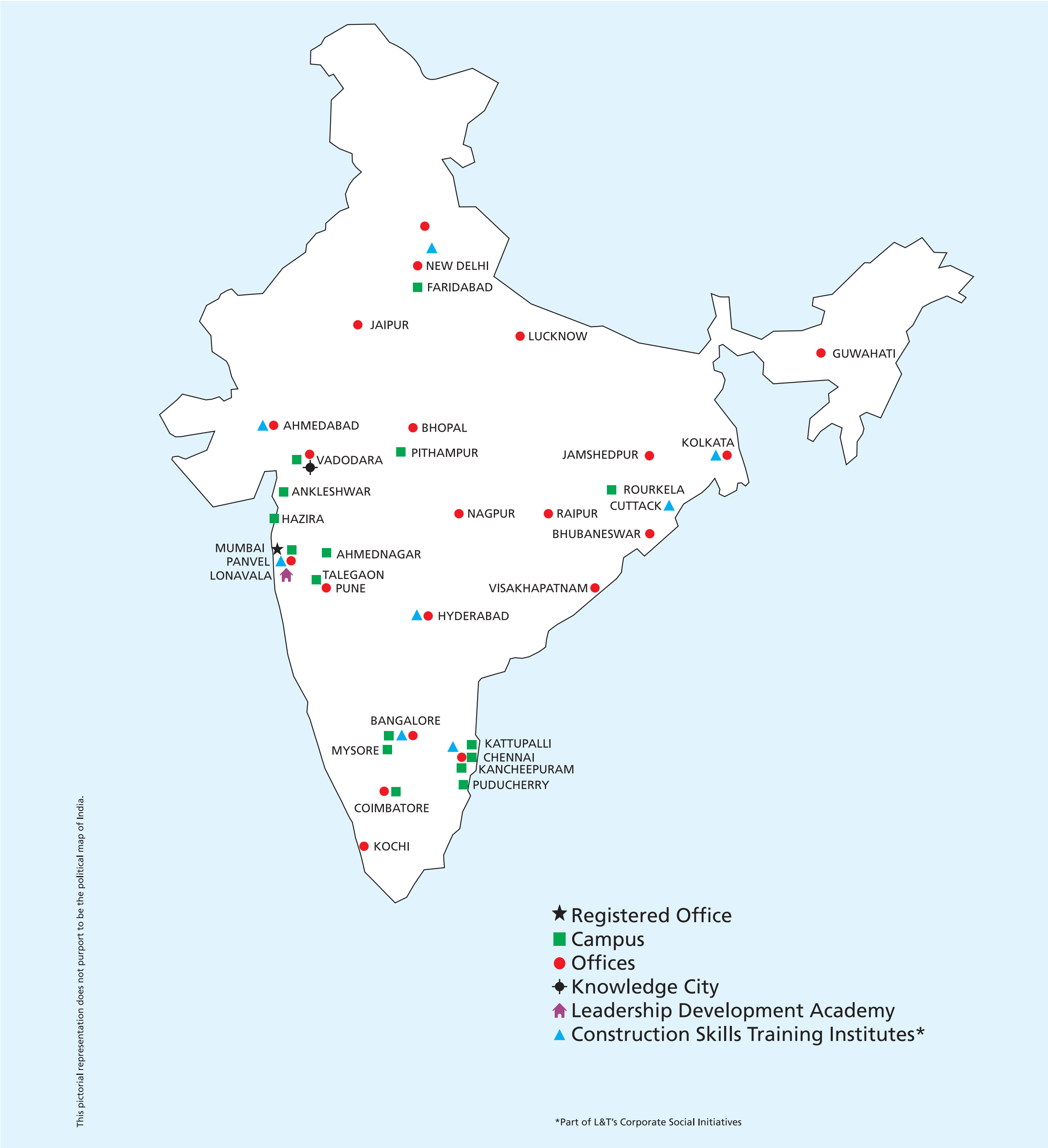
S. N. Subrahmanyan
Sr. Executive Vice President
(Construction & Infrastructure)

R. Shankar Raman
Chief Financial Officer

Shailendra Roy
Sr. Executive Vice President
(Power, Minerals & Metals)

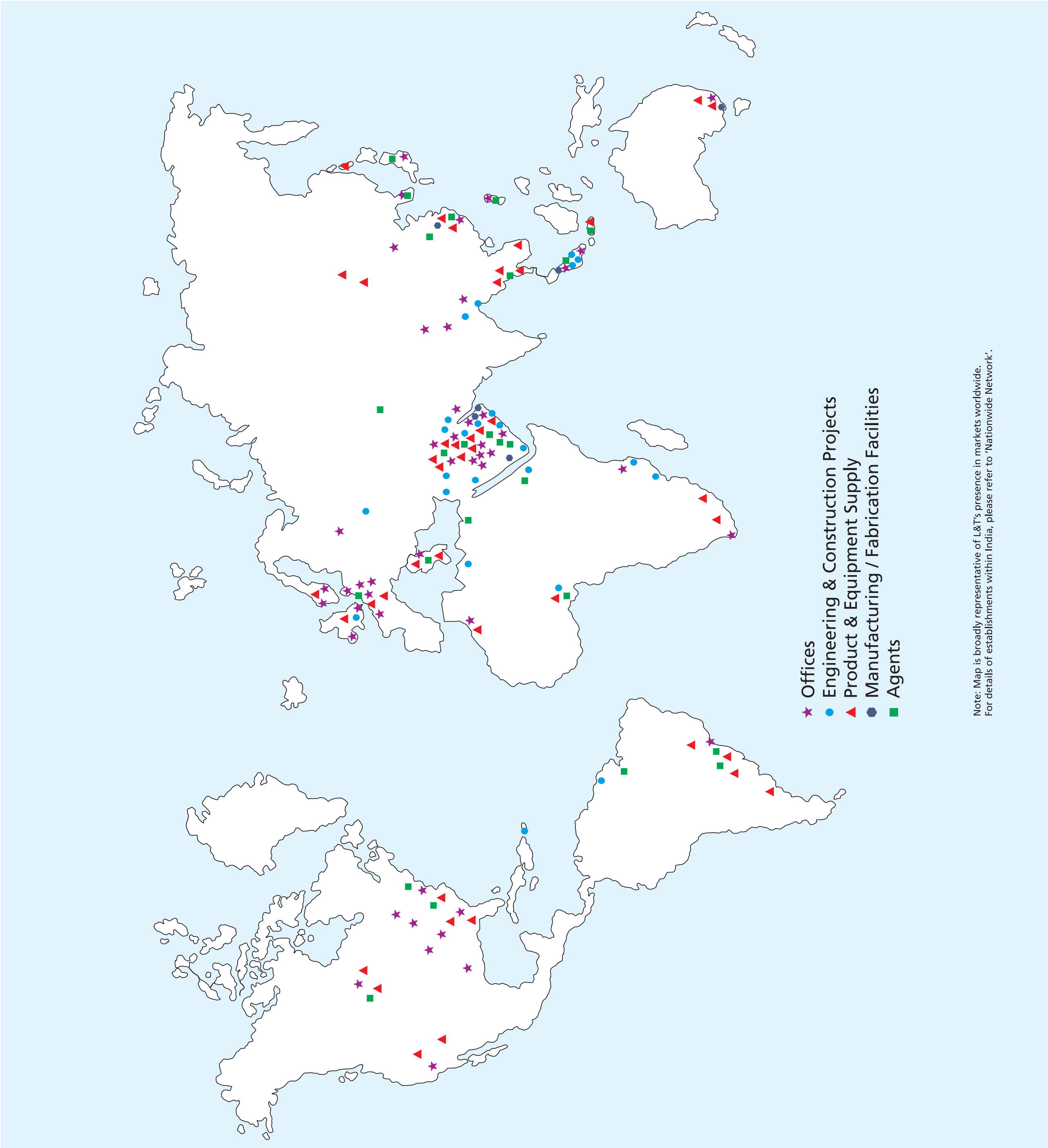
S. C. Bhargava
Sr. Vice President
(Electrical & Automation)

Nationwide Network



*Part of L&T's Corporate Social Initiatives

Global Presence



Case Studies in Good Citizenship

Case studies are CSR* in action. They demonstrate how pronouncements and policies are actually making a difference on the ground.

The following case studies** trace the complete sequence - from problems addressed to solutions implemented.

**CSR - defined in its widest sense and inclusive of both community service and environment protection*
***For more case studies and details, please refer to annual L&T's Sustainability Reports.*

CASE STUDY

Putting Waste to Work

Tunnels are all about finding a way through obstacles and speeding progress. But what about a way of dealing with the material thrown up when tunnels are excavated? It's called 'muck' by tunnelling engineers and is produced in large volumes.

Conventionally, one simply disposes of the muck as waste. Our engineers sought and found a way of dealing with muck that is greener and saves money.

Aggregates are the largest component of concrete and are in high demand during tunnel construction. At our Singoli Bhatwari HEP project, we developed a method to crush muck and use it as an effective substitute for the aggregates and sand that go into the making of concrete. We also used the muck as a filler in gabions.

The benefits are many:

- **By reducing the demand for aggregates, we cut down on the need for land and mining**
- **Less tunnel muck means lower environmental impact. No need for large-scale transportation to dispose off muck**

Quantity of Muck Excavated (in Tons)	
Total Excavation from Tunnel (Riverbed Material) (A)	11,050
Qty. of Muck per Ton of Riverbed Material (B)	49.5
Total Muck Excavated (AxB)	**546,975**

Tunnel Muck Utilisation (in Tons)	
Sent to Crusher	191,441
Used in Gabions	82,046
Used in Land Fills	273,488
Total Muck Utilised	**546,975**

Outcome

Over 546,975 tons of muck was put to productive use.

True Progress is Progress for All

No man is an island and neither are organisations. We understand that if our progress is to be sustainable over a period of time, it has to be collective.

To ensure collective development, Project Sarvodaya was initiated in the year 2012-13 at Filterpada, a community of 12,500 people in the vicinity of Powai Campus.

After a need assessment survey, it was decided to focus on the health and livelihood needs of Filterpada, with a special focus on the needs of the women. The Sarvodaya Community Centre was established by Larsen & Toubro Public Charitable Trust (LTPCT) in partnership with Community Aid & Sponsorship Programme (CASP), an NGO.

Project Sarvodaya is an easily replicable model for bringing about social harmony and enhancing the well-being of families.

VOCATIONAL TRAINING

It was found that the women in this community rarely got an opportunity to financially support their families. Vocational training courses like beautician and tailoring were offered to the interested trainees.

HEALTH INITIATIVES

Health awareness programmes on waterborne and contagious diseases were interwoven with initiatives like clean house & clean society competition as well as healthy baby competition.

A weekly gynaecology clinic is run and cases, if observed, are referred to L&T's Andheri Health Centre (AHC) for further treatment.

Health check-up is also conducted on a regular basis by L&T's Mobile Health Van.

A special campaign on awareness regarding curative and preventive health measures was organised for a community comprising predominantly tribal population.

Impact

In the reporting year, over 450 women benefited through the training courses.

Sunlight at Night

The Company that is India's largest EPC solution provider of large scale solar power plants, also leads the way in putting solar energy to work in much smaller sizes through solar lanterns. D.VA, the solar lantern by L&T's E&A business, is virtually unbreakable, energy-efficient and easy-to-handle.

D.VA offers several advantages over conventional solar lamps:

1	2	3	4
Three brightness modes - full, economy and night. Equipped with an in-built dimming feature, it provides a range of light outputs to suit various ambient conditions at different times of the day	**The life span of the solar panels range between 20 and 25 years. Its bright LEDs have a rated life of up to 50,000 hours**	**D.VA can be charged through solar panels of 5W rating, or regular mains (AC supply) charging adaptor in low or no sunlight conditions**	**When fully charged, D.VA works for up to 10 hours at maximum brightness and 40 hours in 'night' mode**

Outcome

D.VA virtually extends sunlight into the night. It allows children to study longer, extends shop hours, and provides ease of doing household chores after sundown. Other benefits include a lower electricity bill and reduced use of kerosene.

D.VA won the India Design Council's India Design Mark Award (IMark) for good design. Over 3,000 D.VA solar lanterns are in service.

Teaching Safety - The Experiential Way

Safety Innovation School

L&T Hydrocarbon set up a unique Safety Innovation School at Hazira, near Surat. Spread over 10,000 sq. mt., it is a one of its kind facility in the country that imparts safety training through experimental learning.

Along with a host of latest safety related equipment, the School also has 3D simulation and training for medical emergencies through an automated CPR process.

Annual Business Responsibility Report (ABRR) 2013-14

The format adopted by L&T for its Annual Business Responsibility Report (BRR) conforms to the requirements of Securities & Exchange Board of India (SEBI) listing requirement. It covers the National Voluntary Guidelines (NVG) based on Social, Environmental & Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India.

Since 2008, the Company has been publishing a Sustainability Report every year, prepared as per the Global Reporting Initiative (GRI) G3 guidelines. The Sustainability Reports are externally assured and 'GRI Checked Application Level A+', signifying the highest level of disclosure in public domain. The report can be accessed at www.lntsustainability.com.

The Company is the first engineering & construction organisation in India to report on its Corporate Sustainability performance, and among the earliest to state its conformance with the eight missions of National Action Plan on Climate Change (NAPCC), India.

Section A: General Information about the Company

1. *Corporate Identity Number (CIN) of the Company:* ***L99999MH1946PLC004768***
2. *Name of the Company:* ***Larsen & Toubro Limited***
3. *Registered address:* ***L&T House, Ballard Estate, Mumbai: 400 001, India***
4. *Website:* ***www.Larsentoubro.com***
5. *E-mail id:* ***sustainability-ehs@Larsentoubro.com***
6. *Financial Year reported:* ***April 1, 2013 - March 31, 2014***
7. *Sector(s) that the Company is engaged in (industrial activity code-wise):*

Group	Class	Sub Class	Description
271	2710		Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
282	2824	28246	Manufacture of parts and accessories for machinery / equipment used by construction and mining industries.
301	3011	30111	Building of commercial vessels, passenger vessels, ferry boats, cargo ships, tankers, tugs, hovercraft (except recreation type hovercraft), etc.
		30112	Building of warships and scientific investigation ships, etc.
		30114	Construction of floating or submersible drilling platforms.
410	4100	41001	Construction of buildings carried out on own-account basis or on a fee or contract basis.
421	4210	42101	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways.
		42102	Construction and maintenance of railways and rail-bridges.
422	4220	42201	Construction and maintenance of power plants
		42202	Construction / erection and maintenance of power, telecommunication and transmission lines.
		42901	Construction and maintenance of industrial facilities such as refineries, chemical plants, etc.
465	4659	46594	Sale of construction and civil engineering machinery and equipment.
681	6810	68100	Real estate activities with own or leased property.
711	7110	71100	Architectural and engineering activities and related technical consultancy.

8. *List three key products/services that the Company manufactures/provides (as in balance sheet)*
    1. Construction and project related activity.
    2. Manufacturing and trading activity.
    3. Engineering service.
9. *Total number of locations where business activity is undertaken by the Company*
    i. Number of International Locations : 35
    ii. Number of National Locations : 100
10. *Markets served by the Company – Local/State/National/International:* ***All***

Section B: Financial Details of the Company

1. *Paid up Capital (INR):* ₹ ***185.38 crore***
2. *Total Turnover (INR):* ₹ ***57,164 crore***
3. *Total profit after taxes (INR):* ₹ ***5,493 crore***
4. *Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):* ***1.40%***
5. *List of activities in which expenditure in 4 above has been incurred:*
    Community and social engagements broadly covering;
    a. Education
    b. Skill Building
    c. Health Care
    d. Environment protection

Section C: Other Details

1. *Does the Company have any Subsidiary Company/ Companies?*
    Yes
2. *Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):*
    Yes. The Business Responsibility (BR) initiatives of the company are extended to the Subsidiary/Associate Companies and these are encouraged to participate in various related activities of BR.
3. *Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:*
    Yes. The Company promotes BR initiatives in its value chain. At present, less than 30% of its suppliers/ distributors participate in BR initiatives.

Section D: BR Information

1. *Details of Director/Directors responsible for BR*
    a) Details of the Director/Director responsible for implementation of the BR policy/policies
    - *DIN Number:* ***00001744***
    - *Name:* ***Mr. M. V. Kotwal***
    - *Designation:* ***Whole time Director & President (Heavy Engineering)***

b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (If applicable)	**Not Applicable**
2.	Name	**Mr. Ajit Singh**
3.	Designation	**Executive Vice President – Corporate Infrastructure & Services**
4.	Telephone Number	**+91-22-67052447**
5.	Email ID	**sustainability-ehs@Larsentoubro.com**

2. *Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)*
   Name of principles:
   P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
   P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
   P3 – Businesses should promote the well-being of all employees
   P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
   P5 – Businesses should respect and promote human rights
   P6 – Businesses should respect, protect, and make efforts to restore the environment
   P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
   P8 – Businesses should support inclusive growth and equitable development
   P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
2.	Has the policy being formulated in consultation with the relevant stake-holders?	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	**Yes. The policies are aligned with NVG guidelines and applicable international standards of ISO 9001, ISO 14001, OHSAS 18001 and ILO principles.**								
4.	Has the policy being approved by the Board? **Yes.** If yes, has it been signed by MD/owner/CEO/appropriate Board Director? **Signed by the Group Executive Chairman**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? **Yes.**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
6.	Indicate the link for the policy to be viewed online?	**www.Lntsustainability.com**								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
8.	Does the company have in-house structure to implement the policy/ policies?	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2a. *If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)*

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-----								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-----								
3.	The Company does not have financial or manpower resources available for the task	-----								
4.	It is planned to be done within next 6 months	-----								
5.	It is planned to be done within the next 1 year	-----								
6.	Any other reason (please specify)	-----								

3. *Governance related to BR*
   - *Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year*
     - o ***Annually***
   - *Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?*

     Yes, the Company has been publishing its Sustainability Report annually as per the framework of Global Reporting Initiative (GRI) G3 since 2008. The sustainability reports are externally assured and are 'GRI Checked Application Level A+', signifying the highest level of disclosure. The report can be accessed at www.Lntsustainability.com

Section E:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

L&T is committed to achieving its business goals solely through means that are, and are seen to be, ethical, transparent and with total accountability. This in an inflexible principle that has historically shaped the character of L&T. Ethics, transparency and accountability as well as a number of allied attributes are part of the codified vision statement of the Company, and its policies on Corporate Social Responsibility (CSR), Corporate Human Resource and Corporate Environment, Health and Safety (EHS). These policies and practices extend to and encompass the operations of subsidiary and associate companies. Sound systems and policies are in place (e.g. Whistle Blower Policy) to promote the Company's principles of ethics and fair practices across all the group companies.

A 'Code of Conduct' governs the actions of L&T's Board and senior management. The CEO & Managing Director provides an annual declaration regarding its compliance by the Company. The Code of Conduct can be accessed on the Company's website – www.Larsentoubro.com.

The Executive Management Committee (EMC) guides formulation of a sustainability strategy and ensures effective implementation. Additionally, it deliberates on policies for the company. At the corporate level, sustainability initiatives and performance are regularly reviewed by a nominated member of the EMC.

L&T has formulated an Environmental and Social 'Code of Conduct' for its suppliers. It includes specific clauses on ethics and transparency. The non-financial performance of the Company is also disclosed in public domain via annual Sustainability Reports. This report is third party verified and confirms to the world-wide acceptable framework of Global Reporting Initiative (GRI).

Details related to stakeholder complaints are included in the Director's Report Section of this Annual Report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

L&T's product and project spectrum underpins infrastructure and core sector industries. In distinct ways, the Company's offerings facilitate the efficient utilization and distribution of resources that contribute to public good, and set in motion the chain that enhances the quality of life.

The Company recognises carbon footprint as a significant measure of sustainable value. This is reflected in raw material selection and increasing focus on Energy-efficient processes. 'State of the art' manufacturing practices ensure the manufactured products adhere to the highest possible health and safety standards from development stage throughout their life-cycle. The Company undertakes a comprehensive review of health and safety impact of products, projects and services.

Corporate Environment, Health & Safety (EHS) Policy

As an integral part of our business philosophy, we are committed to conserving the environment and providing a safe and healthy workplace to our employees and stakeholders. Towards this, we shall:

- Incorporate EHS considerations in all business decisions
- Ensure compliance to statutory and other requirements
- Prevent adverse environmental impacts and occupational health and safety risks
- Conserve natural resources, minimise waste generation and environmental emissions
- Impart structured training for employees and stakeholders for effective EHS performance
- Encourage communication, consultation and collaboration with all the stakeholders

We shall strive for continual improvement in our EHS performance.

25th March 2008

A M NAIK
Chairman & Managing Director

LARSEN & TOUBRO

A codified policy publicly affirms the organisation's commitment, governs actions and provides clarity of direction.

All the Company's products are labelled and convey complete information pertinent to installation, operation and maintenance. Training is provided to customer personnel on safe and efficient operation and maintenance. For its switchgear products, L&T has set up full-fledged training centres around the country which provide generic (i.e. brand agnostic) training on good electrical practices. Signage systems are installed at all project sites.

The Company has a growing portfolio of green products and services. They assist customers by conserving natural resources, and reduce energy consumption and associated GHG emissions.

The Company has developed proven expertise, and is widely recognized as an industry leader in multiple projects that contribute to sustainability. These include the construction of green buildings, mass rapid transit systems, solar power plants executed on an EPC basis, fuel switch projects, dehydrogenation & desulphurization (DHDS) projects, coal gasifiers, super critical thermal power

The Administrative Building at L&T's Kattupalli Campus has won 'LEED Platinum Certification' from the globally respected United States Green Building Council (USGBC)

plant & energy efficient equipment, power transmission & distribution systems, Energy-efficient electrical & automation systems.

Green buildings constructed by the Company's Construction business help customers reduce energy and water consumption, utilize recycled material and locally sourced construction material. The Company is a leading EPC solutions provider for Solar Photo Voltaic (PV) based power plants helping customers save energy and contribute to reduction of GHG emissions from consumption of indirect energy.

L&T is engaged in multiple mass rapid transit systems in India. The Company is also currently executing metro systems in Riyadh, Saudi Arabia and Qatar.

Metro and mono rail are widely acknowledged as eco-friendly mass transit systems that reduce per capita fuel consumption and carbon emissions in urban areas. The Company executed India's first mono-rail project, a major part of the expansion plans for mass public transport systems in Mumbai.

The Hydrocarbon business of the Company has proven capabilities in execution of fuel switch projects for fertilizer plants and refineries. This significantly helps customers reduce sulphur emissions and improve product quality by switching from fuel oil and Low Sulphur Heavy Stock (LSHS) based ammonia plants to natural gas and Re-gasified Liquefied Natural Gas (R-LNG) based plants. The Heavy Engineering business manufactures coal gasifiers that uses coal efficiently. The Electrical & Automation business offers low-watt loss fuses, Power Management Systems, AC drives, smart metering systems etc.

L&T's unique Safety Innovation School at Hazira, near Surat reflects the Company's commitment to safety and to the dissemination of safe practices across all its worksites and production centres. Safety training at the School is imparted through experiential learning.

Sustainability Practices in Value Chain

L&T recognizes that - no matter how well intentioned - the individual initiatives of an organization to enhance sustainability would not achieve the overall impact of collective effort. The Company therefore actively propagates environment-friendly, safe and socially-responsible business practices across the value chain. L&T has formulated an Environment & Social Code of Conduct which many of its suppliers are committed to practice.

The Company conducts capacity building programmes for vendors, sub-contractors and provides training & technical expertise towards business efficiency improvement. Local sourcing improves logistics as well as helps to develop the local economy. Around 80% of the Company's requirements are met by local suppliers.

Material recycling and use of alternate materials is also being explored. However, as the Company's products are 'engineered to order' based on customer's requirement, the scope for direct material recycling is limited. Alternate materials such as fly ash in place of cement, crushed

The Company promotes material conservation among its supply chain while ensuring that quality is not compromised.

sand instead of natural sand, blast furnace slag in road construction in place of natural aggregate etc. help to conserve precious natural resources. Other examples include recycling of steel scrap and zinc waste, wherever feasible.

The Company also engages with its value chain by means of an established stakeholder engagement framework. The findings of this engagement help to formulate & implement the sustainability strategy for continual inclusive growth.

Principle 3: Business should promote well-being of employees

L&T is widely acknowledged as a professional organisation. Importantly the Company also recognises the person behind the professional, and has institutionalised systems that encourage personal growth in tandem with professional

Safety techniques need to be scientifically disseminated. L&T has set up a one-of-a-kind Safety Innovation School in Hazira.

development. It provides an array of opportunities for new learnings, expand skills sets, opportunity to develop their skills and secure a happy and fulfilling life. The Company's Corporate Human Resource Policy codifies its commitment to a culture of excellence while inspiring innovation and creativity.

Total workforce

L&T employees (Standalone)	**Refer "Standalone Financials – 10 Year Highlights" section of the Annual Report**
Number of permanent women employees	**3,042**
Contract workmen	**3,84,132**

The Company directly employs 82 persons with disabilities. The value chain also employs 96 persons with disabilities.

No discrimination is countenanced on the basis of caste, religion, gender or handicap. This is in line with the Company's endeavour to foster a culture of diversity and equal opportunity in employment. Employment of children and forced or compulsory labour is prohibited within the Company, its subsidiary and associate companies. The contract documents also include Human Rights clauses which are strictly adhered to within its premises.

The Company recognizes employee unions and associations affiliated with different trade unions at manufacturing facilities. 7.3% of permanent employees are covered under this category.

Safety cannot be prioritised, it is an intrinsic part of the Company's operations across all its businesses. Enhancing safety standards is one of the thrust areas for the Company. The Corporate Environment, Health & Safety (EHS) Policy encapsulates the Company's commitment to providing a safe and healthy workplace to all employees and stakeholders. Female employees are covered under the policy on 'Protection of Women's Rights at Workplace'. Safety performance is being reviewed at regular intervals at all levels. The Board also reviews safety performance on quarterly basis.

Regular safety trainings, mock drills and other safety interventions are undertaken to build a safe work culture within the organization. Further, a wide range of technical,

Leadership Development Academy at Lonavala near Mumbai is one of the only institutions of its kind in India. It provides the springboard for Team L&T to attain the next level of professional growth.

functional as well as managerial training is imparted to the employees to nurture their competencies. State-of-the-art training facilities, including a Leadership Development Academy at Lonavala and a unique 'Safety Innovation School' at Hazira near Surat, enable the Company to impart effective training in a conducive environment.

New employees are also provided compulsory training on multiple disciplines including health, safety & environment, climate change and sustainable development along with orientation towards the Company businesses and functions of various departments. All contract workmen receive mandatory safety training before commencing their work. More than four million man-hours of training was provided in FY 2013-14 to the permanent employees.

No complaints relating to child labour, forced labour, involuntary labour or sexual harassment were received in the FY 2013-14.

In addition to workplace safety management, efforts are also made towards employee wellness through 'Working on Wellness' initiative. This focuses on stress management and essential healthcare to enhance the overall employee well-being and promote work -life balance.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The heterogeneity and diversity of the country and its people find reflection in the Company's composition and structure. L&T is one of the most widely held companies in India with diverse and transparent shareholding. The Company engages with its identified stakeholders on an ongoing basis through a structured stakeholder engagement programme. Specific engagement mechanisms have been established for each stakeholder group identified. L&T is committed to continuously improving the value proposition it offers to customers, shareholders, employees, suppliers and other stakeholders and develop the communities around us.

Multiple communication platforms, including formal and informal channels of communication, are employed in L&T's continuing dialogue with stakeholders. This diverse pool of engagement channels helps enable deeper insights into their expectations, and ensures that stakeholder information remains current and updated.

The Company's engagement framework is based on objectives like proactive response, transparency, inclusiveness and trust. The framework has been continually refined and enables us to customize our communication and undertake elaborate engagement initiatives for internal and external stakeholders. This in turn contributes to superior strategy formulation, decision-making and accountability.

Nation building continues to be the underlying theme in all our endeavors. We consider it our responsibility to provide opportunities to all strata of society and equip them with the necessary skills and resources for inclusive growth. The Company has identified disadvantaged sections of the society through community need assessment surveys and provides strategic social interventions in partnership with local NGOs and communities. The details of such programmes are described under Principle 8.

The Company has a dedicated Corporate Brand Management & Communications department which facilitates an on-going dialogue between the organization and its stakeholders. Communication channels include:

For External Stakeholders	For Internal Stakeholders
Stakeholders engagement sessions	Employee satisfaction survey
Client satisfaction surveys	Engagement Survey for further improvement in employees' engagement process
Regular business interaction, supplier, dealer and stockist meets	Circulars
Periodic feedback mechanism	Social initiatives
Press Releases, Infodesk - an online service, dedicated email id for investor grievances	Welfare initiatives for employees and their families
AGM (Shareholders interaction)	Online news bulletins to convey topical developments
Investors meet and shareholder visit to works	A large bouquet of print and on-line in-house magazines - some location specific, some business specific
A corporate website that presents an updated picture of capabilities & activities	Internal spot news
Access to the business media to provide information & respond to queries	

Principle 5: Businesses should respect and promote Human Rights

The sanctity of Human Rights is upheld in letter and spirit and the Company actively seeks to identify, assess, and manage human rights impacts within its sphere of influence and activities. L&T's Human Resource Policy draws on the Universal Declaration of Human Rights, the ILO Core Conventions on Labour Standards and the UN Global Compact. The Company is also a member of the Global Compact Network India.

L&T complies with ethical and human rights standards and follows applicable local laws and regulatory requirements such as conventions of the International Labour Organisation (ILO), the Factories Act 1948, Building & Other Construction Workers (Regulation of Employment &Conditions of Service) Act 1996, Central Rules 1998 and Industrial Disputes Act 1947.

The Company ensures that human rights clauses are included in our contract documents with sub-contractors and are strictly adhered to within our premises and sites, while also being extended to Subsidiary and Associate companies. Employees are sensitized on human rights through induction training programmes, interactive sessions, intranet, policy manuals and posters.

Recruitment rules, procedures and general conditions of service stipulate equal opportunities for all its employees at the time of recruitment as well as during the course of employment irrespective of gender, ethnicity, nationality, sexual orientation, political and religious affiliation.

Responsible business practices are propagated across the value chain. To cascade sustainability across the supply chain, L&T has developed an environment & social 'Code of Conduct' for our suppliers. Many suppliers are signatories to this code and have committed themselves to practicing it in letter and spirit. Essential environment-friendly and socially-responsible business practices propagated by the code include energy efficiency, water conservation, waste reduction, occupational health & safety, prevention of corruption and respect for human rights.

There were no reported complaints related to human rights violations during the FY 2013-14.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Environmental health is critical to business sustainability. L&T endeavors to reduce the impact of operations by protecting the environment, conservation of resources and mitigating climate change. Over the years, the Company has formulated and executed green strategies which yield both environmental benefits and business growth. The underlying philosophy is to continuously enhance the efficiency of processes and augment the Company's green portfolio.

Systems are in place to identify and assess potential environmental risks and opportunities in its operations. The environment preservation policy and initiatives are propagated within its Subsidiary and Associate Companies and its key suppliers are also encouraged to follow such practices.

The Company remains committed to the eight missions of the National Action Plan on Climate Change (NAPCC) instituted by the Government of India. The Company has been increasingly investing in products and processes that assist sustainable economic growth - enhancing energy security, developing low-carbon technologies for building infrastructure, spreading sustainability knowledge and greening the nation's landscape. The Company has undertaken numerous initiatives for energy and Greenhouse gas (GHG) emission intensity reduction, increased use of renewable energy, promotion of green building construction, and enhancement of green cover, provision of solar & renewable energy solutions to customers and building of capacity for environmental management. The Company proactively discloses its carbon emissions annually to the Carbon Disclosure Project.

Pollution standards set by the regulatory bodies like central and state pollution control boards are adhered to, and the Company seeks environmental regulatory approvals prior to the commencement of operations at units and project sites. Regular checks are conducted by internal and independent agencies, to ensure compliance with relevant pollution control regulations. Compliance reports are submitted to Central Pollution Control Board (CPCB) / State Pollution Control Boards (SPCB). The Company's Board of Directors has complete access to the information within the Company, which includes a quarterly report on any material effluent or pollution problems. The Company encourages all of its manufacturing and service sites to develop and maintain a management system based on ISO 14001. During the financial year, there are no pending or unresolved show cause/legal notices from CPCB/SPCB.

As a part of the Company's effort to protect the environment and in accordance with the circular issued by the Ministry of Corporate Affairs, Government of India, shareholders have been given the option of receiving documents related to general meetings (including AGM), Audited Financial Statements, etc., through e-mail.

Water and wastewater management

The Company's water consumption and wastewater discharge have declined steadily over the years. Various water management initiatives like water auditing, rainwater harvesting and Industrial & domestic wastewater treatment & reuse are in place across the Company's manufacturing locations. In all, 28 out of 29 locations of the Company have now achieved 'zero wastewater discharge' status.

Check dams do more than provide water, they offer a sense of stability to communities. Small rural communities which were compelled to migrate every summer in search of water found it possible to remain in their villages. L&T Public Charitable Trust has built over 150 check dams in the Dahanu and Talasari blocks of Maharashtra.

Efforts to conserve water have been stepped up, with a sharper focus on water management projects in drought affected tribal areas of Maharashtra. Over 150 check dams were constructed in Dahanu and Talasari blocks of Maharashtra by Larsen & Toubro Public Charitable Trust, in collaboration with Rotary Club. This has contributed to creating a reservoir potential of more than 860 million litres of water in these blocks. In addition, four L&T campuses - Powai (West), Talegaon, E&A Mahape and Ahmednagar have been certified as 'Water Positive by an independent assurance provider.

Details of efforts made for reconstruction of biodiversity

Over 514,000 saplings were planted in and around the Company's manufacturing facilities & project sites in 2013-14. Over 150,000 fully grown trees are being nurtured across L&T campuses. Around 35% of the available open land at the Company's manufacturing locations has green cover. In addition, the Company has internally circulated a guidance manual on scientific methods of tree plantation titled 'Enlarging Green Cover'. The Company continues to ensure that its operations do not adversely impact the biodiversity of the region. Close to 1 million saplings were planted in and around the company's establishments and project sites in last three years.

Recycled raw material

The opportunity available to the Company to use recycled material is limited by the fact that most of the Company's products are Engineered To Order (ETO) and have to adhere to customer specification, stringent international design and manufacturing codes. The Company however continues to recycle steel and zinc in the construction business. Use of alternative materials such as fly ash, crushed sand and Ground Granulated Blast Furnace Slag (GGBS) in its construction business has progressively increased.

Sustainability roadmap

A Sustainability Roadmap 2012-15 drawn up by the Company focuses on seven core thrust areas. These include energy conservation & Greenhouse Gas (GHG) mitigation, embedding a 'safety culture', water conservation, material management, enhancing the health index of the organisation and continuing social interventions. Performance across all sustainability parameters are disclosed in the Corporate Sustainability Report. (For more details please refer to www.lntsustainability.com)

The Company has a registered project by its Infrastructure Development arm (L&T IDPL) on Clean Development Mechanism (CDM) under United Nations Framework Convention on Climate Change (UNFCCC) related to Green Power Generation Project (8.7 MW wind farm). The National CDM Authority - Ministry of Environment & Forests, Government of India has approved this as a 'Project contributing to sustainable development' and given 'Host country approval' for the project on June 12, 2012. This project aims to reduce approximately 16,128 tonnes of CO_2 equivalent per annum.

Principle 7: Responsible Public Advocacy

The Company recognizes its role and responsibility in contributing to and moulding policies that will affect the industries of which it is a part. L&T executives are active members of various industrial forums, chambers and councils. The policies they help to formulate cover aspects affecting manufacturing, business, products, services and clients.

Institutes and industrial forums in which the Company participates include:

- Association of Business Communicators of India
- Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Bombay Chamber of Commerce & Industry (BCCI)
- Global Compact Network India (GCNI)
- Construction Industry Development Council (CIDC)
- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Electrical and Electronics Manufacturers Association
- Indian Institute of Chemical Engineers (IIChE)
- National Safety Council
- National Fire Protection Institution

L&T's senior executives interact closely with CII on focused programmes of sustainable development, skill building and are part of the working team on Environment, Health & Safety (EHS), energy conservation and Corporate Social Responsibility (CSR).

Principle 8: Support Inclusive Growth

Inclusive growth is at the heart of Company's social engagement strategy. The Company has defined the Corporate Social Responsibility policy which has been is approved by the Board. In 2013-14, the Company has combined the sustainability & Corporate Social Initiatives (CSI) cell and formulated an Apex Sustainability and Corporate Social Responsibility (SCSR) team. This team is responsible for driving both sustainability and CSR programmes across the organization. The Company has a following structure for implementation of CSR programmes.

- The Apex SCSR Team at the Corporate level and SCSR team at business level are established
- CSR projects are identified and implemented by unit level SCSR team, area/branch offices and project-based team with guidance from Apex and Business level SCSR teams
- Ladies Club formed by spouses of L&T employees participates in implementation of CSR projects
- Employee volunteers - christened "L&Teers" demonstrate personal commitment to CSR. Their efforts are focused on health & education programmes

In tandem with NGOs and the society at large, L&T adopts a collaborative approach to identify the requirements of local community through need assessment surveys. This forms an essential precursor to all social programmes. Periodic impact assessment monitors the benefits received by the community and recommends mid-course changes needed, if any.

Community development programmes are either fully adopted or supported by the Company as per the need on case to case basis. Capacity building programmes for local administrations are also conducted to successfully run the programmes.

The following thrust areas have been identified for community engagement:
- Health
- Education
- Skill Building

A snapshot of initiatives in above thrust areas is as follows.

Health:
L&T's community health centres are located at Mumbai, Thane, Ahmednagar, Hazira, Vadodara, Coimbatore, Chennai and Kansbahal. These centres provide diagnostic health services, including gynaecological, paediatric, immunization, Chest & TB, ophthalmic consultation, dialysis services etc.

L&T has community health centres at several locations around the country. In addition, it also owns and operates mobile health vans that provide marginalized communities access to health care.

Mobile medical vans owned and operated by L&T provide marginalized communities access to modern health care. These vans focus on health education- promoting healthy behaviour, early diagnosis and referral. These vans currently serve nine locations. In addition the Company conducts health camps, and participates in public private partnership (PPP) health projects like programs to spread awareness of HIV /AIDS. This helps to greatly extend and enhance the impact of L&T's outreach programmes.

Education:
Educational interventions are focused on pre-primary and primary section of schools. The Company supports pre-schools (anganwadi & Balwadi), which have been established as community learning centres for underprivileged children and provides infrastructure aids, has established libraries, provides teaching aids, uniforms and computers to schools. The Company runs specific programmes in schools on subjects such as Mathematics, Science, English, Health & Hygiene and Safety. Under the

'Science on Wheels' - L&T joins hands with an NGO to promote science in schools. This is part of L&T's broad spectrum of community initiatives.

'Science on Wheels' programme, mobile science vans visit various schools in villages to impart knowledge through experiential learning. In addition, summer camps, sports activities, periodical health check-up camps are conducted at adopted schools.

Skill building:

Eight Construction Skills Training Institutes (CSTI) across India are currently imparting skills for school dropouts and illiterate village youth. CSTI provides training in construction trades such as carpentry, bar bending, masonary, electrician, welding and scaffolding. Course duration ranges from three months to six months. Trainees are provided a stipend and hostel facility. Skill training - it has been found has a transformative effect, turning unemployed youths into productive members of society. Certificates of proficiency are issued to trainees on completion of the course. Trainees are free to start their own ventures or are recruited by subcontractors at L&T's project sites.

L&T's Construction Skills Training Institutes change the future of underprivileged youth. In three to six months, they turn unemployed, village 'drop-outs' into trained carpenters, masons, electricians…

Project Neev is an initiative of the Company to work towards enriching the lives of the differently abled through interventions such as vocational training programmes. Handicrafts and other products made by the participants in the Project Neev programme are marketed through various channels. This provides opportunities for gainful employment while enhancing the sense of self worth.

The Company has reached to over eight lakh beneficiaries through various CSR programmes and initiatives.

L&T Public Charitable Trust (LTPCT) conducts vocational training programmes for women which provides opportunities to generate livelihood through self-help groups. The programmes impart skills related to tailoring, beautician, home-nursing, food processing etc.

This year, with the construction of 50 additional check dams in the Dahanu Taluka of Maharashtra, the total tally of check dams has reached 150, facilitating irrigation and ground water recharge for rural communities in the drought affected areas.

Please refer 'Social Performance' section of Sustainability Reports for further details on various social engagement and community development programmes at Company level.

The Company contributed ₹ 76.50 crore in 2013-14 towards social development.

Principle 9: Engage with and provide value to customers

The Company's business proposition and its competitive edge revolve around the additional value it consistently provides to customers. The high percentage of 'repeat orders' and the long span of customer relationships indicate a very high level of mutually satisfactory engagement.

Product performance is enhanced through regular investments in R&D, design, technology and upgrading of manufacturing processes. L&T also invests in developing customer focused solutions. Projects incorporate state-of-the-art technology, developed either through in-house capabilities or sourced from global leaders.

Health and safety aspects are integrated at the product design stage itself. Products are labeled and accompanied by operation and maintenance manuals in line with relevant codes and requisite specifications. The products are tested and benchmarked against stringent national and international standards such as BIS, IS, ISO and IEC. Projects executed by the Company have extensive signage.

As a company that offers high value, capital-intensive products and projects, L&T is in close and continuing touch with its client base. Structured interactions include customer meets, satisfaction surveys and training programmes that increase skill levels and promote best practices. These interactions facilitate resolution of complaints, if any, and fruitful exchange of views. Customer feedback initiates the process of performance analysis and product enhancement.

All norms, standards and voluntary codes and guidelines related to marketing communication are adhered to by the Company. The brand management guidelines developed by the Company's Corporate Brand Management & Communication (CBMC) department promotes clarity and consistency in communications. The guidelines cover product and corporate branding, advertising across all media, signage systems, labeling, films and marketing documentaries, promotion at exhibitions and trade fairs.

Regarding unfair trade practices, irresponsible advertising and or anti-competitive behaviour, no stakeholder has filed case against the Company in the last five years and there are no pending cases as on March 31, 2014.

At L&T's Switchgear Training Centres around the country, the emphasis is not on 'selling' of brand or product, but on ensuring that customers adopt good electrical practices and gain the maximum value from switchgear.

The high percentage of 'repeat orders' that L&T secures across all its businesses is possibly the most accurate reflection of customer confidence in the Company's offerings.

Annexure: Mapping of Annual Business Responsibly Report (ABRR)

Question	Reference	
	Section	Page Number
Section A : General Information about the Company		
1. Corporate Identity Number (CIN) of the Company	AR	Page no 18
2. Name of the Company	AR	Page no 18
3. Registered Address	AR	Page no 18
4. Website 5. Email id	AR	Page no 18
6. Financial Year Reported 7. Sector(s) that the Company is engaged in (industrial activity code-wise)	AR	Page no 18
8. List three key products/services that the Company manufactures/provides (as in balance sheet) 9. Total number of locations where business activity is undertaken by the Company	AR	Page 19
i. Number of International Locations (Provide details of major 5	AR	Page 19
ii. Number of National Locations	AR	Page 19
10. Markets served by the Company – Local/State/National/International	AR	Page 19
Section B: Financial Details of the Company		
1. Paid up Capital (INR)	AR	Page 19
2. Total Turnover (INR) 3. Total profit after taxes (INR)	AR	Page 19
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	AR	Page 19
5. List of activities in which expenditure in 4 above has been incurred: -	AR	Page 19
Section C : Other Details		
1. Does the Company have any Subsidiary Company/ Companies?	AR	Page 19
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	AR	Page 19
Section D: BR Information		
1. Details of Director/Directors responsible for BR a) Details of the Director/Director the BR policy/policies • DIN Number • Name • Designation b) Details of the BR head • DIN Number (if applicable) • Name • Designation • Telephone number • e-mail ID	AR	Page 19-20
3. Governance Related to BR Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	AR	Page 21

Question	Reference	
	Section	Page Number
Does the Company publish a BR or a Sustainability Report? What is the Hyperlink for viewing this report? How frequently it is published?	AR	Page 21
Section E : Principle-wise Performance		
Principle1: Ethics, Transparency and Accountability		
Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	AR	Page 21-22
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	The details related to stakeholder complaints are included in the Director's Report Section of this Annual Report.	
Principle 2 : Sustainable Products and Services		
List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	AR	Page 22-24
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	AR	Page 22-24
Does the company have procedures in place for sustainable sourcing (including transportation)?	AR	Page 22-24
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	AR	Page 22-24
If yes, what steps have been taken to improve their capacity and capability of local and small vendors?		
Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Green buildings constructed by the Company's Construction Business help customers to reduce energy and water consumption, utilize recycled material and locally source most of construction material. The Company is a leading EPC solution provider for Solar Photo Voltaic (PV) based power plants helping customers save on the energy bills and contribute to reduction of GHG emissions from consumption of indirect energy.	Page 22-24

Question	Reference	
	Section	Page Number
Principle 3: Employee Well Being		
Total number of employees. Total number of employees hired on temporary/contractual/casual basis. Number of permanent women employees. Number of permanent employees with disabilities Do you have an employee association that is recognized by management? What percentage of your permanent employees is members of this recognized employee association?		Page 24
Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		Page 25
What percentage of your under mentioned employees were given safety and skill up gradation training in the last year?		Page 25
Principle 4: Valuing Marginalized Stakeholders		
Has the company mapped its internal and external stakeholders?		Page 25-26
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?		Page 25-26
Principle 5: Human Rights		
Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?		Page 26
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?		Page 27
Principle 6: Environment		
Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/others?		Page 27
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?		Page 27-28
Does the company identify and assess potential environmental risks?		Page 27-28
Does the company have any project related to Clean Development Mechanism?		Page 27-28
Has the company undertaken any other initiatives on – clean technology, Energy efficiency, renewable energy, etc.? Y/N.		Page 27-28

Question	Reference	
	Section	Page Number
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.		Page 27-28
Principle 7: Policy Advocacy		
Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Have you advocated/lobbied through above associations for the advancement or improvement of public good?		Page 28-29
Principle 8: Inclusive Growth		
Does the company have specified programmes/initiatives/projects in Pursuit of the policy related to Principle 8?		Page 29-30
Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?		Page 29-30
Have you done any impact assessment of your initiative?		Page 29-30
What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?		Page 29-30
Have you taken steps to ensure that this community development initiative is successfully adopted by the community?		Page 29-30
Principle 9: Customer Welfare		
What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The details related to stakeholder complaints are included in the Director's Report Section of this Annual Report.	
Does the company display product information on the product label, over and above what is mandated as per local laws?		Page 30-31
Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of end of financial year Did your company carry out any consumer survey/ consumer satisfaction trends?		Page 30-31

STANDALONE FINANCIALS-10 YEAR HIGHLIGHTS

₹ *crore*

Description	2013-14	2012-13 (Restated) $$	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Statement of Profit and Loss										
Gross revenue from operations	57164	52196	53738	44296	37356	34337	25342	17938	14995	13362
PBDIT^^	6667	5473	6283	5640	4816	3922	2969	1784	1126	855
Profit after tax (excluding extraordinary/exceptional items)	4905	4169	4413	3676	3185	2709	2099	1385	863	631
Profit after tax (including extraordinary/exceptional items)	5493	4384	4457	3958	4376	3482	2173	1403	1012	984
Balance Sheet										
Net worth	33662	29291	25223	21846	18312	12460	9555	5768	4640	3369
Deferred tax liability (net)	410	290	133	263	77	48	61	40	77	95
Loan funds	11459	8478	9896	7161	6801	6556	3584	2078	1454	1859
Capital employed	45531	38059	35252	29270	25190	19064	13200	7886	6171	5323
Ratios and statistics										
PBDIT as % of net revenue from operations @	11.78	10.60	11.82	12.84	13.00	11.56	11.87	10.14	7.63	6.50
PAT as % of net revenue from operations $	9.71	8.50	8.38	9.01	11.82	10.26	8.69	7.97	6.86	7.48
RONW % *	17.46	16.06	18.95	19.73	28.49	31.71	29.21	27.19	25.67	32.82
Gross Debt: Equity ratio	0.34:1	0.29:1	0.39:1	0.33:1	0.37:1	0.53:1	0.38:1	0.36:1	0.32:1	0.56:1
Dividend per equity share (₹) ##	14.25	12.33	11.00	9.67	8.33	7.00	5.67	4.33	3.67	2.92
Basic earnings per equity share (₹) #	59.36	53.33	48.61	43.55	49.18	39.67	25.20	16.74	12.68	12.94
Book value per equity share (₹) ##	362.95	317.09	274.35	238.96	202.46	141.54	108.63	67.43	55.67	42.32
No. of equity shareholders	8,32,831	8,54,151	9,26,719	8,53,485	8,14,678	9,31,362	5,78,177	4,28,504	3,27,778	3,23,908
No. of employees	54,579	50,592	48,754	45,117	38,785	37,357	31,941	27,191	23,148	19,848

^^ Profit before depreciation, interest and tax (PBDIT) is excluding extraordinary/exceptional items and other income

@ PBDIT as % of net revenue from operations = [(PBDIT/(gross revenue from operations *less* excise duty)]

$ Profit After Tax (PAT) as % of net revenue from operations = [(PAT including extraordinary/exceptional items)/(gross revenue from operations *less* excise duty)]

* RONW [(PAT including extraordinary/exceptional items)/(average net worth excluding revaluation reserve and miscellaneous expenditure)]

Basic earnings per equity share have been calculated including extraordinary/exceptional items and adjusted for all the years for issue of bonus shares/restructuring during the respective years

After considering adjustments for issue of bonus shares/restructuring during the respective years

$$ (i) Figures for the year 2004-05 to 2011-12 include Hydrocarbon business which has been transferred w.e.f April 1, 2013 to a wholly owned subsidiary

(ii) The figures for the year 2012-13 have been restated as per the requirement of Accounting Standard (AS) 24 to exclude the financial results of erstwhile Hydrocarbon business

(iii) The basic earnings per share do not include the results of Hydrocarbon business for the year 2013-14. However, the basic earnings per share figures for all the corresponding previous periods are based on results which include Hydrocarbon business. Accordingly, the basic earnings per share for the year 2013-14 are not comparable with the figures of all the corresponding previous periods

CONSOLIDATED FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

Description	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Statement of Profit and Loss										
Gross revenue from operation	85889	75195	64960	52470	44310	40932	29819	20877	16809	14717
PBDIT^^	10754	9929	8884	7677	6423	5024	3706	2615	1585	1179
Profit attributable to Group shareholders (excluding extraordinary/exceptional items)	4568	4911	4649	4238	3796	3007	2304	1810	1051	697
Profit attributable to Group shareholders (including extraordinary/exceptional items)	4902	5206	4694	4456	5451	3789	2325	2240	1317	1050
Balance Sheet										
Net worth	37712	33860	29387	25051	20991	13988	10831	6922	4964	3316
Deferred tax liability (net)	337	184	82	311	153	131	122	107	127	138
Loan funds	80153	62672	47150	32798	22656	18400	12120	6200	3499	3454
Capital employed	124863	103322	82790	63697	46839	35547	24192	14107	8697	7013
Ratios and statistics										
PBDIT as % of net revenue from operations @	12.63	13.33	13.81	14.75	14.61	12.40	12.58	12.75	9.57	8.13
PAT as % of net revenue from operations $	5.76	6.99	7.30	8.56	12.40	9.35	7.89	10.92	7.95	7.24
RONW % **	13.71	16.47	17.26	19.38	31.23	30.64	26.92	38.01	32.30	36.12
Gross debt:equity ratio	2.13:1	1.85:1	1.61:1	1.31:1	1.08:1	1.32:1	1.12:1	0.90:1	0.71:1	1.06:1
Basic earnings per equity share (₹) #	52.97	56.53	51.21	49.04	61.27	43.17	26.96	26.73	16.50	13.80
Book value per equity share (₹) ##	406.65	366.59	319.64	273.97	232.04	158.84	122.87	80.92	59.57	41.63
Dividend per equity share (₹) ##	14.25	12.33	11.00	9.67	8.33	7.00	5.67	4.33	3.67	2.92

^^ Profit before depreciation, interest and tax [PBDIT] is excluding extraordinary/exceptional items and other income.

@ PBDIT as % of net revenue from operation = [(PBDIT/(gross revenue from operation less excise duty)].

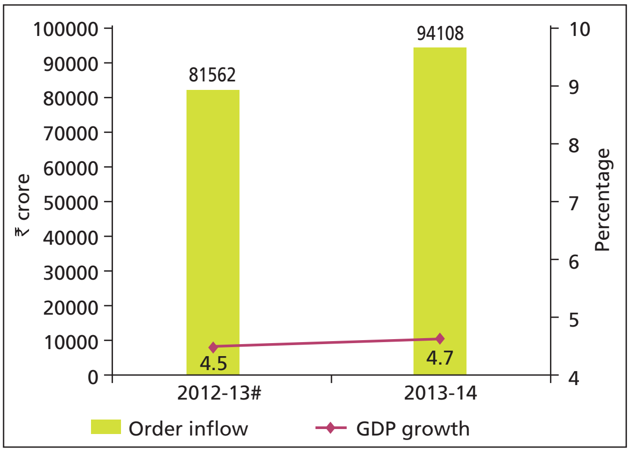
$ PAT as % of net revenue from operation = [(PAT including extraordinary/exceptional items)/(gross revenue from operation less excise duty)].

** RONW [(profit available for appropriation including extraordinary/exceptional items)/(average net worth excluding revaluation reserve and miscellaneous expenditure)].

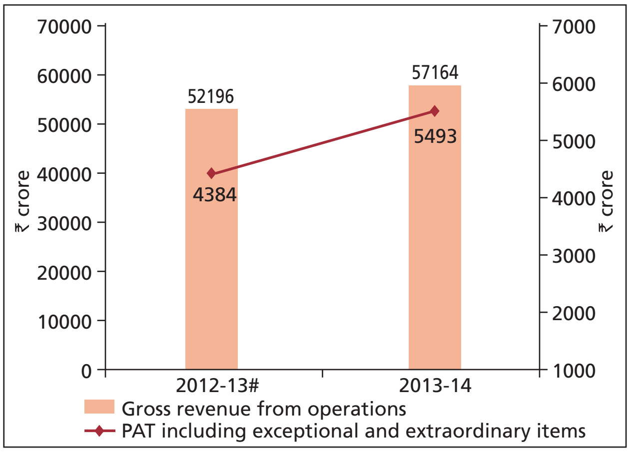
Basic earnings per equity share have been calculated including extraordinary/exceptional items and adjusted for all the years for issue of bonus shares/ restructing during the respective years.

After considering issue of bonus shares/ restructuring during the respective years.

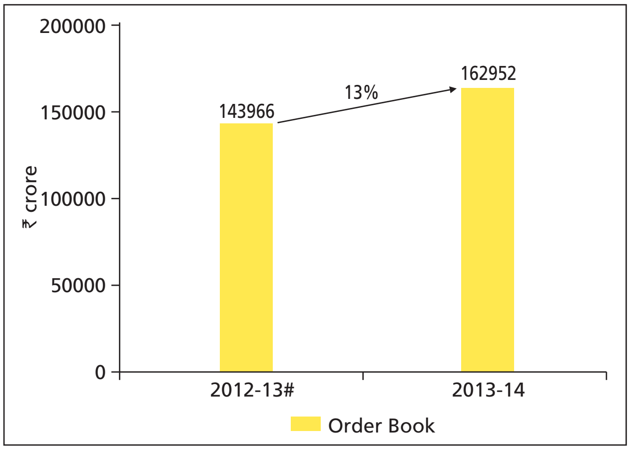
L&T - ORDER INFLOW (INCLUDING INTEGRATED JOINT VENTURES)



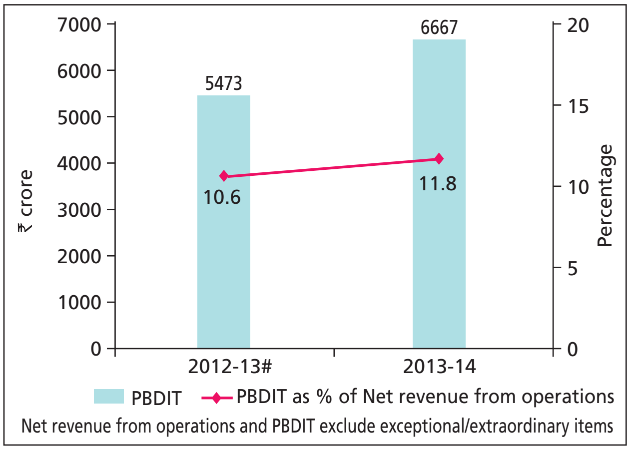
L&T - GROSS REVENUE FROM OPERATIONS AND PAT



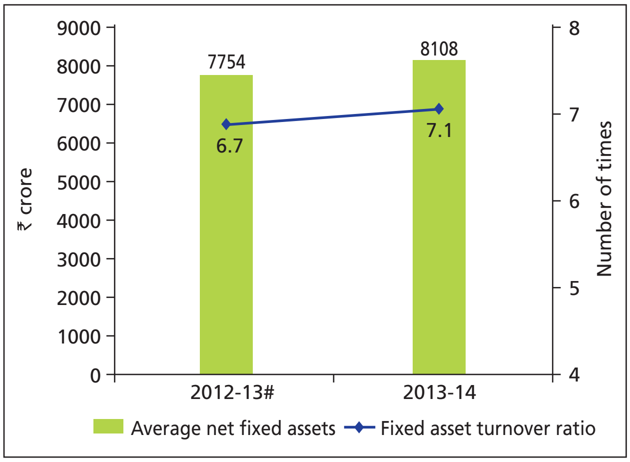
L&T - ORDER BOOK (INCLUDING INTEGRATED JOINT VENTURES)



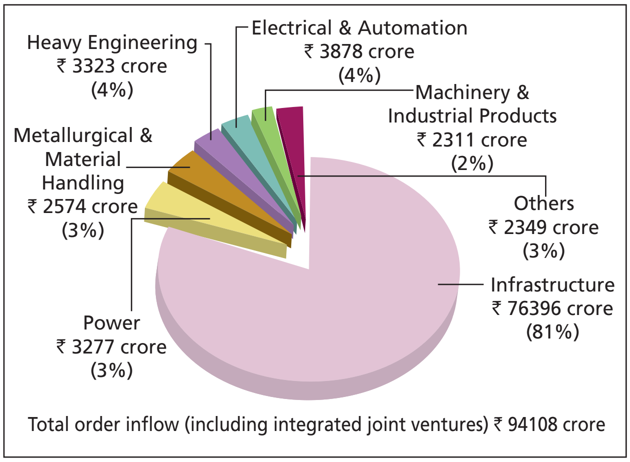
L&T - PBDIT AS % OF NET REVENUE FROM OPERATIONS



L&T - FIXED ASSET TURNOVER RATIO

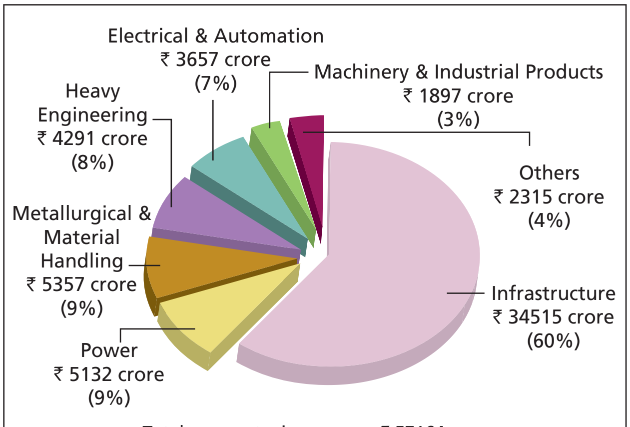


L&T - SEGMENT-WISE ORDER INFLOW 2013-14



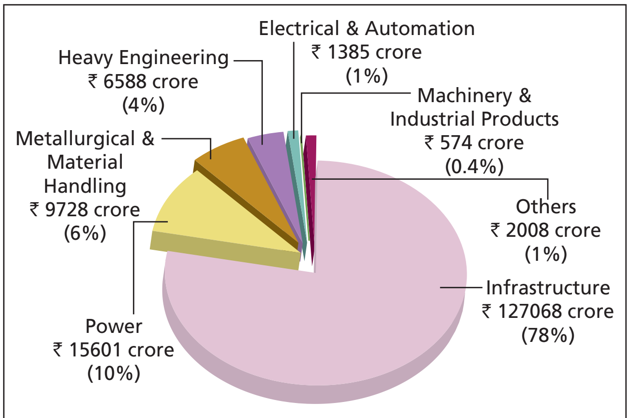
To facilitate like-to-like comparison, the figures for 2012-13 have been restated to exclude Hydrocarbon business which has been transferred w.e.f. April 1, 2013 to a wholly owned subsidiary.

L&T - SEGMENT-WISE REVENUE 2013-14



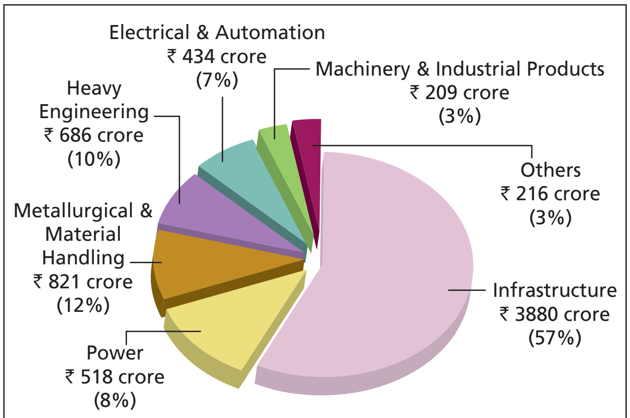
Total segment wise revenue ₹ 57164 crore

L&T - SEGMENT-WISE ORDER BOOK AS AT MARCH 31, 2014



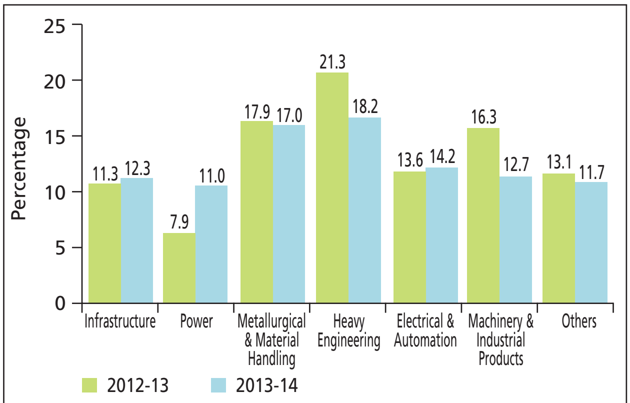
Total order book (including integrated joint ventures) ₹ 162952 crore

L&T - SEGMENT-WISE RESULT 2013-14



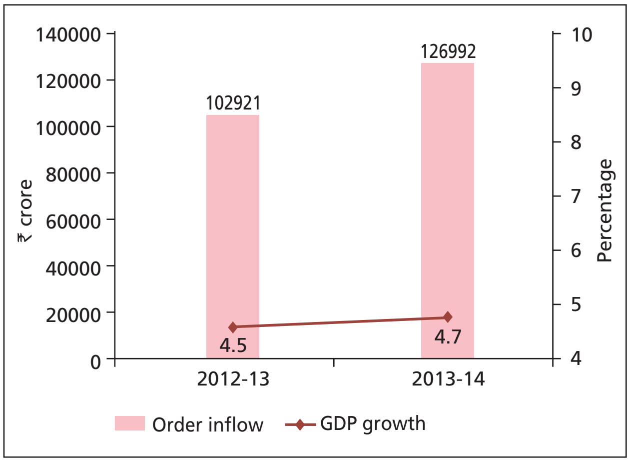
Total segment result ₹ 6764 crore

L&T - SEGMENT-WISE EBIDTA MARGINS*

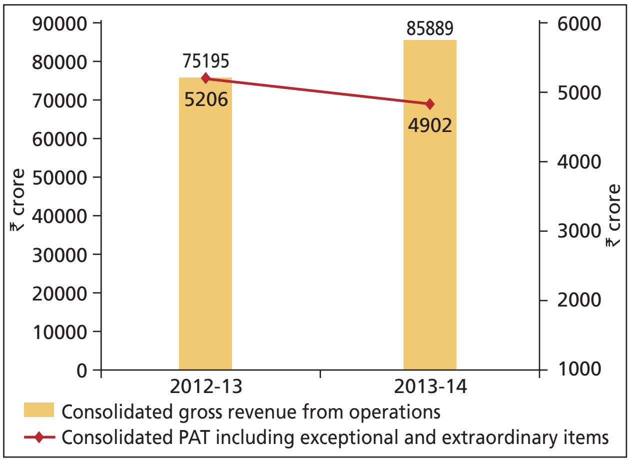


* Earnings before interest, tax, depreciation and amortisation as percentage of net segment revenue

L&T CONSOLIDATED - ORDER INFLOW



L&T CONSOLIDATED GROSS REVENUE FROM OPERATIONS AND PAT



Directors' Report

The Directors have pleasure in presenting their Annual Report and Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

	2013-14 ₹ crore	*2012-13 (Restated#)* *₹ crore*
Profit before depreciation, exceptional and extraordinary items and tax	7,471.83	*6,405.68*
Less: Depreciation, amortisation and obsolescence	793.36	*728.69*
	6,678.47	*5,676.99*
Add: Transfer from Revaluation Reserve	0.94	*0.95*
Profit before exceptional and extraordinary items and tax	6,679.41	*5,677.94*
Add: Exceptional items	588.50	*176.24*
Profit before extraordinary items and tax	7,267.91	*5,854.18*
Add: Extraordinary items	–	*78.11*
Profit before tax	7,267.91	*5,932.29*
Less: Provision for Tax	1,774.78	*1,547.80*
Profit after Tax from continuing operations	5,493.13	*4,384.49*
Profit from discontinued operations	–	*778.86*
Tax expenses on discontinued operations	–	*252.70*
Profit from discontinued operations (after tax)	–	*526.16*
Profit for the period carried to Balance Sheet	5,493.13	*4,910.65*
Add: Balance brought forward from previous year	285.75	*152.39*
Less: Dividend paid for the previous year (including dividend distribution tax)	2.78	*2.71*
Balance available for disposal (which the directors appropriate as follows):	5,776.10	*5,060.33*
Debenture Redemption Reserve	44.00	*50.25*
Proposed Dividend	1,320.85	*1,138.47*
Dividend Tax	77.80	*85.86*
General Reserve	4,000.00	*3,500.00*
	5,442.65	*4,774.58*
Balance to be carried forward	333.45	*285.75*
Dividend	1,320.85	*1,138.47*
The Directors recommend payment of final dividend of ₹ 14.25 per equity share of ₹ 2/- each on 92,69,12,658 shares.		

The figures for the year ended March 31, 2013 have been restated as per the requirement of Accounting Standard (AS) 24 to exclude the financial results of erstwhile Hydrocarbon business undertaking.

YEAR IN RETROSPECT

The gross sales and other income for the financial year under review were ₹ 59,045 crore as against ₹ 54,083 crore for the previous financial year registering an increase of 9%. The Profit before tax from continuing operations including extraordinary and exceptional items was ₹ 7,268 crore and the Profit after tax from continuing operations including extraordinary and exceptional items of ₹ 5,493 crore for the financial year under review as against ₹ 5,932 crore and ₹ 4,385 crore respectively for the previous financial year, registering an increase of 23% and 25% respectively.

TRANSFER OF HYDROCARBON BUSINESS

During the year, the Company completed the transfer of it's Hydrocarbon Independent Company undertaking along with related assets, liabilities and specific identified reserves through a Scheme of Arrangement between Larsen & Toubro Limited and L&T Hydrocarbon Engineering Limited, a wholly owned subsidiary of the Company ("LTHE") and their respective Shareholders and Creditors under the provisions of Sections 391 to 394 of the Companies Act, 1956. The Appointed Date of the Scheme was April 1, 2013 and the Effective Date was January 16, 2014.

DIVIDEND

The Directors recommend payment of dividend of ₹ 14.25 per equity share of ₹ 2/- each on the share capital.

DEPOSITORY SYSTEM

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2014, 97.58% of the Company's total paid-up Capital representing 90,44,84,644 shares are in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the Depositories.

CAPITAL & FINANCE

During the year under review, the Company allotted 32,32,101 equity shares upon exercise of stock options by the eligible employees under the Employee Stock Option Schemes.

The shareholders of the Company approved the issue of bonus shares in the ratio of 1:2 through postal ballot on July 3, 2013. The Company accordingly issued 30,82,94,576 bonus shares on July 15, 2013.

During the year under review, the Company raised ₹ 100 crore via issuance of Non-Convertible Debentures. Further, the Company has drawn down long term foreign currency loans in USD equivalent to approximately ₹ 296 crore. The Company also refinanced its foreign currency loans of approximately US$ 360 million in order to reduce its interest cost.

During the year, the Company repaid a part of its long term foreign currency loans, equivalent to about ₹ 775 crore and redeemed Non-Convertible Debentures of ₹ 500 crore.

CAPITAL EXPENDITURE

As at March 31, 2014, the gross fixed and intangible assets, including leased assets, stood at ₹ 12,226 crore and the net fixed and intangible assets, including leased assets, at ₹ 8,237 crore. Capital expenditure during the year amounted to ₹ 1,015 crore.

DEPOSITS

There are no deposits which were due for repayment on or before March 31, 2014. All unclaimed deposits were transferred to Investor Education & Protection Fund during the year.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

The Company sends letters to all shareholders whose dividends are unclaimed so as to ensure that they receive their rightful dues. Efforts are also made in co-ordination with the Registrar to locate the shareholders who have not claimed their dues.

During the year, the Company has transferred a sum of ₹ 94,49,482 to Investor Education & Protection Fund, the amount which was due & payable and remained unclaimed and unpaid for a period of seven years, as provided in Section 205C(2) of the Companies Act, 1956. Despite the reminder letters sent to each shareholder, this amount remained unclaimed and hence was transferred. Cumulatively, the amount transferred to the said Fund was ₹ 11,58,07,343 as on March 31, 2014.

SUBSIDIARY COMPANIES

During the year under review, the Company subscribed to / acquired equity / preference shares in various subsidiary companies. These subsidiaries include SPVs executing projects secured through Build Operate Transfer (BOT) route, companies in shipbuilding, technology services or holding companies making investments in companies such as those engaged in power, financial services, real estate businesses, etc. The details of investments in subsidiary companies during the year are as under:

A) Shares acquired during the year:-

Name of the company	Type of Shares	No. of shares
L&T Construction Equipment Limited (see Note 1)	Equity	6,00,00,000
L&T General Insurance Company Limited	Equity	8,00,00,000
L&T Hydrocarbon Engineering Limited	Equity	100,00,00,000
L&T Hydrocarbon Engineering Limited	Preference	50,00,00,000
L&T Infrastructure Development Projects Limited	Special Equity	10,000
L&T Metro Rail (Hyderabad) Limited	Equity	62,53,980
L&T-MHI Turbine Generators Private Limited	Equity	2,04,00,000
L&T Power Development Limited	Equity	93,03,00,000
L&T Seawoods Private Limited	Equity	150,50,90,000
L&T Shipbuilding Limited	Preference	9,00,00,000
L&T Special Steels and Heavy Forgings Private Limited	Equity	1,96,84,000
L&T Technology Services Limited	Equity	10,24,50,000
L&T Technology Services Limited	Preference	40,00,00,000
Larsen & Toubro Hydrocarbon International Limited LLC	Equity	450

B) Equity Shares sold / transferred during the year:

Name of the company	Number of shares
Narmada Infrastructure Construction Enterprise Limited	1,26,48,507
L&T Finance Holdings Limited (See Note 2)	10,04,34,612

Note:

1. During the year, the Company acquired 50% stake in L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited) from the JV partner. With this acquisition, L&T Construction Equipment Limited is now a wholly owned subsidiary of the Company.
2. The Company has to comply with the SEBI minimum public shareholding requirement in L&T Finance Holdings Limited by August 2014. Towards meeting this objective, it has sold shares of L&T Finance Holdings Limited during the year.

The Ministry of Corporate Affairs (MCA), vide it's circular No. 2/2011 dated February 8, 2011, has granted general exemption under Section 212(8) of the Companies Act, 1956, subject to certain conditions being fulfilled by the Company. As required under the circular, the Board of Directors has, at its meeting held on January 22, 2014, passed a resolution giving consent for not attaching the Balance Sheet of the subsidiary companies. We have also given the required information on subsidiary companies in this Annual Report. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them. These documents will be uploaded on the Company's Website viz. www.Larsentoubro.com and will also be available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours.

AUDITORS' REPORT

The Auditors' Report to the Shareholders does not contain any qualification.

DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is provided in Annexure 'A' forming part of this Report.

OTHER DISCLOSURES

The disclosures required to be made under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, together with a certificate obtained from the Statutory Auditors, confirming compliance, is provided in Annexure 'B' forming part of this Report.

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a Report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming compliance, is provided in Annexure 'C' forming part of this Report.

PERSONNEL

The Board of Directors wishes to express its appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder, is provided in Annexure forming part of the Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure is related to any Director of the Company.

BUSINESS RESPONSIBILITY REPORTING

As per Clause 55 of the Listing Agreement with the Stock Exchanges, a separate section on Business Responsibility Reporting forms a part of this Annual Report (refer pages 18-35). The activities carried out by the Company as a part of its CSR initiatives during 2013-14 are covered in the same.

SUSTAINABILITY REPORTING

The Company has been one of the first engineering and construction companies in India to publish its report on Corporate Sustainability. The detailed Corporate Sustainability Report is also available on the Company's website www.Larsentoubro.com.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;

ii. that the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profits of the Company for the year ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the annual accounts have been prepared on a going concern basis; and

v. that the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.

DIRECTORS

During the year under review, Mr. N. Mohan Raj, the Nominee Director representing 'Life Insurance Corporation of India', resigned with effect from October 21, 2013. Mr. N. Mohan Raj would have been liable for retirement by rotation at the ensuing Annual General Meeting (AGM) of the Company. The said vacancy is not proposed to be filled at the ensuing AGM. The Board places on record its appreciation of his immense contribution to the Company

Mr. S. Rajgopal and Mr. S. N. Talwar, Independent Directors have desired to retire at the ensuing AGM. The Board places on record its appreciation of their immense contribution to the Company.

Mr. A. K. Jain, Mr. S. N. Subrahmanyan and Mr. A. M. Naik retire from the Board by rotation and are eligible for re-appointment at the forthcoming AGM.

Pursuant to the provisions of the new Companies Act, 2013 and revised Clause 49 of the Listing Agreement (effective from October 1, 2014), the Company has decided the term of Independent Directors as below:

Name of Director	Tenure upto	Remarks
Mr. Subodh Bhargava	29.03.2017	To retire on attaining age of 75 years as per Company policy, on 29.03.2017.
Mr. M. M. Chitale	31.03.2019	As per revised Clause 49, for one term of 5 years from 01.04.2014 to 31.03.2019.
Mr. M. Damodaran	31.03.2019	As per revised Clause 49, the first term of 5 years is from 01.04.2014 to 31.03.2019.

Name of Director	Tenure upto	Remarks
Mr. Vikram Singh Mehta	31.03.2019	As per revised Clause 49, the first term of 5 years is from 01.04.2014 to 31.03.2019.

The Board has appointed Mr. Adil Zainulbhai as an Independent Director of the Company from May 30, 2014 to May 29, 2019. Mr. Zainulbhai, appointed as an Additional Director, will hold office till the ensuing AGM and is eligible for re-appointment.

The notice convening the AGM includes the proposal for appointment / re-appointment of Directors.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

The Auditors' Report to the Shareholders does not contain any qualification.

AUDITORS

The Auditors, M/s. Sharp & Tannan (S&T), hold office until the conclusion of the ensuing Annual General Meeting. As per the provisions of the Companies Act, 2013, S&T are eligible to be appointed for a maximum further period of 3 years. Certificate from the Auditors has been received to the effect that they are eligible to act as auditors of the Company under Section 141 of the Companies Act, 2013. The Board recommends the appointment of S&T as Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM.

S&T has submitted the Peer Review Certificate dated February 6, 2014 issued to them by Institute of Chartered Accountants of India (ICAI).

COST AUDITORS

The Cost Audit Report from M/s R. Nanabhoy & Co., Cost Accountants for FY 2012-13 was filed with MCA on September 23, 2013.

The Company has appointed M/s R. Nanabhoy & Co., Cost Accountants, for conducting the audit of cost records of the Company for FY 2013-14, for applicable Product Groups covered under Cost Audit Order No.52/26/CAB-2010 dated November 6, 2012. The Report of the Cost Auditors is under finalization and will be filed within the prescribed period.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s R. Nanabhoy & Co. as the Cost Auditors of the Company for the financial year ending March 31, 2015. In case of any material revision in scope pursuant to notification of the Companies (Cost Audit Report) Rules, 2013, the Audit Committee is empowered to finalise the revised remuneration subject to approval by the Board. Hence, proposal for ratification of remuneration of the Cost Auditor is not being placed in the ensuing Annual General Meeting and will be placed before the shareholders subsequently.

ACKNOWLEDGEMENT

Your 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 various 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 Executive Chairman

Mumbai, May 30, 2014

Annexure 'A' to the Directors' Report

(Additional information given in terms of notification issued by the Ministry of Corporate Affairs)

[A] CONSERVATION OF ENERGY:

(a) Energy Conservation measures taken:

1 Improving energy effectiveness / efficiency of Equipment and Systems

- Integration of HVAC system of one building with HVAC main system of another building at Chennai campus.
- Replacement of old inefficient Split / Ductable AC units with energy efficient units.
- Utilization of chiller for HVAC system at campuses.
- Power generation through solar power.
- Power factor improvement in Daikin VRV Load Distribution System by installing APFC panels.
- Installation of low Concentrating Solar Photovoltaic Tracker based grid system at Construction Skills Training Institute (CSTI) at Kanchipuram works.
- Installation of fixed tilt Solar Rooftop Photovoltaic system in various buildings at Chennai campus of L&T Construction.
- Use of Variable frequency drive in motors for welding positioners, EOT cranes, AHU , Water pumps, Welding trolleys, Rotary table & Machine tools to improve the motor efficiency.
- Providing energy efficient cooling tower in place of old cooling tower in big rolling machine.
- Modification PLC program of SIRMU DHD Machine.
- Use of Timers & efficiency check for HVAC and Street Lighting to conserve energy
- Installation of solar light pipes & solar water heaters to reduce use of conventional energy.
- Installation of Bio toilets (designed by DRDO) to conserve energy on sewage treatment.
- Installation of transparent sheets & sky light panels on shop sides for using day light obviating use of hand lamps during day time.
- Installations of turbo ventilators for shop floor roofs.
- Use of 62.5 KVA DG set for continuous operation in ESS Test facility when required instead of 400 KVA DG set provisioned by the building owner thereby saving energy.
- Installation of occupancy sensor in shops and offices for air conditioner load.
- Installation of VFDs for LT/CT motions on cranes.
- Reduction of the shop floor lighting power consumption by using a timer to switch-off the lights during dinner time.
- Using lower power DG sets at night.
- Application of heat shield paint Admin building terrace for reduction in HVAC load.
- Reduction of Heat Treatment Energy by combined normalizing and tempering cycle and effective utilization of demand at Foundry Business Unit (FBU).
- Fixing VVF drive in 60T Hoist in the EOT crane at Rubber Processing Machinery Unit (LTRPM).
- Effective time management for Air conditioning system through use of timers.
- Server virtualization resulting into saving in power consumption.
- Conducting awareness campaign in the campuses for reduction of the electricity usage.
- Installation of solar street lights in various campuses.
- Installation of motion sensors meeting rooms.
- Installation of energy monitor in data center for monitoring electricity consumption.
- Installation of Variable Frequency Drives for Air Heating Units.
- Arresting air leakages, reduction in use of compressor.
- Installation of Energy efficient chiller compressor at centralized air conditioned plant at Kansbahal.
- Replacement of stand-alone air dryer by centralized refrigerant type air dryer at Kansbahal.
- Observing 'Walk-to-Work' day at Kansbahal on 2nd Saturday of each month.

2 Improving energy effectiveness / efficiency of Manufacturing Processes

- Modification of acid fume extraction system in galvanizing and fitting air compressors with VFD in fabrication at transmission line tower factories.
- Replacement of rotary speed switch with VVVF drives in radial drilling machines.
- Purchase of Green Power from third party to reduce the carbon footprint.
- Use of Biogas plant to reduce the canteen waste.

- Reduction in NG consumption in PWHT of top tube sheet of EO reactor by modifying internal firing arrangement thereby reducing cycle time from 55 hours to 43 hours.
- Conducting Free Air Delivery (FAD) test on compressor of Old Messer, Messer Plasma CNC cutting & HFS-4B to reduce power consumption.
- Development of Electrical resistance furnace for warm edge breaking of 110 thick plate.
- Optimization of LPG consumption in Shop floor by Implementing Hydrogen gas for CNC cutting machine in place of LPG resulting in annual Carbon emission reduction of around 25 Tons and annual savings of 0.1 Tons of LPG.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- Replacement of VAM based HVAC system with water screw chiller based HVAC.
- Backup power for SKODA-1,2 & 3 in Machine shop catered by UPS.
- Installation of DC power source Auto OFF manual ON system in SAW in all the power sources.
- Drip irrigation for newly developed Garden area, to conserve energy of water pump & save water.
- Installation of Lighting transformer in shop & area lighting in workshops.
- Implementation of hood for NG burner during pre-heating process.
- Optimization of LPG consumption in canteen by replacing LPG stove with Biomass smokeless stove (fuel-agri waste pellets manufactured from Groundnut shell, Sawdust, Coconut Husk, Cotton stick etc.) resulting in annual LPG savings of 1.3 Tons.
- Spreading awareness campaign in line with Energy Conservation.
- Installation of solar water heater in Engineer's Hostel at Kansbahal.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- The measures taken have resulted in substantial savings in cost of production, cost of power consumption, energy savings, and reduction in maintenance cost, reduction in carbon dioxide emissions & processing time / cycle time.
- The Control &Automation ("C&A") business unit located at Unnati building at Mahape (Navi Mumbai) was awarded LEED (Leadership in Energy and Environmental Design) Gold certification by the U.S. Green Building Council. LEED is the world's preeminent certification programme for the design, construction and operation of high performance green buildings. LEED certification encourages energy efficient, water conserving buildings that use sustainable or green resources.

(d) Total Energy Consumption and Energy Consumption per unit of production as per Form A in respect of industries specified in the Schedule:

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION

	FOUNDRY Reporting Year 2013 -14	*FOUNDRY Previous Year 2012-13*
1. Electricity		
(a) Purchased Unit	**293.879 L KWhr**	*258.492 L KWhr*
Total amount	**₹ 2,027.98 L**	*₹ 1,734.95 L*
Rate / Unit	**₹ 6.90 (Average)**	*₹ 6.71 (Average)*
(b) Own generation		
(i) Through diesel generator Unit	**2.3114L KWHr**	*4.2387L KWHr*
Unit per ltr. Of diesel oil	**3.08 Units**	*3.33 Units*
Cost / unit	**₹ 18.99**	*₹ 13.17*
(ii) Through steam turbine / generator		
Unit	**NIL**	*NIL*
Unit per ltr. of fuel oil / gas,	**NIL**	*NIL*
Cost / unit	**NIL**	*NIL*
2. Coal (specify quality and where used)		
Quantity (tones)	**NIL**	*NIL*
Total cost	**NIL**	*NIL*
Average rate	**NIL**	*NIL*

	FOUNDRY Reporting Year 2013 -14	*FOUNDRY Previous Year 2012-13*
3. H S D		
Quantity (k.ltrs.)	**390.91**	*372.17*
Total amount	**₹ 258.895 L**	*₹ 235.509 L*
Average rate	**₹ 66.23/Ltr**	*₹ 63.28/Ltr*
4. Others/internal generation (please give details)		
Quantity (k.ltrs.)	**NIL**	*NIL*
Total cost	**NIL**	*NIL*
Rate / unit	**NIL**	*NIL*
A. Consumption per unit of production Stands (if any)		
Products (with details) unit		
Casting	**12,200 Tons**	*8,984 Tons*
Ferro Alloy	**–**	*–*
Electricity	**KWH/Ton**	*KWH/Ton*
Casting	**1,793.08**	*2,060.02*
Ferro Alloy	**–**	*–*
H S D		
Casting	**27.71 Ltr/Ton**	*41.43 Ltr/Ton*
Ferro Alloy	**–**	*–*
Coal (specify quality)	**NIL**	*NIL*
Others (specify)	**NIL**	*NIL*

[B] TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form B.

FORM B

(Disclosure of particulars with respect to Technology Absorption)

RESEARCH AND DEVELOPMENT (R&D)

1. **Specific areas in which R&D carried out by the Company:**

The research facilities are augmented with the latest computer workstations, operating systems and communication network / data storage facilities. A fully computerized Technical Library, having the latest technical publications, research journals and product/ technology databases further supplement the R&D resources. Emphasis is given on creating Intellectual Properties (IP) and managing the Intellectual Property Rights (IPR). Some of the areas in which R&D was carried out during the year are:

- Development of dry mortar for Buildings.
- Development of Controlled Low Strength and low density filling materials.
- Studies on M120 Ultra High Performance Concrete and Dam concrete.
- Development of concrete rheometer.
- Development of E-Pad for site construction engineers.
- Studies on horizontal and vertical connections of precast concrete wall panels.
- Development of automatic creep testing equipment.
- Studies on creep of M45 and above grade concrete.
- Development of Emulsion based cold mix with Recycled Asphalt pavement material for binder course.
- Studies on PPA modified bitumen.
- Development of Apparatus for Bituminous layer Bond strength evaluation.
- Development of Modal Pile Load Test.
- Studies on rectifying foundation settlement by chemical injection.
- Studies on foundations and hilly slope stability.
- Development of alternate methods for curing of concrete in metro projects.
- Development of Seasonal-Tilt Module Mounting Structure for enhancing power generation from Solar Power Plants.
- Study of fills used in the thermal design of Natural Draft Cooling tower (NDCT) all around the world and their present day for current projects.
- Designing optimum forebay layout for Condenser cooling water pump house by way of CFD analysis.
- Analysis of plate / shell elements using sandwich theory based on Eurocode.
- Development of welding Simulation Technology.
- Development of LNG vaporizer.
- Development of cyclone separator for FCC regenerator in refinery.
- Weapon Launch Systems – Structures, Mechanisms, Stabilization Systems, Drives & Control Systems.
- Field & Air Defence Guns – Ballistics, Mechanisms, Optronics.
- Fire Control Systems, C2 Systems.
- Robotics & remotely operated / unmanned systems.
- RF, Microwave & telemetry systems.
- Image Processing & Video Analytics.

- Composites – Design & Process Technologies.
- Development of ion-mobility spectroscopy (IMS) based chemical agent monitors (CAM).
- Development of military communication hardware:
  - Radio Relay
  - Field Wireless system
  - Vehicle Intercom System
- Indigenous development of:
  - CNC UT Machine for Canister
  - Facility for 'Al' Nano coating on large Air frame (Adv. Composites)
  - Improvised Prepreg manufacturing to reduce delamination risk in Adv. composites
  - Raw material to reduce import dependency for Airframe
  - Process improvement for 25 % reduction in UD Prepreg for Canister (Qty / Cannister)
- Development of Investment Cast Nozzles for Chevron Lummus. Process Reactor Internals.
- Development of Zinc Nickel plating (Environmental friendly process) as an alternate process for cadmium plating (Cyanide process).
- Development of new products in mechanical tyre curing presses.

Electrical & Automation's in-house design & development capabilities are rated among the best in the industry. The R&D facilities (Switchboard Design & Development Centre) at Powai–Mumbai, Ahmednagar, Mysore and Coimbatore are approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology.

During the year, two new R&D Centres were introduced viz. EDDC (Embedded Design & Development Centre) at Powai and PEATC (Power Electronics & Automation Technology Center) at Mahape - Navi Mumbai. These centres network with international labs, testing centres and academic institutions for sharing of knowledge on new technology trends and introducing those for customers in different segments.

During the year, the Electrical Standard Products business unit introduced some new products that included RTO and RX thermal overload relays, change-over-switches of higher ratings and remote motor operators for the same. New AU Series of Final Distribution Products, exhibited at ELECRAMA 2014, won the 'Best Product Award'.

The Metering & Protection Systems business unit is engaged in the design and development of electricity meters and protective relays. The technology used in the design of these products has been indigenously developed. Thrust on R&D activities include the development of new, cost-optimized meter platforms that offer better features, development and integration of modules to facilitate remote communication of meter data over Radio / GSM and development of Pre-Paid Meters, Smart Meters, Protective Relays and Panel Meters.

New products introduced in the year are 3-phase Class 0.5 accuracy meter platform, 1-Phase meter, Pre-paid meter for Indonesia market, Class 0.5 Accuracy Multi-Function Meter, Over Current Earth Fault Relay and RS 485 Module for 3-phase DIN meter.

During the financial year, the Electrical Systems & Equipment ("ESE") business unit introduced new products as well as enhanced the existing products in the form of Intelligent Controllers for Feeder & Motor Protection of Intelligent Switchgear assemblies. Some of the landmark achievements were Low Voltage Motor Protection Relay - MCOMP - obtaining an enhanced certification of conformity to the new Profibus DP-V1 communication standards for Motor Control from DCS. This conformity facilitates enhanced positioning of MCOMP as a best-in-class Intelligent Motor Controller to meet the international and domestic demands for Intelligent Switchgear Control & interface with DCS/ SCADA. Further, LV and MV Feeder Protection Relays obtained Certification of Conformity to the IEC 61850 standard towards interoperable substation communication protocol. This will enhance ESE's competitiveness to bid and execute orders for LV and MV Intelligent Switchgear assemblies. ESE now meets some of the most demanding requirements of Substation Device Integration & Automation Solutions internationally as well as in-country for Utility and Industry segments.

Moreover, the launch of complete design verified range of LV distribution switchboards type 'Ti' along with 33 kV GIS integration at Ahmednagar paved the way for ESE's positioning in the infrastructure segment, especially in India's Metro Rail Networks and Data / Technology centers.

Technology absorption by C&A business unit included Smart Card Reader for hazardous environment, Substation Automation with IEC 61850 interface on iVision Platform, Meter Data Acquisition System for Smart Gird & Technology transfer from Mitsubishi Heavy

Industries ("MHI"), Japan for the Distributed Control System of Supercritical thermal power plants.

C&A also introduced a new R&D unit (PEATC- Power Electronics & Automation Technology Centre) which will enhance the in-house expertise for product development.

2. Benefits derived as a result of above R&D:

- In house testing facility is created as import substitution.
- Reliable test results and timely delivery of test results.
- Sustainable product and environment friendly.
- National standards improvement.
- Alternative methods of construction have the potential to reduce the consumption of natural materials i.e. Sustainability based construction.
- In house methodology on thermal design of NDCT can be utilized for future projects.
- In house CFD analysis resulted in reduction in time for optimizing the design works.
- Awareness of International codes & standards based on which the technology is designed.
- Indigenisation & development of products with prospects of order inflow / commercialisation for Indian Defence & Aerospace sector.
- Requirements of IMS CAM for Homeland security and Indian Defence with prospects of large order inflow.
- Increased self-reliance and savings in Foreign Exchange.
- Pollution control- Zinc Nickel plating.(Alternate plating process for Cadmium painting).
- Competing with international competitors.
- Tangible and intangible benefits like cost reduction / saving foreign exchange, expanded product range, competency development and expansion in offerings to the power sector.
- Addressing different markets and niche segments.
- Maintain technology control and have a contemporary product portfolio.

3. Future Plan of Action:

Future development activities are identified based on the expected needs of upcoming Projects as well as requirements for in-house capability development. The following key areas have been identified under R&D Action Plan:

- Development of thermal resistant spray plaster.
- Standardization of precast connections.
- Application of light weight concrete elements at site.
- Construction and mechanical evaluation of the trial road stretch at site with recycled materials.
- Studies on alternative materials for construction in buildings.
- Studies on alternative materials for construction in road.
- Alternative methods to conserve water in large construction sites.
- Studies on service life improvement of concrete and steel structures.
- Development of new / upgraded products in defence & aerospace equipment.
- SPM for Airframes integration & perforation drilling.
- Winding attachment for airframes components.
- Plate bending machine with Pre-bending capacity of 60 mm thickness.
- Emissivity meter for Airframe.
- Development of Hydraulic presses for passenger car and truck- bus tyres and development of all electric presses for the same segment by LTRPM
    - Tyre building machine for Aircraft tyre
    - HTCP 36" Economy version
    - 48" Stack PCI
    - 46" & 52" Independent cavity HTCP
    - HTCP 62"& 66" for TBR segment
    - Bladder presses for sizes 42", 55", 90"
- Launch of AU Series of Final Distribution products.
- Initiation of major new product development programs in Powergear, Controlgear and LV Panels and Systems which, in addition to setting global benchmarks in the industry, would also address the needs arising from the increased use of non-conventional energy sources in the future.
- Greater emphasis in product development programs to environmental friendly design concepts in terms of material consumption, raw materials and

processes as also energy usage which is expected to lend a cutting edge to the product portfolio and enhance the market share and profitability.

- Initiating life cycle management programs for product upgrades based on customer feedback and development of new applications for deriving competitive advantages.

4. Expenditure on R&D:

₹ crore

	2013-14
Capital	66.90
Recurring	107.14
Total	174.04
Total R&D expenditure as a percentage of total turnover	0.30%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief made towards technology absorption, adaptation and innovation:

- Design & Construction of MIAL Hangar – 145m long column-free span Hangar in India & longest span trussed structure used in a building (other than bridges) in Asia.
- Using CFD (Computational Fluid Dynamics) as a tool for moving from prescriptive design to performance based design in the area of area of HVAC applications.
- Design of a slender 132.2m high observation tower for TCS, Siruseri using steel & concrete composites.
- Three nos. of 2.4 kW Micro-Wind Turbines installed at TC-II Building, L&T Construction Campus, Chennai as part of pilot project on Micro-grids.
- Development of understanding on CIGS based thin film modules and Low Concentrating Photovoltaic (LCPV) modules by employing the same for in-house pilot projects.
- Study of technology and application of Advanced Micro-grid Control Systems through its implementation for in-house pilot projects.
- Development of full span U trough precast system for Kochi Metro project.
- Development of movable winch launching girder.
- Development of modular type temporary bridge for marine construction.
- Use of 4D Analysis software RM in design of continuous spans
- Proposal for precast construction for portal frames without modifying approved designs.
- Planned, designed, fabricated and erected a Circular Spider / Truss / Strong Back for erecting the Inner Containment Liner in one single ring (Pre-fabricated Ring Liner) by eliminating all the backing trusses in liner in place of liner erection in discrete panels which involve enormous in-situ welding. This is successfully implemented for Ring Liner erection resulting in considerable reduction in cycle time. This is attempted first time in Indian Nuclear Power Plants. This resulted in reduced cycle time, increased productivity and reduction in steel Quantities.
- Introduction of Temporary retaining wall around openings in Station boxes which will ensure that substantial work will be completed and the Key dates of the project will not be affected.
- Improvement in permanent liner in conditions of soft clays up to 18m where alternative of segmental temporary liner requires thick liner and oscillator arrangement to retrieve pile.
- Simulation of Blast analysis - Confined explosion/ inside tunnel/ above a tunnel.
- Simulation of Underwater explosion in a conduit.
- Simulation of missile penetration in a concrete slab to study the damage level.
- Analysis of time history effect of blast load in a concrete element with reinforcement.
- Introduction of New Project Management software TILOS-8 (For Linear Projects).
- Development of 4D Simulation using Navisworks software.
- Hybrid Concrete lining for Surge-Shaft.
- In-house thermal designing of NDCT covering all the aspects of Kroger handbook, considered as the basis of thermal design for NDCTs.
- Modifications of Heating & Ventilation load calculations from ISHRAE recognized manual calculations to Hourly Analysis Program software based on ASHRAE codes.
- Use of AFT FATHOM Hydraulic analysis based on relevant international codes & standards for Pumping head calculations.

- Implementation of a methodology to calculate drainage volume for each drain point in loop for a complex piping loop involving both above ground and buried pipes with numerous fittings and equipments.
- Use of ANSYS 14 analysis by means of numerous iterations to finalize design and erection.
- Construction of Expansion Joints in the Cold Water Tunnels of NDCT and IDCT (Induced draft cooling tower) Packages of Projects, using SPIGOT type joints with DOUBLE Water Stoppers.
- Development of in-house software codes for design of Beams, Columns and Walls as per AERB codes and extensive use of the same.
- Technology absorption & adaptation for development of Combat Vehicles & Artillery Systems.
- Supply of Deck panels for Mission Mars (ISRO).
- Indigenization of design, specifications and adaptation to International conditions of various components for Rubber Processing Machines by LTRPM.
- Indigenization of Hub & Frame castings by Foundry Business Unit (FBU).

2. **Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.:**
   - Indigenisation (import substitution) & development of products for Indian Defence & Aerospace sector.
   - Product improvement.
   - Increase in know how within the country.
   - Cost reduction.
   - Rapid adaption and agility to meet end-user requirements.
   - Enhanced product life-cycle and technical support to Indian Defence & Aerospace sector.
   - Obsolescence management.

3. **Information regarding technology imported during the last 5 years**

S. No.	Technology Imported	Year of Import	Status
a)	Design of control valves	2011-12	Under absorption
b)	Crushing Technology	On continuous basis at Kansbahal	

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services; and export plans.

Overview:

The Company is a diversified conglomerate and deals in a diversified range of products worldwide. The Company has set up offices abroad and appointed agents in various countries to boost exports. The Company is on a continuous basis intensifying efforts in selected countries and exploring new markets. The Company regularly participates in prestigious international exhibitions and conducts market surveys and direct mail campaigns. The Company has an international presence, with a global spread of offices and joint ventures with world leaders. Its large technology base and pool of experienced personnel enable it to offer integrated services in world markets.

Heavy Engineering IC (HE IC):

New Qualifications / Approvals were undertaken for niche market like Titanium clad equipments with various licensers.

Export efforts have been initiated in tapping Replacement Market business in Indonesia, Venezuela & New Zealand, New market in Iraq and CIS countries, Potential market for Modification, Revamp and Upgrade projects for refineries in Middle East countries, New Fertilizer investments in USA & Africa, LNG equipment business in USA and New opportunities in Petrochemical emerging out of increased Shell Gas availability. Efforts are being made for alignment with Leading Process Licensors such as KBR, Urea Casale & Invista to increase Export business.

HE IC has entered into new geographical market by supplying Ammonia and Urea Equipment to China. It has also received orders for supply of fertilizer equipment & LNG equipment from USA and CIS, supply of Ammonia, Urea equipment and Boiler package to Nigeria and supply of Equipment for Boiler & Reactor packages to Hydrogen plant in Russia. It is also expecting business from Ammonia Casale / UHDE for supply of Ammonia Converter Baskets.

HE IC has entered into technical business tie-ups in various areas. It has completed capability assessment with CARE for Petróleos de Venezuela (PDVSA) and with Anadarko for Mozambique LNG project.

In the current financial year, HE IC has exported critical static reactors to Saudi Arabia and booked new orders for exports to Mexico, Venezuela, etc. The US, Middle

East and South East Asian markets are promising with new investments and up-gradations. However, projects in South America & Africa are not likely to pick up as per expectations. HE IC expects new opportunities to be driven by Shale gas, refinery up-gradations, clean fuel projects and integrated petrochemical segments.

HE IC has set up International Marketing Network with expatriate local language speaking Country Managers and Business Directors in Americas, ME, Russia & CIS, Far East, Europe, etc. HE IC is also pursuing Lakshya strategic initiatives to enhance order inflows from Africa, Russia, CIS and Iraq. It is also focusing on opportunities in replacement markets like USA and has tied up with licensors such as Chevron, Shell, Axens, Haldor Topsoe, etc. HE IC is also focusing on the LNG Market in USA, Africa & Russia for CS & SS Heavy Wall Vessels.

HE IC has taken certain initiatives for Power Plant equipments. It has renewed Alstom Qualification for Condenser and Feed-water Heater for projects worldwide which has resulted in getting an order for 4 condensers for Philippines. HE IC expects additional prospects in Israel, Panama, Thailand, Netherlands in the coming year.

HE IC is in the process of initiating EN standard qualification with Alstom to target power plant projects in Europe Region, pre-qualification with Siemens to supply to projects worldwide and bid to MHI Japan for projects worldwide. In the Gasifier segment, HE IC has initiated pre-qualification with Linde for syngas cooler & gasifier reactor and also submitted pre-qualification for Shell's Enterprise Framework Agreement for Low Alloy Steel reactors.

HE IC has been exploring opportunities for export of Defence, Nuclear Power & Aerospace equipment as well. Orders received for supply of Casks & Canisters to US Customer, Supply of equipment to Israel Aerospace Industries, MBDA & ITER (International Thermonuclear Experimental Reactor).

Construction IC:

Power Transmission & Distribution's (PT&D) International Business Units offer complete solutions in the field of Power Transmission & Distribution including High Voltage Substations, Power Transmission Lines, EHV Cabling and EI&C Works for Infrastructure Projects such as Airports , Oil & Gas Industries etc. in Gulf & African Countries. During the year 2013-14 major orders were bagged in Qatar. The IC is also focusing to expand its business horizon in ASEAN and African countries with special focus on Kenya, Mozambique and Algeria. However, UAE witnessed slowdown in Transmission & Distribution sector investments.

Business Environment:

The international business grew substantially, supported largely by Qatar's ambitious plan to augment the existing power system network to fulfil their growing infrastructure needs & meet future demand while Kuwait showed positive signs of bulk investments in power transmission sector. Saudi Arabia has become one of the key area of focus as its central utility is going for vast expansion plans to meet its demand forecast.

Business Performance:

IC bagged a remarkable order in Qatar for turnkey construction of 18 No's of EHV GIS Substations and 151 KM of EHV Cabling works for KAHRAMAA. This order enjoys the feat of being the Single largest ever EPC Order for PT&D IC. The business was also successful in bagging a Breakthrough order in O&G segment in UAE by securing an order from GASCO to build 220/33 kV GIS substation.

The other major contracts include 132kV GIS substation orders from Ministry of Electricity & Water and Kuwait Institute of Scientific Research in Kuwait.

The IC also bagged prestigious orders to execute 230kV Transmission line works at Abu ali plant for ARAMCO & 110kV Transmission line projects in western region of Saudi Arabia for Saudi Electricity Corporation.

This year also marks a noteworthy achievement in our internationalization initiative. The IC made a successful foray into African market by bagging a 400kV substation order from SONELGAZ, a prominent utility in Algeria.

Volatility in Commodity Prices:

The Commodity Price had lot of volatility, especially in Copper, however the IC protected its margin by mitigating the risk through hedging.

Outlook:

In International (Gulf) market the business is poised for a positive growth in view of upcoming prospects in Power & infrastructure projects. Strong opportunities are foreseen on the backdrop of GCC investment plans on Grid Strengthening & Power System Interconnection.

Utilities in UAE are mainly concentrating on upgrading the existing network offering significant business potential. There is a rapid increase in power demand in countries such as Qatar, Kuwait, Saudi & UAE to expand oil production in order to meet its rising requirement across the globe which necessitates augmentation of power distribution networks.

Africa's Low electrification rate serves as a hindrance to economic growth & industrialization, addressing this issue has been a key emphasis for local government especially among East African countries leading to bulk investments, unleashing significant potential & opportunities for us in T&D sector. Intensifying power demand in South East Asian countries also offers huge potential.

Electrical & Automation IC (EAIC):

During financial year 2013-14, the LV & MV switchboard businesses have got orders from the Middle-East market, especially from the oil & gas sector.

The Cluster Sales Unit (CSU) is responsible for implementation and delivery of the Lakshya plan.

During the year, EAIC business filed as many as 153 Patent, 06 Trademark, 47 Design and 1 Copyright applications in India, along with 9 foreign applications (1 TM, 1 Design, 7 PCT National Phase). This was the 7th consecutive year of filing more than 100 Patent applications.

Future Outlook:

EAIC is confident of higher growth with the Utility segment indicating increased activities along with revival in the Building segment in GCC region. Africa has become a destination of new opportunities. Prospects of turnkey automation projects are improving and opportunities in the energy management segment should contribute to better growth for automation products and solutions.

Power IC:

During the year Power business achieved a major breakthrough in the overseas market by securing an EPC order for 360 MW combined cycle power project at Bheramara in Bangladesh. The business is also pursuing other prospects in Bangladesh and the South East Asian region. Additionally, the Power Business was also successful in securing orders for supply and service of HRSG's, also in Bangladesh.

The Piping Center of Power IC, which manufactures high pressure piping spools, is actively pursuing the export market and during the year received orders worth USD 11 million from USA.

The joint ventures with Mitsubishi – L&T MHI Boilers Private Limited (LMB) and L&T MHI Turbine Generators Private Limited (LMTG) – also bagged export orders. LMB received order to supply pressure parts to Egypt while LMTG received orders for supply of components to Saudi Arabia.

Future outlook:

With the domestic gas-based power plant market continuing to remain stressed, business will continue to explore opportunities gas-based opportunities in the Middle East and South East Asian region.

The Power Business is exploring opportunities to use the Piping Center facility for oil & gas sector in the export market.

The joint venture companies are actively exploring international market for supply of components and engineering services.

Manufacturing & Industrial Products IC (MIP IC):

LTRPM has succeeded in obtaining international order for 118" MTCP with bottom SMO from a major European Tyre Manufacturer and order for Automatic Truck Tyre Building Machines from another Major American Tyre Major, which opens a new market segment for the Business Unit.

A few initiatives detailed:

The following initiatives are being followed on a continuous basis by the Company:

- Widening new geographical areas for augmenting its exports.
- Exploring inorganic growth opportunities for the acquisition of specialized engineering outfits abroad.
- Membership of global forums like Engineering & Construction Risk Institute (ECRI) and participating in international seminars.
- Implementation of internal processes towards operational excellence and creating a lean high performance organization.
- Knowledge dissemination through various platforms within the organization.
- Bringing in high caliber resources in the areas of front-end marketing, engineering, project management, risk management, contract administration, etc., to strengthen the overseas operations.
- Customized Talent Management programs for catering to the training and development needs of employees.

Total foreign exchange used and earned:

₹ crore

	2013-14
Foreign Exchange earned	9,409.75
Foreign Exchange saved / deemed exports	1,142.16
Total	10,551.91
Foreign Exchange used	9,901.27

Annexure 'B' to the Directors' Report

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999

(I) Employee Stock Ownership Scheme 1999-2003

A. PRE BONUS ISSUE 2013

Details of the Options granted, pricing formula, Options vested, exercised, shares arising as a result of exercise of Options, Options lapsed, variation of terms of Options, money realized by exercise of Options, total number of Options in force, employee-wise details of Options granted to senior managerial personnel etc., since inception of the Scheme till March 31, 2013 and also the adjustments made consequent to the demerger of cement business of the Company and restructuring of share capital and issue of Bonus shares in 2006 and 2008 are available in the Annexure 'B' to the Directors' Report of Annual Report for 2012-2013.

		ESOP SERIES				
	Particulars (1)	**2000** (2)	**2002-A** (3)	**2002-B** (4)	**2003-A** (5)	**2003-B** (6)
(a)	(1) Options granted and outstanding as on April 1, 2013	16,800	21,500	39,700	31,452	4,35,202
	(2) Options granted during the year prior to Bonus Issue					4,500
	(Equity shares of ₹ 2/- each)					4,39,702
(b)	The pricing formula (Adjusted grant price per share)	₹ 3.50			₹ 17.50	
(c)	Options vested and outstanding as on April 1, 2013	16,800	21,500	39,700	31,452	1,09,802
	Add: vested during the year prior to Bonus Issue	–	–	–	–	8,587
	Total	16,800	21,500	39,700	31,452	1,18,389
(d)	Options exercised during the year prior to Bonus Issue	Nil	Nil	Nil	Nil	45,750
(e)	Total number of shares arising as a result of exercise of Options during the year prior to Bonus Issue (Equity shares of ₹ 2/- each)	Nil	Nil	Nil	Nil	45,750
(f)	Options lapsed during the year prior to Bonus Issue	Nil	Nil	Nil	Nil	3,400
(g)	Variation of terms of Options	Nil	Nil	Nil	Nil	Nil
(h)	Money realised by exercise of Options during the year prior to Bonus Issue	Nil	Nil	Nil	Nil	₹ 8,00,625/-
(i)	Total Number of Options in force prior to Bonus Issue -					
	Vested	16,800	21,500	39,750	31,452	70,639
	Unvested	Nil	Nil	Nil	Nil	3,19,913
	Total	16,800	21,500	39,750	31,452	3,90,552

	Particulars (1)	ESOP SERIES 2000 (2)	2002-A (3)	2002-B (4)	2003-A (5)	2003-B (6)
(j)	Employee-wise details of Options granted during the year prior to Bonus Issue to –					
	(i) Senior Managerial Personnel			None		
	(ii) Any other employee who receives a grant, in any one year, of Options amounting to 5% or more of Options granted during that year			None		
	(iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant			None		
	Consequent to the issue of Bonus Shares 2013 the total number of Options in force as above as at the record date for Bonus Issue i.e., July 13, 2013 was readjusted in number in the ratio of Bonus Issue (1:2) and the above exercise price of ₹ 3.50 and ₹ 17.50 was readjusted to ₹ 2.30 and ₹ 11.70 respectively.					

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999

(I) Employee Stock Ownership Scheme 1999-2003

B. POST BONUS ISSUE 2013

	Particulars (1)	ESOP SERIES 2000 (2)	2002-A (3)	2002-B (4)	2003-A (5)	2003-B (6)
(a)	(1) Options granted (outstanding and adjusted consequent to Bonus Issue)	25,200	32,250	59,550	47,178	5,85,829
	(2) Options granted post Bonus Issue					93,300
	(Equity shares of ₹ 2/- each)					6,79,129
(b)	The pricing formula (Adjusted grant price per share)	₹ 2.30			₹ 11.70	
(c)	Options vested (adjusted on Bonus Issue)	25,200	32,250	59,550	47,178	1,05,959
	Add: vested post Bonus Issue	–	–	–	–	1,94,492
	Total	25,200	32,250	59,550	47,178	3,00,451

	Particulars (1)	ESOP SERIES 2000 (2)	2002-A (3)	2002-B (4)	2003-A (5)	2003-B (6)
(d)	Options exercised	Nil	Nil	Nil	Nil	1,68,636
(e)	Total number of shares arising as a result of exercise of Options (Equity shares of ₹ 2/- each)	Nil	Nil	Nil	Nil	1,68,636
(f)	Options lapsed	Nil	Nil	Nil	Nil	10,950
(g)	Variation of terms of Options	Nil	Nil	Nil	Nil	Nil
(h)	Money realised by exercise of Options	Nil	Nil	Nil	Nil	₹ 19,73,041.20
(i)	Total Number of Options in force -					
	Vested	25,200	32,250	59,550	47,178	1,27,015
	Unvested	Nil	Nil	Nil	Nil	3,72,528
	Total	25,200	32,250	59,550	47,178	4,99,543
(j)	Employee-wise details of Options granted Post Bonus Issue to –					
	(i) Senior Managerial Personnel	None				
	(ii) Any other employee who receives a grant, in any one year, of Options amounting to 5% or more of Options granted during that year	None				
	(iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None				

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999

(II) Employee Stock Option Scheme 2006

A. PRE BONUS ISSUE 2013

Details of the Options granted, pricing formula, Options vested, exercised, shares arising as a result of exercise of Options, Options lapsed, variation of terms of Options, money realized by exercise of Options, total number of Options in force, employee-wise details of Options granted to senior managerial personnel etc., since inception of the Scheme till March 31, 2013 and also the adjustments made consequent to the issue of Bonus shares in 2006 and 2008 are available in the Annexure 'B' to the Directors' Report of Annual Report for 2012-2013.

	Particulars (1)	ESOP SERIES 2006 (2)	2006-A (3)
(a)	(1) Options granted and outstanding as on April 1, 2013	9,11,468	72,89,329
	(2) Options granted during the year prior to Bonus Issue	Nil	1,115
	(Equity shares of ₹ 2/- each)	9,11,468	72,90,444

	Particulars (1)	ESOP SERIES 2006 (2)	2006-A (3)
(b)	The pricing formula (Adjusted grant price per share)	₹ 601/-	
(c)	Options vested and outstanding as on April 1, 2013	9,11,468	21,35,578
	Add: Vested during the year prior to Bonus Issue	–	6,39,504
	Total	9,11,468	27,75,082
(d)	Options exercised during the year prior to Bonus Issue	3,87,135	7,70,285
(e)	Total number of shares arising as a result of exercise of Options during the year prior to Bonus Issue (Equity shares of ₹ 2/- each)	3,87,135	7,70,285
(f)	Options lapsed during the year prior to Bonus Issue	2,746	2,01,054
(g)	Variation of terms of Options	Nil	Nil
(h)	Money realised by exercise of Options during the year prior to Bonus Issue	₹ 23,26,68,135/-	₹ 46,29,41,285/-
(i)	Total Number of Options in force prior to Bonus Issue –		
	Vested	5,21,587	19,41,475
	Unvested	Nil	43,77,630
	Total	5,21,587	63,19,105
(j)	Employee-wise details of Options granted during the year prior to Bonus Issue to –		
	i) Senior Managerial Personnel	None	
	ii) Any other employee who receives a grant, in any one year, of Options amounting to 5% or more of Options granted during that year	None	
	ii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	

Consequent to the issue of Bonus Shares 2013 the total number of Options in force as above as at the record date for Bonus Issue i.e., July 13,2013 was readjusted in number in the ratio of Bonus Issue (1:2) and the above exercise price of ₹ 601/- was readjusted to ₹ 400.70

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999

(II) Employee Stock Option Scheme 2006

B. POST BONUS ISSUE 2013:

	Particulars (1)	ESOP SERIES 2006 (2)	2006-A (3)
(a)	(1) Options granted (outstanding and adjusted consequent to Bonus Issue)	7,82,390	94,78,918
	(2) Options granted Post Bonus Issue	Nil	13,52,790
	Equity shares of ₹ 2/- each)	7,82,390	1,08,31,708

	Particulars	ESOP SERIES	
		2006	2006-A
	(1)	(2)	(3)
(b)	The pricing formula (Adjusted grant price per share)	₹ 400.70	
(c)	Options vested (Adjusted on Bonus Issue)	7,82,390	29,12,334
	Add: Vested post Bonus Issue	–	19,56,174
	Total	7,82,390	48,68,508
(d)	Options exercised	2,50,898	16,09,397
(e)	Total number of shares arising as a result of exercise of Options (Equity shares of ₹ 2/- each)	2,50,898	16,09,397
(f)	Options lapsed	21,311	5,30,097
(g)	Variation of terms of Options	Nil	Nil
(h)	Money realised by exercise of Options	₹ 10,05,34,828.60	₹ 64,48,85,377.90
(i)	Total Number of Options in force –		
	Vested	5,10,181	30,96,418
	Unvested	Nil	55,95,796
	Total	5,10,181	86,92,214
(j)	Employee-wise details of Options granted post Bonus Issue to –		
	i) Senior Managerial Personnel	None	
	ii) Any other employee who receives a grant, in any one year, of Options amounting to 5% or more of Options granted during that year	None	
	iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999 Employee Stock Ownership Scheme -1999-2003 and Employee Stock Option Scheme 2006		
(k)	Diluted Earning per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standards (AS) 20	a. Diluted EPS before extraordinary items ₹ 59.00 b. Diluted EPS after extraordinary items ₹ 59.00
(l)	The difference between employee compensation cost using intrinsic value method and the fair value of the Options and impact of this difference on profits and on EPS	Had fair value method been adopted for expensing the compensation arising from employee share-based payment plans: a. The employee compensation charge debited to the Statement of Profit and Loss for the year 2013-2014 would have been higher by ₹ 21.30 crore *(previous year: ₹ 29.85 crore)* [excluding ₹ 5.45 crore *(previous year: ₹ 2.30 crore)* on account of grants to employees of subsidiary companies] b. Basic EPS before extraordinary items would have decreased from ₹ 59.36 per share to ₹ 59.13 per share

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999 Employee Stock Ownership Scheme -1999-2003 and Employee Stock Option Scheme 2006		
		c. Basic EPS after extraordinary items would have decreased from ₹ 59.36 per share to ₹ 59.13 per share d. Diluted EPS before extraordinary items would have decreased from ₹ 59.00 per share to ₹ 58.77 per share e. Diluted EPS after extraordinary items would have decreased from ₹ 59.00 per share to ₹ 58.77 per share
(m)(i)	(a) Weighted average exercise prices of Options granted during the year where exercise price is less than market price	₹ 379.45 per share
	(b) Weighted average exercise prices of Options granted during the year where exercise price equals market price	No Such grants during the year
m(ii)	(a) Weighted average fair values of Options granted during the year where exercise price is less than market price	₹ 556.06 per share
	(b) Weighted average fair values of Options granted during the year where exercise price equals market price	No Such grants during the year
(n)	Method and significant assumptions used to estimate the fair value of Options granted during the year	
	(a) Method	Black-Scholes Option Pricing Model
	(b) Significant Assumptions	
	(i) Weighted average risk-free interest rate	8.88%
	(ii) Weighted average expected life of Options	4.34 years
	(iii) Weighted average expected volatility	38.00%
	(iv) Weighted average expected dividends	₹ 53.42 per option
	(v) Weighted average market price	₹ 834.48 per option

AUDITORS' CERTIFICATE ON EMPLOYEE STOCK OPTION SCHEMES

We have examined the books of account and other relevant records and based on the information and explanations given to us, certify that in our opinion, the Company has implemented the Employees Stock Option Schemes in accordance with SEBI (Employee Stock Option Schemes and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions of the Company in general meetings held on 26 August 1999, 22 August 2003 and 25 August 2006.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai, May 30, 2014

ANNEXURE 'C' TO THE DIRECTORS' 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 investor trust and your Company 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 fulfil its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value. The Company has 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 and Non-Executive Directors.

(ii) Executive Management – by the Corporate Management comprising of the Executive Directors and one Senior Managerial Personnel and one Advisor to the Chairman.

(iii) Strategy & Operational Management – by the Independent Company Boards of each Independent Company (IC) comprising of representatives from the Company 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 of 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 ensure its effectiveness and enhancement of shareholder value. The Board reviews and approves management's strategic plan & business objectives and monitors the Company's strategic direction.

b. Executive Management Committee (EMC):

The EMC plays an important role in maintaining the linkage between IC's and the Company's Board as well as in realizing inter-IC synergies and cross cutting opportunities. The key responsibilities of the EMC include approval of policies cutting across IC's and at Corporate level such as capital investments, expansions, customer and supplier synergy, Corporate Social Responsibility (CSR) and reviewing the consolidated financials and budgets before they are presented to the Company Board.

c. Group Executive Chairman (GEC):

The GEC is the Chairman of the Board and the Executive Management Committee. His primary role is to provide leadership to the Board and the Corporate Management for realizing the approved strategic plan and business objectives. He presides over the Board and the Shareholders' meetings. The GEC provides leadership and devotes his full attention to certain core actions which include, *inter alia*, focus on restructuring, mentor senior executives, succession planning, corporate governance, interface with critical Government entities and major customers for the Company and Group Companies and provide support, wherever necessary.

d. Chief Executive Officer and Managing Director (CEO & MD):

The CEO & MD will be fully accountable to the Board for the Company's business results, people development, operational excellence, business 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 Management 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. As regards Subsidiaries, Associates and Joint Venture Companies, they act as the custodians of the Company's interests and are responsible for their governance in accordance with the approved plans.

f. Non-Executive Directors (NED):

The Non-Executive 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, etc., besides providing the Board with valuable inputs.

g. Independent Company Board (IC Board):

In 2010-11, the Company developed its strategic plan for 2010-15 (Lakshya 2015) which, *inter alia*, defined various business areas to be focused on over the next five years. The thrust of Lakshya 2015 was increased accountability and ownership for performance, making the company less complex to manage and be more focused on its core business. The Company was restructured into 12 independent Companies (ICs) [not legal entities] with each IC having its own Board, with members within the Company, independent members and a representative from the Company's Board.

Company's long term Strategic Plan – Lakshya 2016 envisages substantial growth in international markets, especially Gulf countries. With a view to achieving the same, the Company has spelt out its vision of building a strong organization in Middle East, for which the structure, processes and leadership is more or less being finalized. It is envisaged that it will help the Company in achieving it strategic goals.

E. BOARD OF DIRECTORS

a. Composition of the Board:

The Company's policy is to have an appropriate mix of Executive & Non-Executive Directors. As on March 31, 2014, the Board comprises Group Executive Chairman, Chief Executive Officer and Managing Director, 4 Executive Directors and 8 Non-Executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

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 also if necessary, in locations, where the Company operates. During the year under review, 10 Meetings were held on April 4, 2013, April 5, 2013, May 22, 2013, July 3, 2013, July 22, 2013, August 12, 2013, August 22, 2013, October 18, 2013, January 22, 2014 and February 19, 2014.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Group Executive Chairman and CEO & 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, when necessary. Presentations are made on business operations to the Board by Independent Company / Business Units. 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 Group Executive Chairman. The minutes is signed by the Chairman of the Board at the next Meeting. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary.

The following composition of the Board of Directors is as on March 31, 2014. Their attendance at the Meetings during the year and at the last Annual General Meeting is as under:

Name of Director	Category	Meetings held during the year	No. of Board Meetings attended	Attendance at last AGM
Mr. A. M. Naik	GEC	10	10	YES
Mr. K. Venkataramanan	CEO & MD	10	10	YES
Mr. M. V. Kotwal	ED	10	10	YES
Mr. S. N. Subrahmanyan	ED	10	9	YES
Mr. R. Shankar Raman	ED	10	10	YES
Mr. Shailendra Roy	ED	10	10	YES
Mr. S. Rajgopal	NED	10	10	YES
Mr. S. N. Talwar	NED	10	8	YES
Mr. M. M. Chitale	NED	10	10	YES
Mr. N. Mohan Raj (Note 1) $	NED	8	4	NO
Mr. Subodh Bhargava	NED	10	10	YES
Mr. A. K. Jain (Note 2)	NED	10	10	YES
Mr. M. Damodaran	NED	10	7	YES
Mr. Vikram Singh Mehta	NED	10	9	YES
Mr. Sushobhan Sarker (Note 1)	NED	10	7	NO

Meetings held during the year are expressed as number of meetings eligible to attend.

Note: 1. Representing equity interest of LIC

2. Representing equity interest of SUUTI

$ ceased to be a director w.e.f. 21.10.2013.

GEC – Group Executive Chairman

ED – Executive Director

CEO & MD – Chief Executive Officer and Managing Director

NED – Non-Executive Director

1. None of the above Directors are related *inter-se.*
2. None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 1956.

As on March 31, 2014, the number of other Directorships & Memberships / Chairmanships of Committees of the Board of Directors are as follows:

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship
Mr. A. M. Naik	3	1	–
Mr. K. Venkataramanan	1	–	–
Mr. M. V. Kotwal	1	–	–

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship
Mr. S. N. Subrahmanyan	1	1	–
Mr. R. Shankar Raman	10	8	1
Mr. Shailendra Roy	12	5	1
Mr. S. Rajgopal	1	1	–
Mr. S. N. Talwar	13	4	3
Mr. M. M. Chitale	10	4	4
Mr. Subodh Bhargava	6	2	1
Mr. A. K. Jain	2	1	1
Mr. M. Damodaran	9	7	2
Mr. Vikram Singh Mehta	7	2	–
Mr. Sushobhan Sarker	3	1	1

- Committee memberships include memberships of Audit Committee and Shareholders' Grievance Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 25 companies.
- The Committee Chairmanships / Memberships are within the limits laid down in Clause 49 of the Listing Agreement.

c. Information to the Board:

The Board of Directors has complete access to the information within the Company, which *inter alia* includes -

- Annual revenue budgets and capital expenditure plans.
- Quarterly results and results of operations of Independent Company and business segments.
- Financing plans of the Company.
- Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Shareholders' Relationship Committee.
- Details of any joint venture, acquisitions of companies or collaboration agreement.
- Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems.
- 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.
- 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 / Independent Companies promptly.

F. BOARD COMMITTEES

The Board currently has 4 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee and 4) Corporate Social Responsibility Committee. The terms of reference of the Board Committees are determined 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 respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

1) Audit Committee

i) Terms of reference:

The role of the Audit Committee includes the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Reviewing and discussing with the Statutory Auditors and the Internal Auditor about internal control systems.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Reviewing major accounting policies and practices and adoption of applicable Accounting Standards.
- Reviewing major accounting entries involving exercise of judgment by the management.
- Disclosure of contingent liabilities.
- Reviewing, if necessary, the findings of any internal investigations by the Internal Auditors and reporting the matter to the Board.
- Reviewing the risk management mechanisms of the Company.
- Reviewing of compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transactions.
- Examination of financial statements and the auditor's report thereon;
- Reviewing the operations, new initiatives and performance of the business, formation of committee at Independent Company time.
- Looking into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Approval of the appointment of the Chief Financial Officer (CFO).
- Recommendation of appointment of cost auditor.
- Approval or subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and 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.

Minutes of the Audit Committee Meetings are circulated to the Members of the Board of Directors and taken note of.

ii) Composition:

The Audit Committee of the Board of Directors was formed in 1986 and as on March 31, 2014 comprised three Non-Executive Directors, all of whom are independent as per Clause 49 of the Listing Agreement.

iii) Meetings:

During the year ended March 31, 2014, 9 meetings of the Audit Committee were held on April 4, 2013, May 6, 2013, May 21, 2013, June 27, 2013, July 22, 2013, October 17, 2013, December 17, 2013, January 21, 2014 and February 21, 2014.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. M. M. Chitale	Chairman	9	9
Mr. N. Mohan Raj $	Member	6	4
Mr. A. K. Jain	Member	9	9
Mr. M. Damodaran	Member	8	6

Meetings held during the year are expressed as number of meetings eligible to attend.

$ Mr. N. Mohan Raj ceased to be a Director of the Company w.e.f. 21.10.2013.

All the members of the Audit Committee are financially literate and have accounting or related financial management expertise.

The CEO & MD, the Chief Financial Officer and the Head of 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, Engineers & system experts. Over a period of time, the Corporate Audit department has acquired in-depth knowledge about the Company, its businesses, its systems & procedures, which knowledge is now institutionalized. The Company's Internal Audit function is ISO 9001:2008 certified. The Head of Corporate Audit Services reports jointly to the Group Executive Chairman and Chief Executive Officer & Managing Director. The staff of Corporate Audit department is rotated periodically.

From time to time, the Company's systems of internal controls covering financial, operational, compliance, IT applications, etc. are reviewed by external experts. Presentations are made to the Audit Committee on the findings of such reviews.

The Company's Audit Committee, *inter alia*, reviews the adequacy of internal audit function, reviews the internal audit reports including those related to internal control weaknesses and reviews the performance of the Corporate Audit Department. The Audit Committee is provided necessary assistance and information to carry out their function effectively.

2) Nomination & Remuneration Committee (NRC)

i) Terms of reference:

- Identify persons who are qualified to become directors and who may be appointed in senior management (here, means personnel of the company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including the functional heads) in accordance with the criteria laid down by the Committee;
- Formulate criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board appointment and removal of such persons;
- Carry out evaluation of every director's performance;
- Recommend to the Board a policy, relating to remuneration for the directors, Key Managerial Personnel (KMP) and other employees

ii) Composition:

The Committee has been in place since 1999. As at March 31, 2014, the Committee comprised 3 Non-Executive Directors and the Group Executive Chairman.

iii) Meetings:

During the year ended March 31, 2014, 7 meetings of the Nomination & Remuneration Committee were held on April 4, 2013, May 22, 2013, July 2, 2013, July 22, 2013, October 18, 2013, January 22, 2014 and February 19, 2014.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. S. Rajgopal	Chairman	7	7
Mr. S. N. Talwar	Member	7	5
Mr. Subodh Bhargava	Member	7	7
Mr. A. M. Naik	Member	7	7

Meetings held during the year are expressed as number of meetings eligible to attend.

iv) Board Membership Criteria:

While screening, selecting and recommending to the Board new members, the Committee ensures that the Board is objective, there is absence of conflict of interest, ensures availability of diverse perspectives, business experience, legal, financial & other expertise, integrity, managerial qualities, practical wisdom, ability to read & understand financial statements, commitment to ethical standards and values of the Company and ensure healthy debates & sound decisions.

While evaluating the suitability of a Director for re-appointment, besides the above criteria, the Committee considers the past performance, attendance & participation in and contribution to the activities of the Board by the Director.

The Non-Executive Directors comply with the definition of Independent Director as given under Clause 49 of the Listing Agreement. As per the definition, all our NED's qualify as "Independent Directors". While appointing / re-appointing any NED's on the Board, the Committee, considers the criteria as laid down in the Listing Agreement.

All the Independent Directors give a certificate confirming that they meet the "independence criteria" as mentioned in Clause 49 of the Listing Agreement.

These certificates have been placed on the website of the Company.

v) Remuneration Policy

The remuneration of the Board members is based on the Company's size & global presence, its economic & financial position, industrial trends, compensation paid by the peer companies, etc. Compensation reflects each Board member's responsibility and performance. The level of Board compensation to Executive Directors is designed to be competitive in the market for highly qualified executives.

The Company pays remuneration to Executive Directors by way of salary, perquisites & retirement benefits (fixed components) & commission (variable component), based on recommendation of the Committee, approval of the Board and the shareholders. The commission is calculated with reference to net profits of the Company in the financial year subject to overall ceilings stipulated under Sections 198 & 309 of the Companies Act, 1956.

The NEDs are paid remuneration by way of commission & sitting fees. The Company pays sitting fees of ₹ 20,000 per meeting of the Committee and the Board to the NEDs for attending the meetings of the Board & Committees. The commission is paid as per limits approved by shareholders, subject to a limit not exceeding 1% p.a. of the profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956).

The commission to NEDs 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 Clause 49 of the Listing Agreement, the criteria for payment to Non-Executive Directors is made available on the investor page of our corporate website www.Larsentoubro.com

vi) Details of remuneration paid / payable to Directors for the year ended March 31, 2014:

(a) Executive Directors:

The details of remuneration paid / payable to the Executive Directors is as follows:

₹ Lakh

Names	Salary	Perquisites	Retirement Benefits	Commission
Mr. A. M. Naik	288.00	25.85	598.59	1,929.00
Mr. K. Venkataramanan	182.40	161.69	244.46	723.00
Mr. M. V. Kotwal	135.00	113.27	177.93	524.00
Mr. S. N. Subrahmanyan	114.00	18.40	278.10	916.00
Mr. R. Shankar Raman	102.00	18.40	225.45	733.00
Mr. Shailendra Roy	87.00	97.36	149.04	465.00

- Notice period for termination of appointment of Group Executive Chairman, 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 given in Annexure 'B' to the Directors' Report

(b) Non-Executive Directors:

The details of remuneration paid / payable to the Non-Executive Directors is as follows:

₹ Lakh

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission
Mr. S. Rajgopal	2.00	1.40	46.70
Mr. S. N. Talwar	1.60	1.00	30.80
Mr. M. M. Chitale	2.00	1.80	38.25
Mr. N. Mohan Raj ^	0.80*	0.80*	20.80*
Mr. Subodh Bhargava	2.00	1.40	42.00
Mr. A. K. Jain	2.00	1.80	22.50*
Mr. M. Damodaran	1.40	1.20	37.25
Mr. Vikram Singh Mehta	1.80	0.60	25.25
Mr. Sushobhan Sarker	1.40*	0.60*	26.49*

* Payable to respective Institutions they represent.
^ Ceased to be a Director w.e.f. 21.10.2013

Details of shares and convertible instruments held by the Non-Executive Directors as on March 31, 2014 are as follows:

Names	No. of Shares held
Mr. S. Rajgopal #	1,350
Mr. S. N. Talwar	9,000
Mr. M. M. Chitale	1,629
Mr. Subodh Bhargava	750
Mr. A. K. Jain *	600
Mr. M. Damodaran	150
Mr. Vikram Singh Mehta	885
Mr. Sushobhan Sarker *	150

* held jointly with the Institutions they represent
# has been granted 90,000 stock options but not yet exercised

3) Stakeholders' Relationship Committee (earlier known as Shareholders' / Investors Grievance Committee):

i) Terms of reference:

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- Redressal of Shareholders' / Investors' complaints
- Allotment, transfer & transmission of Shares / Debentures or any other securities and issue of duplicate certificates and new certificates on split / consolidation / renewal etc. as may be referred to it by the Share Transfer Committee.

ii) Composition:

As on March 31, 2014 the Stakeholders' Relationship Committee comprised of 1 Non-Executive Director and 2 Executive Directors.

iii) Meetings:

During the year ended March 31, 2014, 4 meetings of the Shareholders' / Investors Grievance Committee were held on May 22, 2013, July 22, 2013, October 18, 2013 and January 22, 2014.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. Vikram Singh Mehta @	Chairman	3	3
Mr. Sushobhan Sarker ^	Chairman	4	3
Mr. S. N. Subrahmanyan	Member	4	4
Mr. Shailendra Roy *	Member	1	1

Meetings held during the year are expressed as number of meetings eligible to attend.
* Inducted as a member w.e.f. 22.01.2014
@ Ceased as Chairman w.e.f. 22.01.2014
^ Appointed as Chairman w.e.f. 22.01.2014
Mr. S. N. Subrahmanyan acted as Chairman at the meeting held on 22.01.2014.

Mr. N. Hariharan, 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's 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	NIL	91	91	NIL
Shareholder Queries:				
Dividend Related	770	8,055	8,762	63
Transmission / Transfer	37	1,125	1,155	7
Demat / Remat	1	93	94	NIL

* Investor complaints / queries shown outstanding as on March 31, 2014 have been subsequently resolved. The substantial increase in number of queries is on account of the Company's repeated reminders to shareholders regarding unclaimed shares and dividends.

The Board has delegated the powers to approve transfer of shares to a Transfer Committee of Executives comprising of three Senior Executives. This Committee held 51 meetings during the year and approved the transfer of shares lodged with the Company.

4) Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee ('CSR Committee') was constituted at the Board meeting held on January 22, 2014 as required under the provisions of Section 135 of the Companies Act, 2013.

i) Terms of reference:

The terms of reference of the CSR Committee are as follows:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

ii) Composition:

As on March 31, 2014 the CSR Committee comprised of 1 Non-Executive Director and 2 Executive Directors.

iii) Meetings:

During the year ended March 31, 2014, no meetings of the CSR Committee were held.

The Members at the Committee are as follows-

Name	Status
Mr. Vikram Singh Mehta	Chairman
Mr. M. V. Kotwal	Member
Mr. R. Shankar Raman	Member

G. OTHER INFORMATION

a) Training of Directors:

All our directors are aware and are also updated as and when required, of their role, responsibilities & liabilities.

The Company holds Board meetings at its registered office and also if necessary, in locations, where it operates. Site / factory visits are organized at various locations for the Directors.

b) Information to directors:

The Board of Directors has complete access to the information within the Company, which inter alia, includes items as mentioned on Page 62 in Annexure 'C' to the Directors' Report.

Presentations are made regularly to the Board / N&R / Audit Committee (AC) (minutes of AC & N&R 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 / Business Unit, to the Board. Such interactions also happen when these Directors meet senior management in IC meetings and informal gatherings.

c) Risk Management Framework:

The Company has in place mechanisms to inform Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework.

A detailed note on risk management is given in the Financial Review section of Management Discussion and Analysis report elsewhere in this Report.

d) Statutory Auditors:

The Board has recommended to the shareholders, the re-appointment of Sharp & Tannan (S&T) as auditors. S&T has furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company. Mr. Milind P. Phadke has signed the audit report for 2013-14 on behalf of S&T.

e) Code of Conduct:

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the Company www.larsentourbo.com. The declaration of 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.

K. Venkataramanan
Chief Executive Officer & Managing Director

Date: May 29, 2014

Place: Mumbai

f) General Body Meetings:

The last three Annual General Meetings of the Company were held at Birla Matushri Sabhagar, Mumbai as under:

Financial Year	Date	Time
2012-2013	August 22, 2013	3.00 p.m.
2011-2012	August 24, 2012	3.00 p.m.
2010-2011	August 26, 2011	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 August 22, 2013:

- To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 3200 crore.
- To approve appointment of Statutory Auditors and remuneration payable to them.

Annual General Meeting held on August 24, 2012:

- To approve appointment of Mr. A. M. Naik as the Executive Chairman 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 ₹ 3200 crore.
- To approve appointment of Statutory Auditors and remuneration payable to them.

Annual General Meeting held on August 26, 2011:

- To approve appointment of Statutory Auditors and remuneration payable to them.

g) Approval of Members through Postal Ballot:

The Company received approval of the members on July 3, 2013, for passing an Ordinary Resolution as per Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, for issue of bonus shares in the ratio of 1:2. Mr. S. N. Ananthasubramanian, Practicing Company Secretary, was appointed as the Scrutinizer for conducting the Postal Ballot process. The details of the voting pattern are as under:

Particulars	No. of votes cast			% of total votes cast
	Physical	E-Voting	Total	
In favour of the resolution	31,41,10,243	2,94,96,606	34,36,06,849	99.99
Against the resolution	19,267	18,187	37,454	0.01
TOTAL	**31,41,29,510**	**2,95,14,793**	**34,36,44,303**	**100.00**

Number of Invalid Ballots (unsigned / unticked) was 648.

Procedure for Postal Ballot:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage envelopes are sent to the shareholders to enable them to consider and vote for and against the proposal within a period of 30 days from the date of dispatch. The calendar of events containing the activity chart is filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors. After the last day for receipt of ballots, the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same is published in the Newspapers and displayed on the Company Website and Notice Board.

h) Disclosures:

1. During the year, there were no transactions of material nature with the Directors or the Management or the subsidiaries or relatives 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 AS 18 and the same are given on pages 194-205 of the Annual Report.
3. The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing the Financial Statements.
4. The Company makes presentations to Institutional Investors & Equity Analysts on the Company's performance on a quarterly basis.
5. There were no instances of non-compliance on any matter related to the capital markets, during the last three years.

i) Means of communication:

Financial Results	Quarterly & Annual Results are published in prominent daily newspapers viz. The Financial Express, The Hindu Business Line & Loksatta. The results are also posted on the Company's website: www.Larsentoubro.com.
News Releases	Official news releases 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. Presentations made to Institutional Investors on a quarterly basis and the quarterly shareholding pattern of the Company is also displayed on the website. The entire Annual Report and Accounts of the Company and subsidiaries are available in downloadable formats. It will also be made available on the websites of the Stock Exchanges.
Filing with Stock Exchanges	Information to Stock Exchanges is now being filed online on NEAPS for NSE and BSE Online for BSE.
Annual Report	Annual Report is circulated to all the members and all others like auditors, equity analysts, etc.
Management Discussion & Analysis	This forms a part of the Annual Report which is mailed to the shareholders of the Company.

H. UNCLAIMED SHARES

As required under Clause 5A of the Listing Agreement, the Company had sent reminders to the shareholders whose shares were lying unclaimed / undelivered with the Company. The Company has received a substantial number of requests to claim these share certificates which are released after a through due diligence. As on today, the Company has share certificates of only 1.95% of the total shareholders lying unclaimed / undelivered. These will be transferred to the Unclaimed Suspense Account as required under the Listing Agreement. The Company has already opened the "Unclaimed Suspense Account" and is in the process of completing the formalities for transferring the shares.

I. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting:

The Annual General Meeting of the Company has been convened on Friday, August 22, 2014 at Birla Matushri Sabhagar, Marine Lines, Mumbai – 400 020 at 3.00 p.m.

b) Financial calendar:

1. Annual Results of 2013-14	May 30, 2014
2. Mailing of Annual Reports	Third week of July, 2014
3. First Quarter Results	During the last week of July 2014 *
4. Annual General Meeting	August 22, 2014
5. Payment of Dividend	August 26, 2014
6. Second Quarter results	During first week of November, 2014 *
7. Third Quarter results	During first week of February, 2015 *

* Tentative

c) Book Closure:

The dates of Book Closure are from Saturday, August 16, 2014 to Friday, August 22, 2014 (both days inclusive) to determine the members entitled to the dividend for 2013-2014.

d) Listing of equity shares / shares underlying GDRs on Stock Exchanges:

The shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

GDRs are listed on Luxembourg Stock Exchange and London Stock Exchange.

e) Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2014-2015 to the above Stock Exchanges.

f) Custodial Fees to Depositories:

The Company has paid custodial fees for the year 2014-2015 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

g) Stock Code / Symbol:

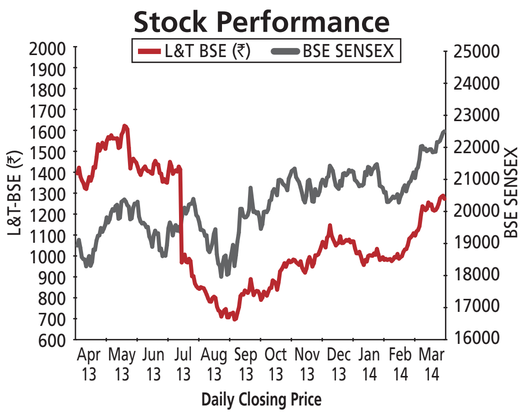
The Company's equity shares / GDRs are listed on the following Stock Exchanges:

Bombay Stock Exchange (BSE)	:	Scrip Code - 500510
National Stock Exchange (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 Bombay Stock Exchange Limited as well as NIFTY Index of the National Stock Exchange of India Limited.

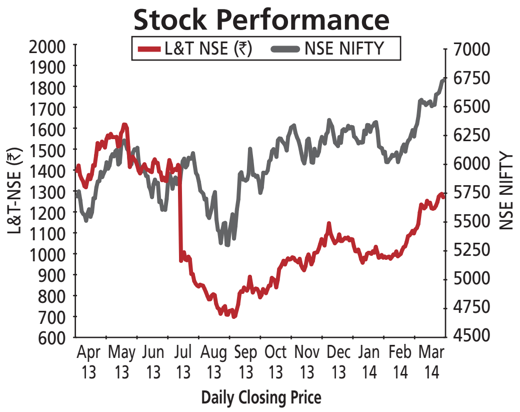
h) Stock market data for the year 2013-14:

Month	L&T BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
2013						
Pre-Bonus (till 10.07.2013)						
April	1,546.50	1,313.20	**1,512.60**	19,622.68	18,144.22	**19,504.18**
May	1,652.10	1,400.00	**1,401.60**	20,443.62	19,451.26	**19,760.30**
June	1,464.00	1,336.10	**1,404.15**	19,860.19	18,467.16	**19,395.81**
July	1,453.65	1,372.30	**1,413.55**	19,640.27	19,147.31	**19,294.12**
Post-Bonus (from 11.07.2013)						
July	1,009.80	834.25	**846.45**	20,351.06	19,126.82	**19,345.70**
August	864.50	678.10	**722.25**	19,569.20	17,448.71	**18,619.72**
September	898.00	687.60	**788.60**	20,739.69	18,166.17	**19,379.77**
October	984.65	777.10	**972.55**	21,205.44	19,264.72	**21,164.52**
November	1,047.00	912.30	**1,043.35**	21,321.53	20,137.67	**20,791.93**
December	1,152.40	1,033.50	**1,069.90**	21,483.74	20,568.70	**21,170.68**
2014						
January	1,079.70	951.60	**985.40**	21,409.66	20,343.78	**20,513.85**
February	1,113.95	962.00	**1,108.30**	21,140.51	19,963.12	**21,120.12**
March	1,301.00	1,087.00	**1,272.65**	22,467.21	20,920.98	**22,386.27**



Month	L&T NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close
2013						
Pre-Bonus (till 10.07.2013)						
April	1,547.00	1,313.00	**1,512.20**	5,962.30	5,477.20	**5,930.20**
May	1,652.00	1,398.00	**1,400.75**	6,229.45	5,910.95	**5,985.95**
June	1,464.00	1,335.00	**1,407.90**	6,011.00	5,566.25	**5,842.20**
July	1,457.00	1,387.00	**1,413.70**	5,904.35	5,760.40	**5,816.70**

Month	L&T NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close
Post-Bonus (from 11.07.2013)						
July	1,010.90	835.00	**847.15**	6,093.35	5,675.75	**5,742.00**
August	864.90	677.15	**724.55**	5,808.50	5,118.85	**5,471.80**
September	898.65	687.40	**788.75**	6,142.50	5,318.90	**5,735.30**
October	984.95	776.55	**973.70**	6,309.05	5,700.95	**6,299.15**
November	1,048.80	912.10	**1,045.95**	6,342.95	5,972.45	**6,176.10**
December	1,154.40	1,032.65	**1,070.25**	6,415.25	6,129.95	**6,304.00**
2014						
January	1,079.90	951.50	**985.90**	6,358.30	6,027.25	**6,089.50**
February	1,114.70	965.10	**1,109.65**	6,282.70	5,933.80	**6,276.95**
March	1,302.25	1,086.65	**1,271.90**	6,730.05	6,212.25	**6,704.20**



i) Registrar and Share Transfer Agents (RTA):

Sharepro Services (India) Private Limited, Andheri, Mumbai.

j) Share Transfer System:

The share transfer activities under physical mode are carried out by the RTA. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time. 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. Bad deliveries are promptly returned to Depository Participants (DP's) under advice to the shareholders.

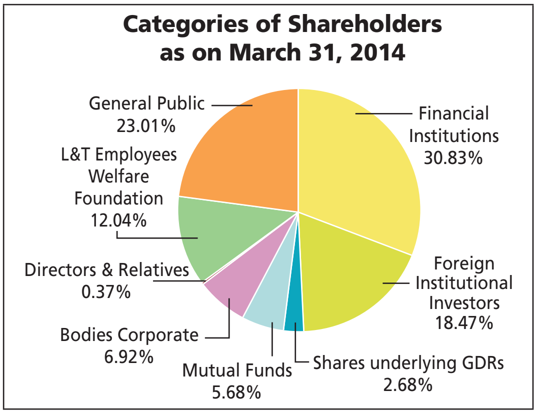
As required under Clause 47-C of the Listing Agreement, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

k) Distribution of Shareholding as on March 31, 2014:

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	7,58,416	91.06	6,64,99,332	7.17
501 – 1000	40,245	4.83	2,83,82,620	3.06
1001 – 2000	18,677	2.24	2,61,88,136	2.83
2001 – 3000	5,936	0.71	1,47,80,365	1.60
3001 – 4000	2,375	0.29	82,64,464	0.89
4001 – 5000	1,567	0.19	70,48,739	0.76
5001 – 10000	2,879	0.35	1,99,64,276	2.15
10001 & ABOVE	2,736	0.33	75,57,84,726	81.54
TOTAL	**8,32,831**	**100.00**	**92,69,12,658**	**100.00**

l) Categories of Shareholders is as under:

Category	31.03.2014		31.03.2013	
	No. of Shares	%	No. of Shares	%
Financial Institutions	28,57,74,435	30.83	18,79,45,375	30.54
Foreign Institutional Investors	17,12,25,959	18.47	10,20,52,770	16.58
Shares underlying GDRs	2,47,96,796	2.68	220,48,741	3.58
Mutual Funds	5,26,61,895	5.68	3,42,05,671	5.56
Bodies Corporate	6,41,75,878	6.92	4,41,01,953	7.17
Directors & Relatives	34,43,552	0.37	26,57,738	0.43
L&T Employees Welfare Foundation	11,16,06,174	12.04	7,44,04,116	12.09
General Public	21,32,27,969	23.01	14,79,69,617	24.05
TOTAL	**92,69,12,658**	**100.00**	**61,53,85,981**	**100.00**



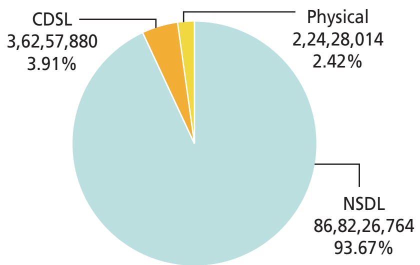
m) Dematerialization of shares:

The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form. The Company had sent letters to shareholders holding shares in physical form emphasizing the benefits of dematerialization.

The number of shares held in dematerialized and physical mode is as under:

	No. of shares	% of total capital issued
Held in dematerialized form in NSDL	86,82,26,764	93.67
Held in dematerialized form in CDSL	3,62,57,880	3.91
Physical	2,24,28,014	2.42
Total	**92,69,12,658**	**100.00**

Shares held in Demat / Physical Form as on March 31, 2014



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.

The Company has the following Foreign Currency Convertible Bonds outstanding as on March 31, 2014:

3.50% USD 200 million Foreign Currency Convertible Bonds due 2014		
(i)	Principal Value of the Bonds issued	USD 200 million
(ii)	Principal Value of Bonds converted to GDRs since issue.	NIL
(iii)	Principal Value of Bonds outstanding as at March 31, 2014	USD 200 million
(iv)	Underlying Equity Shares / GDR's issued pursuant to conversion as per (ii) above	NIL
(v)	Underlying Equity Shares / GDR's that may be issued pursuant to conversion notices in respect of (iii) above	73,60,865 shares

These Convertible Bonds are listed on the Singapore Exchange Securities Trading Limited.

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 (NSE) and / or Bombay Stock Exchange (BSE).

p) Debenture Trustees (for privately placed debentures)

IDBI Trusteeship Services Limited
Ground Floor, Asian Building
17, R. Kamani Marg
Ballard Estate
Mumbai – 400 001

q) Plant Locations:

The L&T Group's facilities for design, engineering, manufacture and modular fabrication are based at multiple locations within India including Ahmednagar, Bangalore, Chennai, Coimbatore, Faridabad, Hazira (Surat), Katupalli (Ennore), Raigad, Rourkela, Mumbai, Mysore, Pithampur, Puducherry, Talegaon and Vadodara. L&T's manufacturing footprint covers the Gulf (Oman, Saudi Arabia, U.A.E.), South East Asia (Malaysia, Indonesia) China and Australia. The L&T Group also has an extensive network of offices in India and around the globe.

r) Address for correspondence:

Larsen & Toubro Limited,
L&T House, Ballard Estate,
Mumbai 400 001.
Tel. No. (022) 67525 656,
Fax No. (022) 67525 893

Shareholder correspondence may be directed to the Company's Registrar and Share Transfer Agent, whose address is given below:

1. Sharepro Services (India) Private Limited
   Unit : Larsen & Toubro Limited
   Samhita Warehousing Complex,
   Bldg. No.13 A B, 2nd Floor
   Off Sakinaka Telephone Exchange Lane,
   Andheri – Kurla Road, Sakinaka
   Mumbai – 400 072.
   Tel No. : (022) 6772 0300 / 6772 0400
   Fax No. (022) 2859 1568 / 2850 8927
   E-Mail : Lnt@shareproservices.com;
   Sharepro@shareproservices.com

2. Sharepro Services (India) Private Limited
   Unit : Larsen & Toubro Limited
   912, Raheja Centre, Free Press Journal Road,
   Nariman Point, Mumbai 400 021.
   Tel : (022) 6613 4700
   Fax : (022) 2282 5484

s) Investor Grievances:

The Company has designated an exclusive e-mail id viz. IGRC@LARSENTOUBRO.COM to enable investors to register their complaints, if any. The Company strives to reply to the complaints within a period of 3 working days.

t) Non-mandatory requirements on Corporate Governance recommended under the Clause 49 of the Listing Agreement:

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under Clause 49 of the Listing Agreement:

1. A Nomination & Remuneration Committee is in place since 1999. The Committee comprises of three Non-Executive Directors and the Group Executive Chairman.
2. The Company has a Whistle Blower Policy in place since 2004 which is also applicable to group companies to report concerns about unethical behaviour, actual / suspected frauds and violation of Company's Code of Conduct or Ethics Policy. This has now been made mandatory under the Companies Act, 2013 and revised Clause 49 of the Listing Agreement.
3. Access to the Audit committee of the Board is also available.

u) Securities Dealing Code:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 1992, a Securities Dealing Code for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an Insider on the basis of 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. All the Designated Employees are also required to disclose related information periodically as defined in the Code. Directors and designated employees who buy and sell shares of the Company are prohibited from entering into an opposite transaction i.e sell or buy any shares of the Company during the next six months following the prior transactions. Directors and designated employees are also prohibited from taking positions in the derivatives segment of the Company's shares.

Mr. N. Hariharan, Company Secretary has been designated as the Compliance Officer.

v) ISO 9001:2008 Certification:

The Company's Secretarial Department which provides secretarial services and investor services for the Company and its Subsidiary and Associate Companies is ISO 9001:2008 certified.

w) Secretarial Audit:

As stipulated by SEBI, a Qualified Practising 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) and 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 & Chennai (overseeing all companies in Infrastructure Development Projects), are manned by competent and experienced professionals. The Company has a system to review and audit its secretarial and other compliances by competent professionals, who are employees of the Company. Appropriate actions are taken to continuously improve the quality of compliance.

The Company also has adequate software and systems to monitor compliance.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To the Board of Directors of Larsen & Toubro Limited

Dear Sirs,

Sub: CEO / CFO Certificate
(Issue in accordance with provisions of Clause 49 of the Listing Agreement)

We have reviewed the financial statements, read with the cash flow statement of Larsen & Toubro Limited for the year ended March 31, 2014 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, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and 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 financial year; and

(ii) that there were no significant changes in accounting policies made during the year; and

(ii) that there were no instances of significant fraud of which we have become aware.

Yours sincerely,

R. Shankar Raman	**K. Venkataramanan**	**A. M. Naik**
Chief Financial Officer	Chief Executive Officer & Managing Director	Group Executive Chairman

Place: Mumbai
Date: May 30, 2014

Auditors Certificate on Compliance of Conditions of Corporate Governance

To the members of Larsen & Toubro Limited

We have examined the compliance of conditions of corporate governance by Larsen & Toubro Limited for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement entered into by the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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.

SHARP AND TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No. 33013

Mumbai, May 30, 2014

Management Discussion & Analysis 2013-14

Global Economic Condition:
In the year 2013-14, the global economy showed signs of revival after almost 4 years since the onset of the financial crisis. The recovery this time was different as developed economies consolidated while most emerging markets faced challenges to reviving growth. In the process, the financial system has emerged stronger while fiscal balances in the developed world are improving. The synchronised efforts of central banks and governments continued with record low interest rates and monetary stimulus measures.

USA finally introduced a gradual taper of its stimulus which has so far not destabilised global financial markets. The remarkable turnaround in their fiscal balance due to steep expenditure cuts introduced earlier can once again be restored thus providing a fillip to growth. While the housing sector has seen some credible recovery, the shale gas boom has driven industrial growth and jobs.

The European Union also made some recovery though an uneven one. The north, led by Germany, had a solid year, reducing unemployment and boosting living standards. Across the Mediterranean the pattern was more disappointing, with Italy, Spain, Portugal and Greece all enduring a year of rising unemployment, however, the numbers have started to improve. Europe and the euro are not out of trouble, but the acute phase of their difficulties may be past.

The emerging and developing economies faced challenges to growth, with some easing in the second half of 2013. Investment weakness continues to hamper the economy with tightening of external funding and financial conditions. New investments have stagnated amid an erosion of business sentiment, unfavourable global environment and weak domestic demand. These economies were impacted by supply side constraints due to structural and policy bottlenecks leading in turn to high inflation and volatile exchange rates. In 2014, investment cycle is unlikely to pick up in a robust manner until business sentiment improves and credible signs of domestic demand revival are seen.

Growth was also tepid in the Middle East and North Africa region (MENA) in 2013 due to lower buoyancy in oil revenues, as the region saw a decline in oil production. In 2014-15, growth is expected to strengthen as public spending on non-oil activity increases and oil production recovers. On the other hand, the sub-Sahara Africa region registered a strong growth of 4.8% in 2013 underpinned by investments in natural resources and infrastructure. Growth is projected to accelerate to about 5.5% in 2014 reflecting positive domestic supply-side developments and the strengthening in global recovery.

Global growth is expected to be better in the current year, as the developed world consolidates further. In the advanced economies, risks to economic activity associated with very low inflation have come to the fore, especially in the euro area, where large output gaps have contributed to low inflation. Emerging market economies will have to tackle inflationary pressures and currency volatility in the short and medium-term as they attempt to revive growth. There is a risk of continuing tight financial conditions leading to a higher cost of capital leading to a further slowdown in investments. Also the recent geo-political risks may lead to a renewed bout of increased risk aversion in global financial markets.

Overview of Indian Economy:
The GDP growth of Indian economy was 4.7% in the year 2013-14. The economy has remained challenged as growth has been below 5% in the last 7 quarters between Q1, 2012-2013 to Q4, 2013-2014. The only exception in this period was Q2, 2013- 2014 when GDP grew by 5.2%. This slowdown has coincided with a decline in financial savings, low and sluggish growth in fixed capital formation over successive quarters, persistently high inflation, low business confidence and particularly inadequate structural policy measures which have had a profound effect on potential growth.

The year witnessed sustained high inflation and a highly volatile exchange rate in the first half of the year. The subsequent tightening of monetary policy effectively choked economic recovery. Domestically, structural reforms did not proceed at the pace expected by markets, as bottlenecks continued to hamper investment projects, particularly in the critical power sector.

Since early September, external pressures have eased somewhat, in large part due to the postponement of “tapering” by the US Federal Reserve, which helped to stabilize global interest rates. This has led to a return of capital inflows. Simultaneously, the RBI took a number of measures to boost reserves, while the government has acted to reduce the current account deficit and shore up investor confidence. Indeed, the current account deficit has shrunk quite remarkably from a high of 4.7% of GDP in 2012-13 to 1.7% in 2013-14. As a result, the INR has recovered, and asset prices have moved higher.

With the exception of agriculture, all the other sectors in the economy continued to remain weak in 2013-14. The industrial sector continued to lag and declined by 0.1%, a 22 year low. The entrenched stagnation in economic growth over two year’s reflects a subdued investment and consumption demand which has resulted in contraction in production of manufacturing sector, capital goods and consumer durables in the current year. Also, growth in services sector which is the largest contributor to GDP remained almost stagnant at 6.2% in 2013-14 with growth decelerating in the trade, hotel, transport and communication sector. The only sub-sector that recorded a strong growth of 12.9% was financing, insurance and real estate.

India’s earlier consumption-lead growth story post 2008 continued to falter, with both private and government sector consumption decelerating in 2013-14. Growth in government consumption, which sharply picked up in the first quarter, remained subdued for the rest of the year as fiscal pressures intensified. Also, private final consumption expenditure which has the largest share of 60% in the GDP, slowed down further at 4.9% in 2013-14 from 5.0% in 2012-13. On the investment side, gross fixed capital formation declined by 0.1% in 2013-14 from an already negligible growth of 0.8% in 2012-13. However, it was the external sector that stemmed the rot, with a gradual recovery in the exports (8.4%) due to competiveness gains from weaker currency and pickup in demand in some advanced economies, and a contraction in imports (-2.6%) due to a sharp policy driven moderation in gold imports.

Business Scenario:

Macro economic and policy uncertaintities, persisting inflation, tight liquidity conditions and high interest rates adversely impacted business environment in India in the year 2013-14. While the Company continued to focus on maximizing the domestic opportunities, it also strengthened its presence in the select overseas markets amidst strong competitive pressures.

The core sectors such as infrastructure, power, minerals & metals, defence, oil & gas which hold business prospects for the Company, await policy decisions and structural reforms. Speedy resolution of issues, in these sectors, is important for boosting the Company’s prospects. The reform initiatives and their rigorous implementation by the new government is expected to remove the bottlenecks, presently impeding the economic growth in India and thereby improve business environment.

The Middle East economies appear to be on the path of sustainable development with projection of consistent growth in coming years on the back of investment in Infrastructure and Oil & Gas sectors.

Growth Strategies and Thrust Areas :

- **Strengthening execution and operational efficiency:**
  Execution excellence and successful implementation of cost optimization initiatives are imperative for translating the targeted top-line growth into earnings growth and sustainable margins. In this respect, the businesses have taken various steps for focused cost reduction and productivity improvement to enhance their competitive positioning.

- **Capacity augmentation:**
  The Company has made significant investments in the past few years in expanding its facilities for various businesses. While these new capacities provide the competitive edge to the Company, the returns on these investments are expected only over a longer term. The businesses are focusing on increasing capacity utilization and enhancing productivity in order to improve returns on these investments.

- **International business:**
  Over the years, the Company has been accelerating its journey as a value-creating Indian multinational to replicate the success it has achieved in India, in some chosen global markets. The achievement of the plans in respect of international business largely depends upon successful procurement of targeted business against the stiff competition, risk management, cost competitiveness, efficient contract management and

execution excellence. The strategy of internationalization is helping the Company to achieve the twin-objective of hedging against domestic slowdown and attaining global competitiveness. The Company is, therefore, building its international organization.

- **Human Resource Development:**

  Talent acquisition and retention remain the focus areas to augment the journey of internationalization to create a multicultural work force and for strengthening leadership cadre with appropriate domain competencies.

  The Company has a strong committed work force nurtured and backed up by its professional culture coupled with innovative HR process aimed at strategic alignment with the business objectives. Top performing employees are periodically identified and put through a six-step leadership development process. The Company's in house Project Management Institute in Baroda hosts several programs on project execution excellence to complete projects in time and within cost.

The Company with its healthy order book, presence in diverse sectors, increasing international business and proven track record is well positioned to maintain the growth momentum and create value for its stakeholders. It is in this background that the Company's various businesses present their operations review for the year 2013-14 as follows:

Infrastructure Business

The new Gateway of India - Terminal 2 at Mumbai Airport. L&T has constructed several modern airports that include New Delhi, Bengaluru and Hyderabad in India. The Salalah International Airport in Oman is at an advanced stage of construction.

Infrastructure business segment is the construction arm of the Company and enjoys leadership position in the construction sector in India. The Infrastructure segment offers EPC solutions with single-source responsibility, for executing large industrial and infrastructure projects from concept to commissioning through dedicated businesses – Buildings & Factories, Transportation Infrastructure, Heavy Civil Infrastructure, Power Transmission & Distribution and Water & Renewable Energy.

With a track record of over 70 years in the field of construction, L&T's Infrastructure has the proven capability for executing all types of mega projects on a turnkey basis, involving innovative design, comprehensive construction services including procurement, supply, installation, testing and commissioning services.

L&T Infrastructure's international presence is increasing, with history of work sites in 20 countries that encompass South Asia, South East Asia, the Middle East, Russia, CIS countries including African countries. L&T was one of the earliest companies to operate in Gulf and over the years, gained significant market presence in UAE, Oman, Qatar, Saudi Arabia, Kuwait and Bahrain for executing projects on EPC basis. A few recent prestigious projects of Infrastructure business segment include the Riyadh Metro in KSA, the Doha metro in Qatar, the EPC works for substations for Kahramaa in Qatar and the Western Dedicated Freight Corridor (WDFC) for Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL) in India.

Buildings and Factories Business

Overview:
Buildings & Factories (B&F) business undertakes engineering design and construction of Airports, IT Parks, High-rise structures, office spaces, educational institutions, stadiums, convention centres, metro stations, hospitals, hotels, residential buildings, factories, cement plants and warehouses.

The thrust is on providing world-class "Concept to Commissioning" solutions to our customers in various building segments. This helps us in maintaining the leadership position, retaining key customers, entering new geographies and securing relatively large value orders. Construction excellence coupled with technology, experience and expertise gained over several decades has helped B&F to project itself as one of the premium contractors in the industry.

Business Environment:
Business environment continued to be challenging both on domestic and international front during 2013-14. Despite the tough times, B&F was successful in maintaining its leadership position in the market with considerable growth in revenue and order inflows.

The Residential business unit maintained a considerable growth in order book and market expansion across Tier I and Tier II cities in the country. Major orders were secured from reputed real-estate developers for building high-rise residential towers. B&F has been a pioneer in the industry in terms of construction of world-class hospitals in the country. It leveraged upon its EPC capabilities and secured major orders for construction of hospitals for central and state Governments. In IT & Institutional Space business unit, major orders were secured to build convention centres, office buildings and museum.

The year 2013-14 continued to be challenging for some business units like Airports and Factories. Major airport development plans in the domestic sector continues to be deferred, mainly due to land acquisition and funding issues. Similarly, the manufacturing and automobile sector continued its negative growth and companies deferring the expansion plans.

Reduced opportunities in some segments were compensated by considerable growth in others and overall B&F continued its Y-o-Y growth in terms of revenue and order book.

Major Orders Secured and Under Execution:
The year 2013-14 order inflows maintained a steady growth with major orders being bagged in all the business units. B&F successfully secured some of the largest residential orders in the country for constructing high-rise towers in Gurgaon, Bengaluru, Mumbai and Chennai from reputed real-estate developers like Prestige, DLF, Olympia and Omkar. It also successfully secured a major order for construction of an international convention centre in Mumbai from Samsung C&T. Major orders were also secured for building a state-of-the-art global technology centre for Shell in Bengaluru, an IT Park for Tech Mahindra in Bengaluru, and passenger terminal building in Cochin International Airport, Kerala. B&F also secured orders for constructing major hospital projects for central and state governments, a manufacturing facility in Jaipur for JCB

Air-traffic Control Tower, Mumbai Airport

High-rise towers for a residential project in Delhi. The Buildings & Factories business provides world-class 'Concept-to-Commissioning' solutions across various building segments.

and cement plants for Orient and Emami. It also secured additional orders from key clients like Tata Consultancy Services (TCS), Cognizant, Boeing, LDA, Jawaharlal Institute of Postgraduate Medical Education and Research (JIPMER), Ford, Honda and Maruti.

Some of the key projects commissioned by B&F during the year 2013-14 are terminal building T2 and Air Traffic Control (ATC) Tower for Mumbai International Airport, terminal building in Bengaluru International Airport, a major IT office facility for Cognizant in Pune, a major precast residential project in Mumbai for Omkar, a 10,000 tonnes per day capacity cement plant project in Malkhed for Ultratech and an automobile manufacturing facility for Ford in Sanand, Gujarat.

Significant Initiatives:
Apart from continuing its focus on technological advancements and R&D, B&F has also introduced some major initiatives with an objective to strengthen its customer portfolio, steading business growth and expanding into emerging markets. Key moves have been taken to strengthen the international organization and follow a focused approach towards projects that complement our strengths. B&F also has provided a special thrust on improving Operational Excellence by implementing construction techniques like 'Lean Construction' and improving project cycle time. 'Srishti' 3D Studio was setup in our Engineering Design and Research Centre. This is first of its kind in Indian construction industry where ideas are created, synergised and the designs are culminated into virtual reality. Various other initiatives were also initiated in safety, HR practices, talent acquisition and workmen management.

Outlook:
On the domestic front, stable government in the centre, should hasten the decision making and implementation of planned infrastructure projects. In the private sector, the Company is optimistic on expansion plans of IT companies and major residential orders in Tier – II cities. Opportunities in sectors like aviation, manufacturing, cement, automobiles and pharmaceuticals may continue to be slow.

In the International sector, opportunities in GCC region have opened up and B&F is highly focused on the market with a target to secure major airport, metro stations and hospital orders. B&F is positive on the scenario in the regions.

Seawoods Grand Central, Navi Mumbai - one of India's largest Transit-Oriented Development projects that will house a railway station, and is poised to be a nerve centre of commerce and leisure.

B&F is a proven player in the construction industry with an exemplary record of handling major design & build projects and executing the same within stringent timelines.

B&F is poised for sustained growth in the forthcoming years on the backdrop of a healthy order book, wide customer network, strong organisational setup, efficient supply chain management, requisite resources and skilled workforce.

Major Subsidiary Company
Larsen & Toubro (Oman) LLC (LTO):
Subsidiary Company
LTO is a JV with Muscat Trading Company LLC (Zubair Corporation Group), providing engineering, construction and contracting services for nearly a decade in Sultanate of Oman. The Company has an excellent track record in civil projects and continues to enjoy customer preference in the country. L&T, through its wholly owned subsidiary L&T International FZE holds 65% in the Company.

Last year, LTO successfully secured a major order for construction of Sultan Qaboos Youth Complex in Salalah for Culture and Recreation.

Luxurious amenities at a premium residential property in Mumbai.

Prospects for the upcoming year seem to be attractive in segments like Airports, Hospitals, Institutional space and commercial buildings as major orders are in pipeline in these segments. Based on the region's economic scenario and LTO's past performance, we are confident of expanding our business portfolio in the region.

Transportation Infrastructure Business

Overview:

Industry Structure & developments:

Transportation Infrastructure business comprises of Roads, Runways (Airside Infrastructure) & Elevated Corridors (RREC), International Infrastructure, Railways Construction & Railways Systems. It has sustained its growth momentum despite challenges posed domestically by sluggish economic growth resulting from policy paralysis, inflation and higher interest rates.

The Roads, Runways & Elevated Corridors business is largely dependent on PPP & EPC projects of National Highways Authority of India (NHAI), State Road Corporations, PWDs and City Development authorities.

For Railway business,Rail Vikas Nigam Limited (RVNL) is an important client providing consistent business opportunities with competition for small packages. Indian market continues to expand as Tier II cities are going for Mass Rapid Transit Systems (MRTS).

International Infrastructure business is mainly concentrated in GCC countries of Oman, UAE, Qatar, Saudi Arabia & Kuwait.

Business Environment:

Domestically, pre- construction issues like land acquisition, environmental clearance & relocating utility continue to contribute to delays in road project which is being mitigated with smart mobilisation.

Majority of the UAE Projects will be self-financing models. Immense pricing pressure due to intense competition across all operating countries will continue.

Customer expectations continue to be on-time delivery, best-in-class quality and competitive price. Competition in the infrastructure sector continues to be severe from established as well as new players, small and mid-size projects being most competitive.

Major Orders Secured and Under Execution:

Major orders bagged domestically during the year 2013-14 include Rourkela-Sambalpur Road Project (Odisha), EPC projects Manawath–Beed (Maharashtra), Jharsuguda-Kanaktora Road project (Odisha) and Kannur Airport (Kerala).

Railways business made a major breakthrough by bagging the prestigious mega project of Western Dedicated Freight Corridor (WDFC) Civil & Track Package (CTP) 1&2. Total value of orders worth ₹ 4410 crore is booked by Railways business from DFCC & RVNL. The Railway Business bagged Civil and Track packages (CTP 1&2) from WDFC and Electrical & Mechanical Package (Mughalsarai to Sonnagar) from EDFC. India's first Monorail –Mumbai Monorail commissioned on February 1, 2014.

India's first monorail, in Mumbai, built and commissioned by L&T.

In the International Infrastructure business unit, our consistent efforts of last 2 years in organisation building & networking has finally yielded results as 4 prestigious mega road project orders worth ₹ 8600 crore. International Orders include Batinah Expressway & Bid bid-Sur Highway in Oman, Maffraq to Al Ghwaifat road project in UAE and Al Wakrah in Qatar to Transportation Infrastructure business and its subsidiary.

Projects executed during the year are Krishnagiri Walajahpet Road Project (148 km, TN), Khalifa Port Interchange Project (Department of Transport, UAE).

Transportation Infrastructure has bagged 11 International Safety awards, 3 RoSPA Gold (Royal Society for the Prevention of Accidents), 1 RoSPA Silver & 7 British Safety Council award along with 5 prestigious Safety Awards from National Safety Council (NSC), India for the year 2013.

Transportation Infrastructure also received Dossier Construction Award for Best Contractor of the year- 2013 in Oman.

Significant Initiatives:

Transportation Infrastructure has secured large orders in Dubai, Oman and Qatar in the year 2013-14. It acknowledges that it is critical to build a robust organisation with a strong leadership pipeline to ensure timely and profitable execution of all the projects already secured/being secured.

Accordingly, one of the major initiatives is building of on-ground leadership for integrating multi-cultural & multi-linguistic leadership, inculcating L&T values and creating a vibrant L&T brand in the Middle East similar to the one in India. This has led to the organisational restructuring of domestic business and business in GCC countries of Oman, UAE, Qatar & Saudi. Massive emphasis was given in Expatriate staff recruitment including country head & business development positions in all the above countries of Gulf.

In domestic roads business, Transportation Infrastructure business will continue our initiatives in Value Engineering through Mechanistic Pavement Design, Use of Reclaimed Asphalt Pavement, alternative materials, integral design for Flyovers and flexible wire rope safety barriers.

The business is targeting improvement in overall operations with focus on design, subcontracting, procurement, equipment utilisation, construction methodology, project management and contract management. Operational excellence program is initiated across Transportation Infrastructure for improvement in profitability and to enable faster completion via risk mitigation and improved planning.

Talent management and leadership development continue to be the major focus areas across the Transportation Infrastructure business. In addition to the programme organised by L&T at a corporate level for leadership development, Talent Acquisition will continue to play a key role in growth. Rapid ramp-up of quality manpower is of prime importance, especially as the quantum of international operations increase. In tune with the plans for internationalisation- Safety, Quality & Productivity have been identified as the themes for Talent Development.

Outlook:

L&T continues to be a leader in both roads & rails business in India. Domestically, many of the bottlenecks in the road sector are expected to get resolved. Award process in Road Sector will improve vastly. Delhi-Meerut & Agra-Lucknow Expressway are potential prospects during current year. In the Airport segment, we would continue to leverage our excellent track record & capabilities.

As per FY 2014-15 plan of NHAI, approximately ₹ 15000 crore of EPC Road projects & ₹ 35000 crore PPP projects will be bid out this year.

In the airport segment, the Navi Mumbai and Bangaluru airport airside work projects are major opportunities in FY 2014-15.

In the Elevated Corridor Segment, there are quite a few projects in anvil in FY 2014-15 from various state authority bodies like MMRDA (Mumbai Metropolitan Region Development Authority), GDA (Ghaziabad Development Authority), KMDA (Kolkata Metropolitan Development Authority) etc.

In India, several Expressway Projects by NHAI and State governments are expected in FY 2014-15 in PPP or in EPC mode in addition to planned outlay in National Highways Development Project (NHDP). However, the solution to the existing problem of stalled projects and award of fresh projects in PPP segment will take some more time due to the economic sluggishness.

In Metros & Mono Rails, projects are expected from Kochi Metro and Kerala Monorail Authorities, besides Metros in Ahmedabad and Lucknow. In the mainline market, more tenders are expected from RVNL and other private players in railway sidings. However, in metros & RVNL projects, there will be severe competition.

In the countries like UAE, Oman and Qatar, next five years expenditure on development of road is estimated in excess of $ 5 Billion. However, severe competition will be faced and also good performance in the on-going projects must be consistently maintained.

UAE Expo-2020 & FIFA 2022 in Qatar promise for fast track infrastructure developmental in Airports, Rails & Expressways.

Saudi Railway Corporation, Oman National Rail project, Qatar Rail Corporation, & ETIHAD Rail are coming up with huge opportunities in development of railway network of around $ 9.4 Billion. Transportation Infrastructure business has consolidated our position in GCC countries and it is a major step towards realizing the objective of establishing L&T as a recognized EPC contractor in Gulf Countries for Infrastructure projects.

The future looks to be promising for Railways Strategic Business Unit (SBG) in the domestic fronts too. The remaining projects of Phase I & Phase II (Civil & Track, Electrical & Mechanical, Signaling & Telecom packages) of WDFC are expected to be awarded along with Eastern Dedicated Freight Corridor (EDFC) packages.

Major Subsidiary Company
Larsen & Toubro (Oman) LLC (LTO):
Subsidiary Company

The economy in Oman continued its growth in a sustained manner during 2013-14, supported by higher crude production and contained inflation. The Government of Oman has allocated funds for large public investment programs, particularly in infrastructure and social sectors. LTO is targeting large value road and expressway orders from upcoming projects in Oman. The Company is expanding Plant & Machinery base considering the expected investments by Government of Oman in large infrastructure projects.

Heavy Civil Infrastructure Business

Overview:

Heavy Civil Infrastructure business undertakes Design, Engineering and Construction of infrastructure projects of the nation in Metros, Nuclear, Hydel, Ports, Special Bridges, Tunnels and Defence Infrastructure segments. The goal is to become a Total Infrastructure solution provider not just in India but abroad as well. Our In-house design strength and Unique Construction methodology cell give us an edge over our competitors in the market and helps us serve our customers from concept to commissioning.

Business Environment:

The year 2013-14 has been a golden year for Heavy Civil infrastructure business. Various initiatives for internationalisation have paved the way for bagging the most prestigious and largest single order of L&T i.e. Riyadh Metro rail project through Joint Venture mode. With just a few months after booking a $5.9 Billion Riyadh Metro, Heavy Civil business made a successful entry into Qatar region with Doha Metro rail Project worth $3.2 Billion through Joint Venture mode. This further has strengthened our presence in the overseas markets, opening up new opportunities. Foraying into international markets helped to maintain the growth in order inflow in spite of weak domestic market. On the domestic leg, two packages of Kochi Metro were bagged by the Metros BU of the Heavy Civil Infrastructure.

Heavy civil business also tasted success in various other segments like Special Bridges, Nuclear and Defence Infrastructures. Some of the orders booked include iconic 2nd Narmada Cable-stay Bridge, Civil package from Indira Gandhi Centre of Atomic research at Kalpakkam etc. Hydel and Ports segments, however, saw only limited tenders mainly due to environmental clearance issues for various projects in the country.

Some proud moments for Heavy Civil Infrastructure business in 2013-14 were river impounding of 330 MW Srinagar HEP in Uttarakhand, synchronisation of Kudankulam Nuclear Project-Unit 1&2 in Tamil Nadu to Grid, completion of elevated corridor leading to Iconic T2 terminal in Mumbai, 4 Tunnel Boring Machines (TBM) breakthroughs in Chennai Metro and Delhi Metro Underground packages and completion of civil structures for nation’s maiden Monorail project (Stage I) in Mumbai. For the first time in the history of Indian Nuclear Construction, a full ring liner was pre-fabricated and successfully erected at Kakrapar Atomic Power project (Unit 3&4) in Gujarat.

Heavy Civil Infrastructure Company in 2013-14 won various national and international accolades for our safety standards at our project sites. Kakrapar Atomic power Project bagged the prestigious Sarvasreshta Puraskar, highest honor in India for construction safety given by National Safety Council. We won 5 ROSPA awards and 2 from British Safety Council.

Kakrapar Atomic Power Project, Gujarat, under construction. L&T has contributed to India's nuclear power programme both through comprehensive construction of critical structures and supply of vital equipment.

Significant Initiatives:
Heavy Civil Infrastructure has identified considerable opportunities in the Middle East for future growth of the business. These are also projects of national importance and are being monitored at the highest level in the respective countries.

Acknowledging that the projects underway are complex in nature owing to the involvement of several partners as well as consortium approach to execution, management has laid greater emphasis on building the on-ground leadership and management team in these markets. This move is expected to help in faster and effective decision making as well as implementation of the same.

With our vision of becoming a global major taking shape, business development teams for international domain were also strengthened this year.

Talented human resource has been the key asset of the Heavy Civil Infrastructure. Substantial efforts have been put into training and leadership development through various programs. Training days per employee saw an increase of about 300% during the current year. Apart from technical training programs, special emphasis was given on soft skills training and personality development programs.

Internationalisation and increase in Joint Venture jobs also has brought in an increased number of experts from foreign Nations. Continuous efforts are on to recruit talent from across the globe for increasing the skill inventory to cater to mega projects. Various strategic initiatives like formation of competency cells for resource optimisation, strengthening the procurement team and other cost competitiveness measures are in place to improve our internal processes and increase profitability.

Outlook:
Even though an election year, the view on infrastructure spending remained upbeat with the country trying to stabilise the growth rate through internal public spending. Few port projects have got environmental clearances. Some strategic decisions by the Government are expected

Tunnel for Delhi Metro. L&T has built underground and elevated corridors for the metro in major cities.

330 MW hydroelectric project in Uttaranchal - one of the many at the foothills of the Himalayas.

to facilitate major prospects in coming years. Feasibility studies and budget allocations for freight corridors, Metros at Tier II cities have already been planned. There are some more bright prospects for Metro segments in Gulf region. With commissioning of Kudankulam Atomic Power project Unit I & II, prospects for further units are looking bright. Many interesting special bridge projects are under various stages of tendering and approval. Indian government has approved 4 new hydro power projects in Bhutan.

With healthy order book backed by strong team spread geographically, Heavy Civil business is confident of achieving its revenue targets for 2014-15.

Major Subsidiary Company
L&T Geostructure (LTGS):
L&T Geostructure LLP was formed in 2012-13. LTGS undertakes projects in the business areas of ground engineering namely soil investigation, deep excavation, earth retaining structures, large diameter piling, marine and riverfront structures, ground improvement, deep foundation-supported bridges, water retaining structures, micro tunneling, mine shafts and other related activities. Many challenging projects have been completed for this year. 40 nos of 2.5 m Dia 40 m long plunge-in column through hard rock strata for Chennai Metro project, 800 m wide and 30 m deep rock socketed diaphragm wall in Bangaluru with state of the art trench cutter are such examples of our strength and capability.

L&T Geostructure has good business opportunities in the coming financial year. New technology, expertise pertaining to equipment, construction methodology and right talent are important in this business. L&T Geostructure will continue to focus on technology leadership in the areas of ground engineering to penetrate the market and expand our market share.

Power Transmission & Distribution Business

Overview:
L&T's Power Transmission and Distribution (PT&D) is a leading EPC player in the field of Power Transmission and Distribution business offering integrated solutions and end to end services ranging from Design, Manufacture, Supply, Installation and Commissioning of Transmission Lines, Underground Cable Networks, Substations, Distribution Networks, Electrical, Instrumentation & Communication works for Power, Process & Infrastructure Projects in both Domestic & International markets.

Extra High Voltage Substation Systems & Power Distribution Business Unit focuses on providing turnkey solutions for Extra High Voltage Air Insulated/Gas Insulated Substations for Utilities & Power Plants, EHV Cable Networks, Utility Power Distribution & Power Quality Improvement works with associated DMS/Smart grid systems, complete Electrical, Instrumentation & Communication (EI&C) solutions for large Power Plants including Thermal & Nuclear plants, various industrial & infrastructure projects such as Metallurgical Plants, Hydrocarbon & Pipeline Projects, IT Parks, Airports, Sea Ports, Metros, OFC networks etc.

Transmission Line Business Unit offers turnkey solutions in building overhead lines for Power Evacuation & Transmission Systems, bolstered by its state of the art tower manufacturing units at Puducherry and Pithampur supplying over 1.2 lakh tonnes of tower components annually & complimented by its NABL accredited tower testing facility at Kanchipuram. (NABL- National Accreditation Board for Testing and Calibration Laboratories)

PT&D 's International Business Units offer complete solutions in the field of Power Transmission & Distribution including High Voltage Substations, Power Transmission Lines, Extra High Voltage (EHV) Cabling and Electrical, Instrumentation and Controls (EI&C) Works for Infrastructure Projects such as Airports, Oil & Gas Industries etc. in Gulf & African countries namely UAE, Qatar, Kuwait, Oman, Saudi Arabia, Algeria & Kenya.

Business Environment:

During the year 2013-14, Power Transmission & Distribution Sector in India experienced a dynamic change in its balance equation with distribution sector gaining momentum backed by significant investments, however, power generation sector remained muted with no major expansions or new projects taking off. The sector plagued by many unresolved policy issues continued to be sluggish. Issues related to fuel linkages, land acquisition, liquidity etc. affected capacity additions.

In the backdrop of governmental reforms programme in distribution sector, fostered by central funding agencies, utilities have laid emphasis on strengthening their respective distribution networks for better efficiency, accountability & management. The PT&D positioned itself to capitalise this emerging opportunity and was successful in bagging major orders.

The opportunities in Transmission sector were steady as central & select state utilities were concentrating on Power System Strengthening Schemes to meet their demands.

The PT&D was successful in tapping the potential available in Urban Mass Transit (Metro) Projects in Delhi & Hyderabad.

India's first 1200 kV substation at Bina in Madhya Pradesh built by L&T.

The current economic downturn & policy issues had a severe impact on industrial projects with no expansions and Greenfield projects announced, while the ongoing projects too are moving at a slow pace.

The international business grew substantially, supported largely by Qatar's ambitious plan to augment the existing power system network to fulfill their growing infrastructure needs & meet future demand while Kuwait showed positive signs of bulk investments in power transmission sector. Saudi Arabia has become one of the key area of focus as its central utility is going for vast expansion plans to meet its demand forecast. The inopportune aspect was that UAE witnessed slowdown in T&D sector investments.

Major orders bagged:

Major orders secured in domestic market include 765kV GIS Substations at Varanasi & Srikakulam for Power Grid Corporation of India Limited (PGCIL), 400kV Gas-insulated substations (GIS) in Wangtoo, HP for Himachal Pradesh Power Transmission Corporation Limited (HPPTCL), 400kV Air Insulated Substations (AIS) at Tamil Nadu for Tamil Nadu Transmission Corporation Limited (TANTRANSCO), Power Distribution & Quality improvement works under Restructured Accelerated Power Development and Reforms Programme (RAPDRP) & Rural Electrification schemes for various DISCOM's in the states of Uttar Pradesh, West Bengal, Kerala & Odisha.

E&I Works for Infrastructure Projects include Auxiliary Power Network, E&M Works with associated SCADA system for Delhi Metro Rail Corporation Limited (DMRC) Ph III Metro network.

Major Transmission Line projects secured include 765kV Transmission Line from Angul to Jharsuguda & 400kV

800 kV transmission lines between Nidhura and Agra.

Line in Indore for PGCIL; 400kV Transmission Line from Rasipalayam to Salem & from Mettur TPS to Thiruvalam for TANTRANSCO. A major breakthrough order under Tariff Based Competitive Bidding route was materialized by securing an order from Kudgi Transmission Company to build a 765kV Transmission Line from Kudgi to Narendra in Karnataka. This line is being built to evacuate Power from NTPC Limited kudgi 3X800MW TPS.

In international market, the PT&D bagged a remarkable order in Qatar for turnkey construction of 18 nos. of EHV GIS Substations and 151 KM of EHV Cabling works for Qatar General Electricity & Water Corporation (KAHRAMAA). This order enjoys the feat of being the single largest ever EPC Order for PT&D IC.

The business was also successful in bagging a breakthrough order in Oil & Gas (O&G) segment in UAE by securing an order from Abu Dhabi Gas Industries Limited (GASCO) to build 220/33 kV GIS substation.

The other major contracts include 132kV GIS substation orders from Ministry of Electricity & Water (MEW) and Kuwait Institute of Scientific Research (KISR) in Kuwait.

The PT&D also bagged prestigious orders to execute 230kV Transmission line works at Abu Ali plant for Saudi Aramco & 110 kV Transmission line projects in western region of Saudi Arabia for Saudi Electricity Company (SEC)

This year also marks a noteworthy achievement in our internationalisation initiative. The IC made a successful foray into African market by bagging a 400kV substation order from Sociètè Nationale de l'Electricité et du Gaz, National Society for Electricity and Gas (SONELGAZ), a prominent utility in Algeria.

Major Orders Executed:
The key projects commissioned include major EHV substations viz. 400 kV AIS for GMR at Deedwana, 220kV GIS at Bangaluru for Karnataka Power Transmission Corporation Limited (KPTCL) & at Chennai for TANTRANSCO, 132kV GIS for Jaipur Metro; 400kV Switchyard projects for 2x660MW Thermal Power Plant (TPP) in Chhattisgarh for DB Power, 4X600 MW Tamnar TPP for Jindal, 2X700 MW Rajpura TPP for Nabha Power and Electrical works for Kudankulam Nuclear plant. We also executed Electrical & IT Infrastructure works for landmark Mumbai Airport T2, flaunting our ability to build spectacular projects.

The PT&D made a remarkable achievement by commissioning a 471 metres high Guyed Mast communication tower which went on to become the tallest tower in India. The PT&D also completed six major transmission Line projects viz 765kV transmission Line from Anta to Phagi for Rajasthan Rajya Vidyut Prasaran Nigam Ltd (RRVPNL) 400 kV transmission Line from Parbati to Amritsar, Jabalpur to Bina for PGCIL, 400kV Line at Deedwana & Raipur for GMR & 132kV Line from Lakshmikantpur to Kakdip for West Bengal State Electricity Transmission Company Limited (WBSETCL).

The business also received industry honor as Outstanding Company in Power T&D in EPC category from EPC World 2013, a testimony to our strong project execution capabilities.

In international market we have commissioned six EHV GIS substations of 132kV level at Sudah Port, Kalba, Taweelah and Sir Baniyas in UAE for TRANSCO, SUG in Kuwait for Joint Operations and at Logistic Village in Qatar for KAHRAMAA. We have also executed 400 kV Fujairah to Ras al-Khaimah transmission line project in one of the toughest terrains under severe climatic conditions.

Significant Initiatives:
Reorganized Substation & Industrial Electrification BU's as EHV Substation & Power Distribution BU and introduced separate segments to cater to EHV Substations, Utility Distribution and Electrical & Instrumentation projects, in order to effectively capitalise new opportunities, enhance customer relationship & improve our competitive position.

- In view of our growing exposure to Utility Distribution segment, innovative Project Management techniques suited to the specific needs of such projects are being developed and implemented for effective control & monitoring.
- Operational excellence measures such as effective contract management, inventory control are implemented all across.
- PT&D dedicated Construction skill training institute at Cuttack to enhance workmen skills.
- Our Transmission Line factories and testing station achieved ISO: 50001 – 2011 Energy Management System certification which is a country first for such business area.
- In the backdrop of increasing share of business from gulf countries, the business has recruited significant number of expats with experience & expertise to intensify project execution capabilities.
- Committed Business Development teams have been formed to tap the business potential available in Infra/ Industrial Projects in Qatar, Saudi & UAE.
- Special focus to target tower exports to select foreign nations.

- As part of PT&D internationalisation strategy to expand into Africa & ASEAN nations, we have strengthened our talent base to vigorously pursue emerging potential.

Outlook:
Electrical Power is the propelling force for strong economic growth of a country & must be complemented by capacity additions which will necessitate a corresponding development of transmission & distribution assets. The investment outlook in power sector is promising. To meet the unmet and growing demands, decongest the transmission corridors and strengthen the transmission system, the Central & State utilities have identified several transmission projects to be executed over the next coming years. Debt Restructuring Plan of DISCOM/State Utilities will pave way for revival of their financial health and in turn faster project implementation. Ministry of Power sponsored Power Distribution & Power Quality Improvement Projects supported by central funding agencies will drive the business substantially. However concerted efforts will be required to overcome the regulatory and financial challenges that are hindering timely implementation of the above projects.

In the Power Generation & Industries front, though some revival is expected during the later part of the year, key contribution to growth is likely to emerge from the potential opportunities available in Electrical & Telecom works, Optical fibre cabling (OFC) & EHV Power Cabling Networks.

In International (Gulf) market, the business is poised for a positive growth in view of upcoming prospects in Power & infrastructure projects. Strong opportunities are foreseen on the backdrop of GCC investment plans on Grid Strengthening & Power System Interconnection. Utilities in UAE are mainly concentrating on upgrading the existing network offering significant business potential. There is a rapid increase in power demand in countries such as Qatar, Kuwait, Saudi & UAE to expand oil production in order to meet its rising requirement across the globe which necessitates augmentation of power distribution networks.

Africa's low electrification rate serves as a hindrance to economic growth & industrialisation. Addressing this issue has been a key emphasis for local government especially among East African countries leading to bulk investments, unleashing significant potential & opportunities for us in T&D sector. Intensifying power demand in South East Asian countries also offers huge potential.

Substation incorporating 765 kV Air-Insulated Switchgear at Unnao in Uttar Pradesh. L&T offers complete solutions in high-voltage substations and power transmission lines.

Major Subsidiary Company:
Larsen & Toubro (Oman) LLC (LTO):
Subsidiary Company
LTO is a Joint Venture with Muscat Trading Company LLC (Zubair Corporation Group), providing engineering, construction and contracting services in Sultanate of Oman. LTO made its maiden venture into Oman in 1994 and has completed 20 years, emerging as one of the leading EPC construction companies. During the past year, the Company won a major order for 132kV Grid Station at Al-Amrat & Mabella along with associated Overhead lines. LTO also won the award for 'CSR Initiative of the Year' at the Construction week Oman Awards 2014, a notable achievement.

In the coming years, Oman central electricity utility, to meet the anticipated demand, is planning huge capital investment to increase the transmission system capacity by upgrading the voltage level & augmenting the grid stations which augurs good prospects for our business.

Water & Renewable Energy Business

Overview:
The process of building a nation must factor in the importance of sustainability. The Water & Renewable Energy Business is a live example of the industry's growing focus on efficient utilization of water resources and increasing the mix of renewable energy in our daily lives. The Business comprises Water & Effluent Treatment Strategic Business Group (SBG) and the Renewable Energy Business Unit (BU).

The Water & Effluent Treatment SBG caters to turnkey infrastructure projects including water supply &

distribution, desalination plants, water management system, waste water networks, water & waste water treatment plants, industrial water systems, lift irrigation systems and canal rehabilitation.
The Renewable Energy BU provides EPC services for projects on photo voltaic (PV) and concentrated solar power plants, wind power plants, micro-grid systems, smart-grid systems and integrated security solutions.

Business Environment:
The Water & Effluent Treatment SBG has re-affirmed its status as a leading player in Water Infrastructure projects in India during the year 2013-14. Major projects commissioned in the year 2013-14 include the prestigious Hogenakkal Water Supply & Fluorosis Mitigation project covering 3,300 habitations in Krishnagiri & Dharmapuri districts of Tamil Nadu, Botad Branch Canal Lift Irrigation project for NWRWS&KD, Gujarat (Narmada Water Resources, Water Supply & Kalpsar Department) and the NC-34 Water Supply Scheme, which is the first package to be completed among the eight packages awarded under Swarnim Gujarat Saurashtra Kutch Bulk Water Pipeline Grid.

The Business has secured fresh orders in the year 2013-14 consisting of Water Supply Schemes to more than 1300 villages from Public Health Engineering Department (PHED), Rajasthan and 2700 habitations from Tamil Nadu Water suppy And Drainage board (TWAD), Tamil Nadu (including laying of transmission pipelines, construction of water treatment plants and pumping stations) and "Reduction in Un-accounted For Water" project in Bangaluru from Bangaluru Water Supply and Sewerage Board (BWSSB), Karnataka. The business secured Waste Water projects at Porbander, Junagadh and Jamnagar districts from Gujarat Water Supply And Sewerage Board (GWSSB), Gujarat and also projects involving construction of five waste water treatment plants in Chhattisgarh, West Bengal and Delhi.

The business also won some prestigious projects like Lift Irrigation schemes from Department of Water Resources (WRD), Odisha and a major order from NWRWS & KD-Gujarat under the Saurashtra Narmada Avtaran Irrigation (SAUNI) Irrigation Scheme.

In the Renewable Energy BU, the year witnessed addition of very few solar power plants due to delays in implementation of solar policies. Nevertheless, it has been successful in executing significant projects, especially in the states of Gujarat and Rajasthan.

It has successfully completed construction of 125 MW Concentrated Solar Power (CSP) Plant, the largest Solar Thermal Power Plant in Asia. Furthermore, a 20 MW Solar PV Plant was commissioned in 2013-14 for a leading developer in Rajasthan. The Business also bagged and commissioned the 7.5 MW Rooftop-based Solar PV Plant in 2013-14, the largest of its kind in the world. It successfully executed and commissioned a 5MW Solar PV project for the Finolex Group. It also setup a Solar PV plant at CSTI, Kanchipuram which won the prestigious Intersolar award 2013. With this, the Renewable Energy Business has executed a cumulative of 187 MW of Solar PV Plants till date.

Coming to the Integrated Security Solutions space, the Business made a major breakthrough in 2013-14 by bagging the City Surveillance and Intelligent Traffic Management System (CSITMS) Project from the Government of Gujarat, which shall be executed in three key cities of Gujarat viz. Gandhinagar, Ahmedabad and Vadodara.

110 MGD Water Treatment Plant, Bhagirathi, Delhi. L&T has extensive experience in design and construction of water treatment plants, transmission mains and distribution networks.

Desalination is helping the world supplement a vital resource. L&T's capabilities in the water sector include setting up of thermal desalination plants.

Significant Initiatives:

In lieu of changing business dynamics marked by increasing competition from local and global players, the Water & Renewable Energy Business is undertaking several significant initiatives to maintain its lead in the market without compromising on its internal benchmarks on quality and profitability.

L&T Solar in association with MNRE has started a "Solar Training Institute" at our Construction Skills Training Institute (CSTI), Pilkhuwa, with an objective to bridge the gap between demand and supply of skilled manpower for the solar projects. These initiatives are part of the broader strategy of the business in sustaining a healthy growth on long term basis by building a robust order backlog consisting of businesses cutting across states, applications and technologies. Some of these significant initiatives are:

- Forge technology tie-ups with leading international players for water & waste water projects, CSP plants, micro-grids in India and the Middle East.
- Target opportunities in desalination, water management and micro-tunneled sewerage networks.
- Expand business in Odisha and Bihar for water supply & distribution projects; Madhya Pradesh and Chhattisgarh for waste water projects.
- Target captive/accelerated depreciation customers for solar power projects.
- Continue thrust on operational excellence through efficient supply-chain management, working capital management, cost optimisation and effective resource management.

Outlook:

Huge prospects have been identified for the year 2014-15 in Water & Effluent Treatment market in India. Various water supply & distribution projects are expected to be announced under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) phase-II. With more than 75% of sewage generated in India flowing untreated, major investments are anticipated from urban local bodies for waste water collection, treatment and disposal/re-use. More waste water projects are expected in the eastern states under the National Ganga River Basin Authority (NGRBA). Lift irrigation schemes combined with distribution systems are coming up in a major way to boost agriculture growth. Rehabilitation of existing canal networks, including canal relining is witnessing traction. As far as finance is concerned, leading institutions like World Bank & Japan International Cooperation Agency (JICA) are committing funding in various water and waste water schemes in India.

Reverse osmosis technology in operation at desalination projects.

Coming to Renewable Energy BU, year 2014-15 is expected to be positive with the allocations of 750 MW of solar plants under JNNSM Ph-2 and 500 MW of solar plants under various state solar policies (Tamil Nadu, Andhra Pradesh, Karnataka, Punjab and Rajasthan). The BU has envisaged that post elections there would be a good thrust in renewable energy projects. Keeping the long term vision of JNNSM in perspective, MNRE has envisaged setting up of large scale solar plants (up to 4000 MW) utilizing surplus land/wasteland in the deserts. Major potential is envisaged in the Middle East, especially in Qatar and the Kingdom of Saudi Arabia.

In Integrated Security Solutions space, all the state governments are providing major thrust on city surveillance and intelligent traffic management systems. There is an increased focus on implementation of security systems at critical infrastructure areas like nuclear power plants, metros, airports etc. Local Police communication networks are being automated in various states.

Power Business

2x700 MW supercritical thermal power plant built by L&T on EPC basis for Nabha Power at Rajpura in Punjab. L&T's joint venture with Mitsubishi Hitachi Power Systems enables the power sector to access the advantages of world-class technology.

Overview:

Power business provides end-to-end EPC solutions for setting up coal and gas based power plants on a lump sum turnkey basis, with capabilities stretching across the spectrum of power generation value chain from design to commissioning.

With world class In-house manufacturing facilities for super critical Boilers, Turbines & Generators, Pressure Piping, Axial Fans, Air-Preheaters and Electrostatic Precipitators are its added and unmatched advantage, having the capability to cater to over 90% (by value) of the power generation value chain.

The business has incomparable experience in Project Management, Engineering & Construction Management which gives it competitive edge over its competitors. This is amply demonstrated by the achievement of COD (commercial operations date) in a record time of 46 months for Nabha Power Limited's first unit of 2x700 MW supercritical thermal power plant at Rajpura in Punjab.

Geographically, the business has a pan India presence with multiple project sites, project management centres at Vadodara, Faridabad and Chennai and world class manufacturing facilities at Hazira.

The business has made its way in the international arena by getting EPC order for gas based power plant in Bangladesh.

Business Environment:

The year 2013-14 witnessed a continuation of weak business environment with issues of fuel supply, land acquisition and regulatory uncertainty affecting fresh ordering. The year saw project awards of a meagre 3580 MW in the super critical space, with many orders being deferred on account of environmental clearance issues and land acquisition delays. The economic slowdown and lack of implementation of reforms by power distribution companies made the independent power producers (IPPs) retreat from the domestic power sector.

On the policy front, the extension of Phased Manufacturing Program (PMP) by CEA till October 2015 and the inclusion of mandatory domestic Boiler, Turbine and Generator (BTG) sourcing in standard bidding documents were positive developments. The implementation of fuel pass through mechanism is also expected to give a fillip to coal based plants.

In view of the uncertain gas supply situation in the country, the Power business had initiated steps to tap export markets for gas based power projects. The year 2013-14 saw the business gain a foothold in the overseas market with an EPC job in Bangladesh. Meanwhile, the gas output in the domestic market continued to decline in 2013-14, resulting in near shutdown of the gas based power market in the nation. To counter this domestic downturn, the business will continue to explore gas based opportunities in the Middle East, South and South East Asia.

Fuel shortage has stranded a lot of power projects in India. Coal India Limited has failed to ramp up production to the desired level and more than 125 projects, recommended by MoP, with capacity of around 140 GW are awaiting coal linkage. Gas has also become a scarce commodity, mainly due to low production of KG-D6 gas field. Banks are staring at a huge bad debt and are shying away from financing new power projects.

The financial health of the power distribution companies is another major area of concern. Payment dues to generating companies are adding to their cost burden, making power generation a losing proposition.

The major concern, however, remains the excess BTG manufacturing capacity built up in the Indian market,which is slated to reach 24000 MW by 2014-15. The year 2013-14 also saw aggressive competition with incumbents bidding all-time low prices to bag awards in the shrunk market. The business has initiated aggressive cost optimization measures to protect margins in the event of further price pressures.

For 2014-15, there is a slight improvement in the market scenario, with multiple government tenders and two UMPP orders on the anvil. The sector is also expected to witness more regulatory certainty and action post the general elections.

The year 2013-14 saw the Power business achieve a major breakthrough in the overseas market with the award of an EPC order for 360 MW Bheramara combined cycle power project in Bangladesh. The business is also pursuing other promising prospects in the country. In India, It has also been declared as the lowest bidder in the 2x660 MW Malwa Phase II coal based EPC project, where the formal award is awaited.

On the execution front, the year saw commercial operations of the country's first indigenously manufactured super critical Boiler, Turbine & Generator for the 700-MW unit at Nabha Power's Rajpura plant. With this, the business synchronized a total of 3075 MW capacity during the year across various plant configurations like coal based EPC, balance of plant, steam turbine generator island as well as gas based CCPP.

The difficult business environment coupled with the stretched finances of Power Developers meant that the Power business had to keep a sharp focus on working capital and cash management. Rigorous efforts were put in to ensure collection of due receivables. In spite of the challenging economic conditions prevailing in the country as well as the sector specific issues, the business was able to conclude 2013-14 with a healthy cash position.

Significant Initiatives:

Sensing the early signals of further pressure on price reduction and tight completion schedule for its future jobs, the Power business has taken steps towards setting

Natural gas-fired combined-cycle power plant built by L&T at Vemagiri in Andhra Pradesh.

new benchmarks for cost and time schedules. It has initiated "Project Shikhar" in collaboration with a global management consultancy firm as partners to assist in cost reduction and meeting tight project schedule.

It has also undertaken a project called "Samanvaya" in partnership with another leading consultancy firm to achieve competitive advantage through operational excellence. The focus of the initiative is to review and redesign the organization structure and identify the optimal staffing for its various types and sizes of projects. The business continued its initiative to focus on high quality and safety standards and practices. It received British Safety Council's Five Star Rating and Sword of Honour award recognising its efforts on safety at project sites and its workshops.

The Power Projects Professional Program (P4) is another initiative undertaken by the business to equip its potential project managers with the latest project management knowledge and to develop a talent pool having expertise in execution excellence.

Unless a strong government with significant reforms agenda takes charge at the Centre, the power sector will not be able to see an upward trend.

As a business philosophy, management believes in growth with strong governance system. The Power business has adequate internal control system in place commensurate with the nature of business in the areas of financial, operational and risk management system.

The business has capability centres in various areas like supply chain, contract management, quality assurance, EHS & commissioning services. These centres implement best policies and practices across the business units and projects.

The business has ensured that policies and procedures on internal control are well laid out and implemented. The business has also put in place a system through project reviews, audits & reporting which helps in review & revalidation of effectiveness of internal controls in the business.

Outlook:
While the year 2013-14 saw some positive developments on the policy front, project awards continued to be lackluster on account of regulatory and political uncertainties. We expect the business sentiment to improve post elections as the political uncertainty is expected to be resolved by then. With IPP market having dried up, opportunities for the business during the year will come from PSUs like NTPC and State Electricity Boards. For gas based opportunities, we will capitalize on our successful foray into Bangladesh market to further strengthen our presence in the South East Asian region.

Driven by its relentless focus on execution excellence and foray into international market, the business is aiming to capitalise on the thermal power opportunities as they emerge and fortify its place as a credible, integrated EPC player in the power sector.

Major Subsidiary & Associate Companies:
L&T-MHI BOILERS PRIVATE LIMITED (LMB)*:
Subsidiary Company:
LMB is a joint venture between L&T and Mitsubishi Heavy Industries, Japan incorporated in India for the engineering, design, manufacture, erection and commissioning of super critical boilers in India. L&T has a 51% stake in the joint venture. The manufacturing hub of LMB is at Hazira, Gujarat while it has established design and engineering centres at Faridabad and Chennai. The company can manufacture super critical boilers up to a single unit of 1000 MW at its Hazira complex.(The company has total installed capacity of 4000 MW for manufacture of boilers)

Projects under execution have achieved several milestones with stamp of quality and performance in 2013-14. LMB achieved successful hydraulic tests of three units of 660 MW and two units of 700 MW super critical power plants


Supercritical boiler manufactured at the state-of-the-art manufacturing facilities in Hazira.

* The company has applied for change in the name from L&T-MHI Boilers Private Limited to L&T-MHPS Boilers Private Limited

in 2013-14. Nabha Power Limited achieved commercial operations of first 700 MW unit of 2x700 MW super critical thermal power plant at Rajpura, Punjab on January 31, 2014 with boiler manufactured and supplied by LMB. Manufacturing facility at Hazira was awarded British Safety Council's prestigious 'Sword of Honour on November 29, 2013 in London. LMB's manufacturing facility indigenised in-house manufacture of orifices, dissimilar welding and solution heat treatment for stainless steel. The facility also established production of wind box and gas distribution dampers in-house during the year.

LMB completed its first export order to supply pressure parts for Rabigh Arabian Water Electricity Company, Saudi Arabia. The company bagged another prestigious export order from MHI to supply pressure parts for Upper Egypt Electricity Production Company. The company is exploring business opportunities in the international market and approaching global EPC players to supply boiler components.

L&T-MHI TURBINE GENERATORS PRIVATE LIMITED (LMTG)*:
Subsidiary Company:
LMTG is a joint venture between L&T and Mitsubishi Group, Japan comprising MHI and Mitsubishi Electric Corp. (MELCO). The company is engaged in the engineering, design, manufacture, erection and commissioning of super critical turbines and generators in India. L&T has a 51% stake in the joint venture. The company has a state-of-the-art manufacturing facility at Hazira, Gujarat for manufacture of STG equipment of capacity ranging from 500 MW to 1000 MW.

Supercritical turbine being assembled at the Hazira Campus.

During 2013-14, the company focused on completing the orders on hand and has delivered on time to repose the customers' confidence in LMTG's capabilities and project management. Nabha Power Limited achieved commercial operations of first 700 MW unit of 2x700 MW super critical thermal power plant at Rajpura, Punjab on January 31, 2014 with turbine & generator manufactured and supplied by LMTG.

In 2013-14, LMTG has been accorded the ISO Integrated Management Systems Certification from DNV. It is the first manufacturing company in the country to receive this combined certification for all four ISO certifications (ISO 9000, ISO 14000, ISO 18000 and ISO 50000) which is a major milestone towards excellence.

The competition has intensified, with both domestic and international players competing for a few available projects with aggressive pricing. To overcome this, the company is constantly focusing on product upgradation and feature improvements, cost competitiveness, better supply chain management, control over working capital and efficient utilisation of resources with the objective of reducing wastage, enhancing efficiency and maximizing productivity.

The company is also exploring the possibilities of export orders to offset the weak demand in domestic market. Exports will remain a thrust area in the coming years to maintain the revenue targets and to meet the expectations of international customers regarding quality and delivery.

Despite prevailing economic uncertainties, the year 2014-2015 holds prospects of growth for the Indian economy provided power and infrastructure development assume prominence in the next government's agenda after the general elections.

L&T HOWDEN PRIVATE LIMITED (LTH):
Subsidiary Company:
LTH is a joint venture between L&T and Howden Group, UK. The company was formed in 2010 with the objective of supplying high end fans and air pre-heaters for super critical power plants being set up in India. L&T has a stake of 50.10% in the joint venture. The company has a state-of-the-art manufacturing facility for manufacture of fans and air pre-heaters at Hazira, Gujarat along with a fan testing facility. It also has a design and engineering centre at Faridabad near New Delhi.

* The company has applied for change in the name from L&T-MHI Turbine Generators Private Limited to L&T-MHPS Turbine Generators Private Limited

During the past year, the company has completed supplies for its various projects that had a total of 30 axial fans and 14 rotary air pre-heaters. It has won several orders for new equipment, after market and service businesses. The coming year will provide challenges in terms of executing the projects bagged and the company is geared up to face these challenges.

With several existing power plants in India being quite old, the aftermarket segment is expected to grow, and LTH will additionally focus on the aftermarket business to establish itself in this segment.

L&T-SARGENT & LUNDY LIMITED (LTSL):
Subsidiary Company:
LTSL, established in 1995, is a premier engineering & consultancy firm in the power sector. LTSL is an equal joint venture between L&T and Sargent & Lundy LLC, USA.

LTSL offers complete gamut of power plant engineering & consultancy services - from concept to commissioning. Its experience list includes overseas projects in USA, Saudi Arabia, Oman, UAE, Jordan, China, Thailand, Malaysia, Sri Lanka, Bangladesh, Nigeria, Panama, Kuwait, Morocco and Kenya. Besides having considerable expertise in gas based and subcritical coal based power projects, LTSL is also involved in engineering of super critical coal based projects and forms the engineering base for L&T's thrust into turnkey execution of super critical technology.

During 2013-14, LTSL added new clients in international market and also made a breakthrough in new areas of business in substation engineering and project management consultancy services. It received the Regional Export Award from EEPC (Engineering Export Promotion Council), India, in the category of "Star Performer - Medium Enterprise - Engineering Services" for outstanding export performance. The company proved its engineering capabilities with the successful commissioning of the various coal and gas based projects during the year.

During 2014-15, LTSL will focus on domestic and international markets and will continue its thrust on new areas of business viz. project and construction management services at site, transmission and distribution and solar projects.

Metallurgical & Material Handling Business

A Continuous Annealing Process Line built by L&T at Tata Steel's plant at Jamshedpur. L&T undertakes detailed engineering, procurement, manufacture, supply, construction, erection and commissioning of projects in the areas of ferrous and non-ferrous metals, and mineral beneficiation.

Overview:
Metallurgical & Material Handling (MMH) undertakes EPC (Engineering, Procurement & Construction) projects for Ferrous (iron & steel making) and Non-Ferrous (aluminium, copper, lead & zinc) metal industries, Bulk Material & Ash handling systems in Power, Ports, Steel and Mining sector. It has a well-established Industrial Machinery & Foundry work shop at Kansbahal, Odisha and a high end fabrication shop at Kancheepuram, Tamil Nadu to cater to the specific requirements of the customer. MMH business has International presence in Gulf region as well.

Business Environment:
Economic scenario in India has been generally challenging since the last couple of years. Steel and Power Sectors have witnessed similar down trends in investments. Certain existing projects were either put on hold or slowed due to declining demands as well as poor liquidity. However recent Government initiatives and certain policies have been reflected in investment decisions in both Private and Public Sector. Since the Order Book position was relatively reasonable, the performance during the year was not very significantly affected.

MMH business has been partnering various Power producers in their material handling projects and played a major role in commissioning of 7 Coal handling plants (CHP) in the year 2013-14.

Plants commissioned during the year 2013-14 in Steel segment are Continuous Annealing & Processing Line & Coke Oven Battery 11 for Tata Steel at Jamshedpur, Sinter Plant for SAIL at Rourkela and Bhilai, Can Mill Body Plant (1.35 LTPA) at Hirakud, Aluminium Smelter (0.36 MTPA) for Mahan at Singrauli, Alumina Refinery (1.5 MTPA) for Utkal.

Material Handling Business Units of MMH business have also been supporting the major power producers in their efforts to commission their projects and the major ones commissioned during the year 2013-14 are CHP (5x660MW) for PowerGen Infrastructure at Tiroda, CHP

(2x660MW) for Shingaji TPP at Malwa, CHP (2x500MW) for DVC at Koderma, Coal and Ash Handling Plant (2x660MW) for L&T Power, Rajpura.

MMH business managed to stay ahead of its competitors in the major bids during the year 2013-14 including Sinter Plant #4 for Bhushan, Pet coke Handling System for Reliance at Jamnagar, CHP for Block B, Nigahi & Khadia Expansion for Northern Coal Field Limited, 700L Bucket Wheel Excavator for Neyveli Lignite, Material Handling System for Adani Mining Private Limited At Dahej & Mundra.

MMH business is currently executing major Metallurgical projects at Kalinganagar & Jamshedpur for Tata Steel Limited, at Bhilai & Durgapur for SAIL, at Bellary for Jindal Steel works and at Angul for Bhushan Steel and Jindal Steel & Power Limited including Material Handling packages at Chhabra for RRVUNL, Mahan for Hindalco, Amravati for Elena Power, Barh for NTPC, Koderma for DVC and 15 other packages are under execution concurrently for various other customers.

With mines, both coal and iron ore opening up in a big way to cater to the steel and power plants, the business of material handling and long distance conveying in the mine heads have been identified as a major thrust area for the IC. Ore Beneficiation including that of iron ore and coal have also been seen as the major areas of investment in near future.

With the inclusion of Industrial Machinery & Foundry Business Unit, Kansbahal, MMH business has forayed into high end customised manufacturing needs of steel, power & other metallurgical sector customers. The primary products of Kansbahal includes Surface Miner, Crushing Systems, Paper Machinery, Apron Feeder and key equipment for coke oven, pellet and steel making segment. The business is now fully equipped for manufacturing of High-end Equipment for metallurgical sector involving Heavy fabrication,intricate castings, precision machining and critical assembly.

Coal-handling plant executed by L&T at Koderma in Jharkhand. L&T is a single-point solutions provider for a comprehensive range of material-handling systems.

The manufacturing shop has been successful in supplying 6 nos 150T Laddles to Emirates Steel in UAE, 9 nos Torpedo Laddle Car to RINL at Vizag and Skid Mounted Crusher for GMR in Chattisgarh. The manufacturing sector has been strategically planning to further augment and enhance its product portfolio with new products like Coal Mill Parts and Pallet Cars. The fabrication shop at Kancheepuram continues to provide the support and strength of critical and heavy fabrication and assembly works of Material Handling Equipment like Stackers, Reclaimers and host of other mid precision level equipment catering to the Steel and other process plants.

Key success factor for the MMH business are customer satisfaction, operational efficiency and consistent performance all which have resulted in repeat orders from our valued customers. MMH has also established International set up in the Gulf to further increase its business potential. In International segment, MMH recently commissioned Electric Arc Furnace for JSIS, Oman.

Significant Initiatives:

MMH business has made strategic alliance with leading global technologist as a part of its business line diversification in both Ferrous and Non-Ferrous segment which include:

- Paul Wurth in Blast Furnace, Coke Oven and By-Product Plant.
- Outotec- in Sinter and Pellet plant.
- Nippon Steel in Coke-dry- quenching and Continuous Annealing & Processing line.
- METSO and HATCH in Iron ore beneficiation
- SMS, in Steel making Segment.
- LUET, China for Coke Oven
- Siemens VAI for Slab Caster
- Norwest and Kellog's Brown & Root for Coal Washery
- Chalieco for Aluminium Plants

To avail further business augmentation, the material handling sector has envisaged opportunities in

- Ash Handling including retrofit (Wet to Dry)
- Container Handling System
- EPC support for MDO (Mining, Development and Operation) – One stop Solution
- Rail Freight Handling System

The Non-Ferrous sector has started to expand its portfolio into By-product plants for Zinc & Copper.

The Manufacturing facility at Kanshbahal has augmented its business by collaborating with KEMCO, Japan for advanced sand manufacturing systems. It has also taken initiatives to explore business opportunities in East & South Africa and GCC countries and is targeting a significant portion of sales through exports (Track Pads, Rings and Balls, Pallet Cars). It is also expecting increased sales through new products (Coal Mill Parts, Pallet Cars).

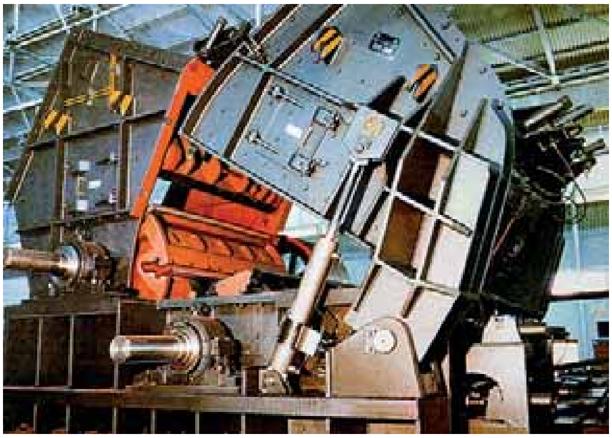
Constant efforts are on to further strengthen the in-house capabilities and rigorous implementation of operational excellence initiatives. The Material Handling unit has taken the help of Delft University, Netherlands to enhance engineering capability of Long Belt Conveyor (LBC), Pipe conveyor & Shift able Conveyors.

Coke oven battery executed by L&T for one of India's major steel plants.

Outlook:

The Steel and Power sector has started to show some signs of improvement towards the end of the year 2013-14 and with the firming up of steel prices, regulatory impediment of iron ore mine easing gradually & commitment of fresh coal linkage (11000 MW). Ministry of environment has started clearing large scale projects. Coal Mining opportunities started to increase in both private and PSUs sector. The government is expected to show accelerated implementation in the Power sector to meet 13th plan and improvement of fund availability to power projects.

Domestic Aluminum Industry is expected to move upward in tandem with the Steel sector and a turnover is expected in the second half of 2014-15. With a strong management team and dedicated workforce, MMH is confident of posting good performance in 2014-15.



Limestone crusher manufactured by L&T.

Heavy Engineering Business

A low-alloy steel HP stripper being shipped from L&T's Hazira Campus to a refinery in Texas. L&T has designed, manufactured and supplied critical process plant equipment to over 40 countries.

Overview:

The Heavy Engineering (HE) business manufactures and supplies custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas, Thermal & Nuclear Power, Aerospace and Defence applications. The HE has good track record of executing large size and complex projects with a high technology base with major capabilities including in-house engineering, R&D centres with world class fabrication facilities and experienced and competent project team and safe work culture.

HE has manufacturing & fabrication facilities at Mumbai in Maharashtra, at Vadodara & Hazira in Gujarat, at Visakhapatnam in Andhra Pradesh and at Sohar in Oman. At Coimbatore in Tamil Nadu, it has a Precision Manufacturing Facility to cater to the needs of precision machined/manufactured components & assemblies. A Strategic Systems Complex for integration and testing of weapon system, sensors and engineering systems is located at Talegaon in Maharashtra. Defence Electronic Systems' design and engineering, catering to Military Communications and Avionics facility, is supported through a dedicated Strategic Electronics Centre including a new product development centre at Bengaluru in Karnataka. Manufacturing teams are backed by production engineering and manufacturing process development centres at each location. The business has "Technology and Product Development Centres" in Mumbai and Bengaluru – for new product development, research & development for process plant and nuclear equipment and for equipment & systems (including electronic systems/subsystems) for strategic sector. Strategic Submarine Design Centre is also located in Mumbai. A heavy fabrication facility, set up as a Joint Venture in Oman, manufactures a range of equipment for the hydrocarbon and power sector.

Business Environment:
The Heavy Engineering business is structured into two major Strategic Business Groups (SBGs):
- Process Plant Equipment and Nuclear
- Defence and Aerospace.

There are various Business Units operating under this structure.

The order inflow during the year 2013-14 has been impacted by a weak global economic scenario, intense competition and government policy inertia in the domestic markets. The defence segment has particularly been impacted by slow decision making in respect of policies/ major acquisition programs and withdrawal in funds allocated for defence capital expenditure.

In the Process Plant Equipment businesses, the margins are under pressure due to aggressive pricing from competitors having idle capacities. The competition is intense in pricing, deliveries and payment terms offered by European,Korean and Japanese fabricators. The localisation policies of certain countries and preference to local suppliers by some of the EPC companies and customers due to socio-political compulsions have also impacted the business of HE. The competitiveness of the business is also influenced by the absence of competitively priced, long tenor financing from Indian export credit agencies for exported engineering products. International sanctions on Iran deprive us from some good business opportunities.

In the Defence and Aerospace Segment, there were early signs of operationalisation of the Defence Procurement Procedure 2013 in terms of program 'categorisation' and sustained interaction between the Ministry of Defence and Industry interactive forums. However, defence offset opportunities have not fructified in significant value terms due to dilution in offset related guidelines; viz. inclusion of homeland security and civil aviation (as eligible for offsets) and introduction of offset multipliers for small & medium enterprises. The Defence business was also impacted by deferred decisions on ordering and with a

Methanol converter for China.

Pinaka multi-barrel rocket-launcher. L&T works closely with defence research organisations to develop and manufacture weapon and missile systems.

L&T made a vital contribution to India's first nuclear-powered submarine – Arihant – viz. design engineering, pressure hull, outer hull and structures, special equipment, outfitting - equipment, piping, cabling systems, integration and trials.

long 'bid to award' cycle. The procurement policies did not pick momentum and with budget cuts enforced in the latter part of the financial year, indenting for major projects got delayed. Reduced Defence budget allocations had a consequent impact on realisation of advances and collections resulting in a higher working capital.

Significant Initiatives:

In the pursuit for the exclusive position in the global process plant equipment business and for gaining an early-mover advantage in the Defence equipment sector, the Heavy Engineering continued its pursuit of manufacturing excellence and productivity and with this commitment, it continues to invest in its campaign titled 'UDAAN' which signifies flight or breaking free from existing mindsets to scale new heights. UDAAN was initiated with the objective of achieving an exclusive position in the global process plant equipment business and to fortify our lead position as supplier of defence equipment & systems from the private sector.

Some of the initiatives under "UDAAN" are:

- Enterprise-wide Collaboration for Alignment with Strategy (ECAS)
- LAKSHYA (Strategy perspective planning exercise)
- Implementation of Theory of Constraints
- Employee Engagement
- Innovation
- Sustainability and Corporate Social Responsibility Initiatives

'Theory of Constraints' based 'Critical Chain Project Management' targets improving execution and delivery performance. It uses a focusing process to identify the constraint and restructure the rest of the organisation around it in order to increase the flow.

Operational excellence measures such as productivity monitoring, knowledge management across products, optimum inventory management are undertaken for the products under execution. ECAS seeks to enhance Organisational Excellence through a strategy of promoting Customer Intimacy and a culture of cross functional collaboration.

Employee engagement, feedback and ideation workshops are conducted with the objective of creating an innovative, involved and committed work force. Belbin Team building workshops across various businesses were organised to build a culture of camaraderie and strengthen employee bonding. The business continued to engage key business development personnel and international business heads in select geographies. The business strives for continuous improvement for the protection and development of health, safety and environmental assets of its employees and stakeholders. During the year, HE continued its thrust on the safety cultural transformation through various initiatives.

Technology & Product Development Centres continuously focus on new product development and development of improved manufacturing technology. These Centres are engaged in enhancing technologies related to process industries, manufacturing, mechanical systems, defence electronics & embedded software solutions and submarine designs. These Centres provide specific emphasis on welding & metallurgy, composite materials, heat transfer, hydrodynamics, computational fluid dynamics, stress analysis, drives, microwave & RF, embedded systems, high availability systems and military communication. Significant initiatives have been taken by these Centres to focus on new product development either through internal development projects or through participation in opportunities presented by “Make” & Buy & Make Indian” programs or through collaborative programs with National laboratories such as DRDO, ISRO.

Outlook:

In the Process Plant Equipment business, new investments and upgrade projects are expected in USA, Middle East and South East Asian market. New opportunities are driven by the availability of shale gas, clean fuel projects, Gas to Liquid (GTL) requirements and integrated petrochemical segments. Domestic fertilizer investment decisions are expected to be made consequent to the revised Urea Investment Policy approved by the Cabinet Committee on Economic Affairs. Domestic nuclear projects are in the process of completion of land acquisition and long lead items are expected to be tendered, however, the ambiguity in respect of civil nuclear liability implementation rules remains. While developed economies are showing some sluggishness resulting in rise in unemployment levels, emerging economies are now coming back on growth track. High crude oil price scenario and the planned withdrawal of stimulus packages are likely to have favourable impact on inflationary pressures and higher commodity prices. Due to stiff competition in international markets foreign OEMs are looking at cost effective solutions by outsourcing development, build to print and maintenance activities, which opens opportunities for HE .

The decision making by the Ministry of Defence is expected to gain momentum post-elections once the government assumes office. Government of India is very keen to maximize indigenous content in all Defence programs. Changes favourable to the private sector are also expected in the Defence Procurement Procedure 2013 based on industry feedback. There is increased emphasis on private industry participating in development and manufacturing for Defence and avionics indigenisation. Offset policy is opening up more and more Indian private industry participation. The Indian Defence sector is growing at an unprecedented rate with the country now ranked as the 10th largest investor in defence globally. Military expenditure in India is forecasted to grow at a CAGR of 8.3% and is expected to exceed $ 75 billion per year by 2020.

HE envisages good market opportunities in the medium to long term and with superior technology, a lot of it home grown, state-of-the-art manufacturing facilities, all of which augurs well for HE IC to tap upcoming business opportunities.

Major Subsidiary Companies

L&T SPECIAL STEELS AND HEAVY FORGINGS PRIVATE LIMITED (LTSSHF):

Subsidiary Company:

LTSSHF is a joint venture (JV) between Larsen & Toubro (L&T) and Nuclear Power Corporation of India Limited (NPCIL) with L&T holding 74% equity stake. The JV Company has set up a fully integrated manufacturing facility at Hazira, Gujarat to produce ingots and finished forgings required for critical equipment in nuclear power and hydrocarbon industry, rotors in power industry, rolls in steel plants and other heavy forgings for general engineering applications. The JV is a major strategic step towards achieving India’s independence from imports of heavy forgings and ensuring timely supply of heavy forgings for nuclear power plants. LTSSHF commenced commercial operations from October 1, 2012 with a capacity to produce a single piece ingot up to 300 MT and forgings up to 125 MT in the first phase.

During the year, the Company has successfully made Special Steels in various grades, ingot of the largest size in the country and made heavy forgings required for critical equipment in refineries, fertilizers, nuclear, power and other segments. A vertical shaft furnace facility required for manufacture of rotors was commissioned. The company has been successful in qualifying its facility with various customers and obtaining development orders. The company has witnessed fierce competition from global established players due to excess overall capacity. It is focused on enhancing capacity utilisation and improving production processes & manufacturing efficiencies to remain competitive.

SPECTRUM INFOTECH PRIVATE LIMITED (SIPL):

Subsidiary Company:

SIPL is a wholly owned subsidiary of L&T. SIPL undertakes Technology development and manufacture of avionics LRUs for military applications. SIPL concentrates largely on product development in embedded solutions, control and signal processing for defence sector and undertakes technology development and manufacture of avionics LRUs for military applications. SIPL is certified by Centre for Military Airworthiness and Certification (CEMILAC) of the Ministry of Defence, India for the same. SIPL has obtained AS 9100 Rev C, ISO 9001 and IS0 27001 certifications. Avionics LRUs that SIPL has designed, developed and manufactured are on-board the Light Combat Aircraft (LCA). SIPL has developed technology to position and control high precision Gimbal platform for directed energy weapon applications. SIPL is a key player in the design, development and engineering of Integrated Life Support System for LCA.

The avionics business environment has become highly competitive and challenging due to limited customer base. New programs like LCA MKII, LUH, LCH and HTT40 have opened new business opportunities in avionics domain. However, increased competition from smaller firms and entry of new players coupled with volatility in FE rate have resulted in a very challenging business environment. SIPL continues to work with the Ministry of Defence and Hindustan Aeronautics Limited to develop new products and in production phase for jointly developed products.

LARSEN & TOUBRO HEAVY ENGINEERING LLC: Subsidiary Company:

Larsen & Toubro Heavy Engineering LLC is a Joint Venture between Zubair Corporation and L&T, established in Sultanate of Oman. L&T, through its wholly owned subsidiary Larsen and Toubro International FZE, holds 70% in the Company. The heavy engineering facility was commissioned in October 2009 and is based at Sohar in Oman. The Company focuses on business in the Middle East, mainly GCC countries and supplements manufacturing and fabrication facilities located in India. The company seeks to leverage the geographical advantage with Oman Government’s in-country-value requirements, Clean Fuel projects coming up in Kuwait and Oman’s expected large value investments in the hydrocarbon sector and revamp prospects in certain ageing refinery projects.

Electrical & Automation Business

An expansive range of switchgear, offered by L&T – an industry leader in power distribution systems. Switchgear is part of L&T's broad range of electrical and electronic systems, widely used in industrial, agricultural, building and commercial sectors.

Overview:
Electrical & Automation (E&A) business of Larsen & Toubro offers a wide range of products and solutions for electricity distribution and control in industries, utilities, infrastructure, buildings and agriculture sectors. Its suite of offering includes Low and Medium Voltage Switchgear Components, Electrical Systems, Marine Switchgear, Industrial & Building Automation Solutions, Surveillance Systems, Energy Meters and Protection Relays.

E&A business is supported up by its five decades of experience in Design & Development that facilitates the introduction of contemporary products and a high precision Tool Manufacturing facility which is a pre-requisite for high quality manufacturing. Lately, E&A has added three new Switchgear Training Centres (STC) to its existing three centres across India that impart training and learning on good electrical practices to engineers, consultants, technicians and electricians.

The manufacturing facilities located at Mumbai (Powai), Navi Mumbai (Mahape & Rabale), Ahmednagar, Vadodara, Coimbatore and Mysore in India as well as in Saudi Arabia, Jebel Ali (Dubai), Kuwait, Malaysia, Indonesia, Australia and the UK.

The E&A business comprises two Strategic Business Groups (SBGs) and designated subsidiaries. Further, there are business units that operate under each SBG. The Products SBG includes Electrical Standard Products (ESP) and Metering & Protection System (MPS) business units while Projects SBG has Electrical Systems & Equipment (ESE) and Control & Automation (C&A).

Business Environment
The switchgear industry witnessed flat to negative growth in India owing to factors like tight liquidity, delayed policy decisions and deferments in projects finalization, continuously weakening rupee, volatility in commodity prices, rise in input costs and lower realisation due to shrunk market and an intensified competition. E&A

business, however, performed better than the industry in the country and also experienced better prospects in the international market with an increase in enquiries/order inflow. Better acceptance of its offering in the Middle East market led to an increase in the order inflow in the year 2013-14.

Its largest business unit- ESP - focused on Tier II/III cities/ towns in India and managed to improve its market share which was inline with its growth strategy. The other business unit - MPS - that is primarily restricted to institutional clients like state-owned distribution companies remained flat amidst fierce competition. ESE business unit's traditional customer bases (power, cement, paper and steel) shrunk due to non-addition in capacities. Infrastructure sector, however, showed higher potential for growth not only in domestic but also in the international market and thus remained a key focus area. C&A business unit made continuous efforts with its systems integration solutions to bag orders from Oil&Gas as well as Metal and Minerals segments. All in all, in spite of tough market conditions, the E&A business managed to register growth in the year FY 2013-14.

Significant Initiatives:
E&A attempted to improve its performance in a variety of ways that comprised restructuring of business, acquisitions, new capacity creation, launch of new products and numerous process improvement initiatives.

During the year 2013-14, it acquired Kuwait-based Kana Controls General Trading & Contracting Company W.L.L., a supplier approved by the Kuwait oil companies for Automation solutions, for expanding and strengthening its scope of offerings in the Kuwait market that offers a major growth opportunity.

During the year 2013-14, E&A business filed as many as 153 Patent, 06 Trademark, 47 Design and 1 Copyright applications in India, along with 9 foreign applications (1 TM, 1 Design, 7 PCT National Phase). This was the 7th consecutive year of filing more than 100 patent applications.

E&A's in-house design & development capabilities are rated among the best in the industry. The facilities at Powai-Mumbai, Ahmednager, Mysore and Coimbatore are approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology. In 2013-14, two new R&D Centers were introduced - EDDC (Embedded Design and Development centre) at Powai & PEATC(Power Electronics &Automation Technology Center) at Mahape-Navi Mumbai. The centres network with international labs, testing centres and academic institutions for keeping abreast of new technology trends and introducing those for customers in different segments.

Focused R&D activities have enabled Electrical Standard Products to have a healthy New Product Intensity (NPI) index of >30% - an index that measures the sales of products introduced in the market in the last five years to the total sales in the financial year. Electrical Standard Products released new and up-to-date products like MOC Contactor, M-Power, ETACON and new MCCBs that supported theincrease of market share for core products.

The metering business introduced new CT operated Tri-vector meter (M3A),Single Phase meter (Alpha), Cl 0.5 Multi-Function meter - Vega, over-current Earth Fault Relay - MC31/MC61, pre-paid meter (Indus) for Indonesia and RS485 module for DIN 3-Phase meter. Pilots for low radio communication facilitating collection of data over mesh network were installed at Pondicherry, CESC Kolkata and Torrent Power-Surat

E&A's improved profitability in a tight market condition came about with strategic initiatives to reduce the overall net working capital by streamlining customer contracts for timely payment of advances and outstanding. Credit time for vendors was also increased. Additionally, an increase in the production of MDU (Modular Devices) and MCCBs (Moulded Case Circuit Breaker) was registered with the shifting of manufacturing operations to Vadodara. Superior quality of products, particularly MCCB and MDU, helped resulted in higher acceptance in the UAE and Qatar markets. Other initiatives to improve probability included procurement optimisation, value engineering, supply chain rationalisation, operational efficiency and expense control.

In the prevailing domestic economic scenario, internationalisation holds the key to maintaining a healthy growth rate. It helps in better understanding of customers' needs and aids the brand building initiatives. In this context, the decision to form International Sales Organization (ISO) in FY 2012-13 and club regions into different clusters brought deeper focus on the international market. This also helped E&A grow its market share in the GCC and other countries and thereby increase international sales. The in-house design and development capabilities of E&A reaped rich rewards during the year. The AU series of final distribution products (MCBs and RCCBs) was awarded the 'Best Product' developed by an Indian exhibitor at ELECRAMA 2014. The T-ERA switchboard received 'Certificate of Commendation' in Best Product Launch Award category at the Middle East Electricity 2014 exhibition in February at Dubai International Exhibition

Centre. The sleek solar lantern, D.VA, won the National 'Good Design' - India Design Mark Award (IMark) award instituted by India Design Council in July 2013.

Continuously striving for process excellence, E&A received the SAP's Award for Consumer Excellence (ACE) 2013 in the 'R&D, Design and New Product Development' category for IT Business Solutions and Lifecycle team's Computer Aided Design (CAD) Integration project in October. Its Precision Machining Centre (PMC) under Engineered Tooling Solutions (ETS) at Coimbatore was awarded 'Certificate of Merit' under small scale manufacturing businesses in the Ramkrishna Bajaj National Quality Award (RBNQA) 2013 in March 2014.

In line with the upkeep of environment, its Automation Campus building, Unnati, at Navi Mumbai received Gold certification under Existing Building - Operation & Maintenance category from LEED (Leadership in Energy & Environmental Design), developed by the U.S. Green Building Council (USGBC).

Outlook:
Industrial activities in India are expected to improve after the general elections with a stable government expected to be in place. Sector like retail, building, infrastructure, telecom etc. are expected to support growth. Higher growth is also likely for products that are energy efficient. Demand for Tariff Meters through contractors and utility procurement is expected to grow by over 25%. Market liquidity is also expected to improve.

E&A sees positive business scenario from the UAE and Qatar markets with the award of Expo-2020 and FIFA 2022 respectively. South East Asian countries and the Kingdom of Saudi Arabia (KSA) markets promise growth in building and infrastructure segments. In KSA, product approvals for MV Switchgear will be a positive development. The expected African infrastructure boom would continue to drive the demand for Power and electricity.

The key to success in the year 2014-15 will be new product development. E&A plans to launch pre-paid meter, smart meter, modular devices, main distribution board for infrastructure segment and new range of MCCBs. Capacity enhancement strategy in the form of a new manufacturing facility for BBT in Coimbatore, manufacturing line for meters in Indonesia and the localization of Ring Main Unit for MV solutions in Ahmednagar are the other growth drivers. The possibility of El-nino effect may affect agriculture demand in India. Emphasis on 'localization' in the Middle East is hindering market penetration and also putting pressure on the need for local set-up and approval.

Major Subsidiary and Associate companies:
TAMCO GROUP OF COMPANIES:
Subsidiary Companies:
TAMCO is the leading manufacturer of Low and Medium Voltage switchgear with facilities in Malaysia, Indonesia and Australia. Its products are widely used in power, oil & gas, construction and manufacturing industries. Through extensive R&D and advanced manufacturing technology, TAMCO has been able to deliver high quality, safe, reliable and cost effective products and solutions. Its strength has been its flexibility to develop and adapt products to meet customers' needs and, therefore,it has a high reference list across the globe.

FY 2013-14 was a reasonably good year for TAMCO with the company making inroads in the UK and KSA markets. While the Malaysian market has grown at a steady rate of 4%, the recent drive of the government to favour Bumiputera companies may pose challenges. The Indonesia unit has done well in its market and increased its

Switchboard installation at a power plant. L&T provides power distribution and control solutions – including LV and MV switchboards – across the value chain, from point of generation to end-user.

A section of L&T's range of electronic meters and relays reach. However, the Australia market has shown a decline in growth due to the economic slowdown. TAMCO has expanded its facility for manufacturing in Malaysia and invested in new machines to ramp up capacity.

TAMCO Malaysia unit received the ‘MV Switchgear Company of the Year-2014’ award from Frost & Sullivan that appreciated its superior performance in areas such as leadership, technological innovation, customer service and strategic product development.

Business outlook in the Middle East is quite encouraging with many prospects in the pipeline. In Malaysia too, the Oil and Gas sector looks very encouraging for the next two years due to the ‘RAPID’ project of Petronas coming up in Johor. Indonesian market shows signs of growth, but the same is not true for the Australian economy. With increased competition in all markets, price realization may be lower.

Key growth strategies would be to set up or acquire a Bumiputera company for business with Government controlled institutions in Malaysia, launch a low cost RMU in Q1 of FY 2014-15, start MV manufacturing in Indonesia, restructure Australia operations to improve profitability and have a team for developing OEMs in select countries.

L&T ELECTRICAL & AUTOMATION FZE (LTEAFZE):
L&T Electrical & Automation FZE (LTEAFZE) is based in Jebel Ali, Dubai and operates in the Automation, Instrumentation and Telecommunication space in the Middle East, Africa, CIS and Iraq market. Its state-of-the-art Systems Integration Centre is accredited with ISO 9001, 18001, 27001, TUV for Functional Safety and USGBC Gold Certification.

Telecommunication business, a key pillar for expanding business,is moving in the right direction.

Investments have increased in the Infrastructure segment owing to pressure on the local governments in view of the political upheaval in the last few years. Infrastructure investment is also seen in KSA, Kuwait, Qatar and UAE for providing better facilities to the local population as well as creating employment opportunities. This is expected to pick up in FY 2014-15 onwards as a lot of projects announced in previous years are starting to move especially in the metro / rail, airports, hospitals, sports complexes etc.

Concerted efforts in FY 2012-13 & FY 2013-14 to break into the KSA market have started bearing results, especially in Telecom / ELV markets in energy and infrastructure segments. LTEAFZE will continue its efforts in FY 2014-15 by ramping up sales teams and in-country project execution team as significant opportunities are being seen in Jeddah and Riyadh in the infrastructure segment and in Dammam in the energy segment.

Operation is being strengthened to increase integration capacity as building expansion is underway and expected to be completed by July 2014. Further, the vendor base is being enlarged to include Turkey and Europe to retain cost leadership.

Engineering function is being expanded in India and there is a plan to shift majority of Automation & Telecom engineering to the India set up by the middle of FY 2014-15. The KSA branch formation has been completed and now, Qatar is under focus for local registration by June 2014.

L&T ELECTRICALS AND AUTOMATION SAUDI ARABIA COMPANY LIMITED, LLC (LTEASA):
L&T Electricals & Automation Saudi Arabia Company Limited (LTEASA) is the result of a joint venture with Yusuf Bin Ahmed Kanoo Group of KSA. It has set up a state-of-the-art integrated manufacturing facility in Dammam to cater to the customers in and around Saudi Arabia. The company offers complete range of electrical systems and switchgear components in the Gulf market in Low and Medium Voltage categories, Pre-fabricated/Packaged Substations, Variable Frequency Drive (VFD) panels and Automation solutions.

KSA has drawn up huge investment plans for catering to the transportation, social & water infrastructure projects. LTEASA expects recent approval from local authorities will give an opportunity to participate in the upcoming tenders from the aforesaid sectors. Thrust on approvals for LV (Low voltage) switchboards, SMDBs (Sub main Distribution boards) and DBs (Distribution Boards) will brighten its prospects in the local infrastructure projects.

Approvals are expected from Ministry of Housing and Ministry of Health that will open the doors for a new segment where huge investment is underway. Also,Saudi Electricity Company approval, expected by Q2 of FY 2014-15 will give access to the huge SEC and Government tenders. Another key strategy for growth in LTEASA is to start in-house manufacturing of MV switchboards to meet the needs in KSA market.

HENIKWON CORPORATION SDN BHD, MALAYSIA:
Established in 1982, Henikwon Corporation is leading manufacturer of Low Voltage (LV) and Medium Voltage (MV) Bus Bar Trunking (BBT) systems and a globally

recognized brand that complies with international quality standards. The acquisition of Henikwon (in August 2012) has brought a customer base of large corporations to E&A's business and complements its portfolio in making comprehensive offering for the building and infrastructure segments. It further enhances E&A's presence in South East Asia and results in increased engagement with the Indian and Middle East markets.

Busducts are becoming increasingly popular as an integral part of electrical package offerings (LV and/or MV) in upcoming projects across various segments. A trend of customers favouring complete solutions under supply, installation, testing & commissioning has set in. Henikwon supplies its products and solution in more than 15 countries in segments like Airports, Oil & Gas, Petrochemical & Power Plant, IT- parks, Banking, Automotive, Institutions, Factories and Buildings etc.

Significant initiatives include aggressively targeting the Malaysia market, deriving synergy from Electrical Standard Products as well as TAMCO, actively pursuing business from Japanese and Korean EPC players and strengthening marketing channel in Indonesia, Thailand and Vietnam. Another important initiative is to launch a new, cost competitive and contemporary range of BBTs. There are plans to augment capacity with a manufacturing setup in Coimbatore.

High content of commodities (copper and aluminum) makes material cost and price critical. These risks are mitigated by getting advances, secured payments and LME (London Metal Exchange) based price variation clauses in all contracts.

SERVOWATCH SYSTEM LTD, UK

UK-based Servowatch became part of E&A in April 2012. The company provides marine specific alarm, control & monitoring software solution and system integration. Its application includes propulsion control, engine control, power management, security &surveillance, fire detection, ventilation and bridge control. Servowatch has executed more than 1000 installations over 25 years. It enjoys a growing position in the non-combatant naval market with systems on board vessels in Asia and South America. Strong relationship with DSME (Daewoo Shipbuilding & Marine Engineering) in Korea is leading to a preferred supplier status for non and full combatant programs. Servowatch is ISO9001:2008 accredited and is moving towards ISO27001:2013 accreditation for information security. It also has ABS manufacturing accreditation.

Servowatch is able to operate cost effectively in the naval systems domain, but with the increasing system demands and higher level platforms being addressed, differentiation will become increasingly product and software performance related, coming from a rising cost base. Major focus markets are Asia, USA and Eastern Europe for new installations while refit and repair are centred in Middle East and Asia.

Competition is coming from shipyards offering total electrical solutions with ship design, including the Integrated Platform Management Systems.

Kana Controls General Trading & Contracting Company W.L.L., Kuwait ("Kana Controls")

LTEAFZE acquired Kuwait-based Kana Controls in September 2013. Kana Controls was established in 1990 and offers systems for all type of Automation including Field Instruments & Sensors, Flame Detection & Combustion, Termination & Wiring devices, Panel Mounted Instruments & devices, Interface devices, Power Supplies, Panels & Enclosures.

Kana Controls is approved with most customers in Kuwait and shall provide a good platform to serve the control & automation business opportunities in Kuwait.

Machinery and Industrial Products Business

L&T 9020 wheel loader – part of the wide range of machines for the construction and mining sectors.

Overview:
Machinery and Industrial Products (MIP) comprises two Strategic Business Groups (SBGs) – Machinery and Industrial Products.

Machinery Strategic Business Group (SBG):
Machinery SBG consists of Construction & Mining Machinery, Rubber Processing Machinery, Foundry Business Unit and Cutting tools business. Construction and Mining Machinery Business Unit (CMB) markets Hydraulic Excavators supplied by Komatsu India Private Limited (KIPL) and the entire range of equipment available from Komatsu worldwide, besides equipment and hydraulic components manufactured by L&T Construction Equipment Limited (formerly L&T-Komatsu Limited). CMB also represents Scania, Sweden for their Mining Tipper Trucks. CMB also markets Wheel Loaders which it manufactures at Kansbahal. CMB provides after-sales product support for all the equipment distributed by them.

L&T Construction Equipment Limited,a wholly owned subsidiary of L&T, manufactures Hydraulic Excavators for KIPL besides its own Hydraulic excavator model and Hydraulic Components, all of which are distributed by CMB.

Rubber Processing Machinery Business Unit (RPM BU) manufactures and markets Rubber Processing Machinery for the tyre industry. Currently, the Unit has manufacturing facilities at Manapakkam, Chennai and Kancheepuram near Chennai. L&T Kobelco Machinery Private Limited, Karai, Kancheepuram, a Joint Venture with KOBE, manufactures Internal Mixers and Twin Screw Roller Head Extruders.

The Foundry Business Unit (FBU) manufactures and markets large sized SG Iron and special Iron casting for Wind Power and other Engineering sectors at its state-of-the-art casting manufacturing unit at Coimbatore that has an annual capacity of 30,000T. FBU can produce castings, single piece, in the weight range of 3T to 28T.

L&T Cutting Tools Limited (LTCTL) (formerly, Tractor Engineers Limited) is a wholly owned subsidiary of L&T. It provides metal cutting solutions to the Indian manufacturing industry covering automobile, engineering and machine tools segments through marketing of Industrial cutting tools manufactured by ISCAR Limited, Israel.

Industrial Products Strategic Business Group (SBG):
Industrial Products (IP) SBG consists of businesses related to Industrial Valves, Welding equipment & products and cutting tools.

L&T Valves Limited (LTVL)(formerly,Audco India Limited) is a wholly owned subsidiary of L&T marketing and manufacturing Industrial Valves for Oil & Gas and Power Sectors as well as some of the most reputed EPC contractors throughout the world. LTVL has manufacturing facilities at Chennai, Kanchipuram and Coimbatore.

EWAC Alloys Limited (EWAC) is a wholly owned subsidiary of L&T, having manufacturing facility at Ankleshwar, Gujarat and is a market leader with principal products and services comprising Maintenance & Repair (M&R) consumables, specification grade electrodes, flux-cored welding wires, wear plates etc.

Product Development Center (PDC) of MIP business is based at Coimbatore and renders Engineering and Product Development support for all the businesses of MIP.

Business Environment:
In view of ongoing economic slowdown and other factors, Indian GDP for the year 2013-14 turned out to be sub 5% levels against the original expectation of around 6%. This impacted performance of CMB, RPM, Foundry business unit which depend on investment in infrastructure sector.

The Construction Equipment market shrank by about 23% in 2013-14 which was largely attributed to policy paralysis, cost escalation in case of existing projects and high interest cost coupled with reluctance from banks to offer credit to various infra companies. Continuing ban on mining in states including Orissa, Karnataka & Goa adversely impacted Mining Equipment Business.

The year 2013-14 was a difficult for the Indian Automotive Industry due to increasing fuel cost, higher cost of capital and liquidity issues. These factors adversely affected investments in the Tyre projects in India. Globally, the advanced economies saw green shoots of investments and the tyre production exceeded the forecast of 4% overall. The replacement market provided more growth opportunities than the OE markets. RPM's International business saw a considerable improvement due to the enhanced activities of the global tyre majors.

Capacity addition in wind energy generation increased by 10% during 2013-14 (1699 MW in 2012-13 to 1865 MW in 2013-14) which was mainly driven by re-introduction of Generation- Based Incentives and increase in wind energy tariff in Maharashtra & Karnataka. Higher exchange rates and stabilisation of input prices in local market have worked to the advantage of FBU and helped in gaining competitive edge as a cost effective supplier compared to other market players.

Lower demand from automobile sector impacted Cutting Tools business. The automotive and machine tools sector showed negative sales growth in 2013-14. However, sales performance in Q4 showed signs of revival. Profitability and margins were impacted due to rupee depreciation, which resulted in higher cost of inputs.

In case of Industrial Products SBG, order inflow in the domestic market of Valves Business was impacted due to the postponement and delays in the major projects in Oil & Gas and Power Sectors. In the international oil & gas segment, project activity in the Middle East and Asia Pacific continues to be very active. Thrust on power segment has resulted in break-through orders from Middle East, Europe and North America markets. Maiden orders were also received for the Tar sands projects in Canada.

For Welding Product business, the effect of slowdown across core sectors like Cement, Steel, Power and Mining segments had an adverse effect on volumes and margins. Increase in input and conversion cost increases were only partly compensated due to highly competitive market. Liquidity conditions were very tight. Persistent hardening of interest rate increased the Receivables at Distributors-end resulting in lower offtake.

Significant Initiatives:
To improve market share, CMB launched a newer version of its successful PC 210 excavator (20T) named "PC 210 – 8MO", which promises better fuel economy, increased cooling efficiency and improved monitor panel. CMB also successfully launched application-specific hydraulic excavators (such as PC 71 (7T), PC 130 (10T to 14T) and PC 130 (to work inside tunnel) from the Komatsu range.

L&T markets the Komatsu range of hydraulic excavators in India.

In case of RPM, Operational Excellence (OPEX) Initiatives in the areas of On-Time Delivery, Profitability Enhancement, Cost Reduction and Product Acceptability have helped in over-all performance of this business. The Business received a "Certificate of Merit" for its initiatives in the Manufacturing & Supply Chain Excellence in The Economic Times India Manufacturing Excellence Awards 2013 in partnership with Frost & Sullivan. RPM has also broadened its product portfolio to include more sizes of Tyre Building machines as well as some New Products in tyre and non-tyre industries. As an initiative to make this business more profitable, measures have been taken to control cost and expand market reach. RPM launched a new breed of Hydraulic Presses, which was a product of collaborative effort between RPM and PDC. RPM is also venturing into newer geographies, with main focus on capturing business with Japanese Tyre Companies. Intense efforts are also on to retain its traditional customers.

FBU has emerged as a productive foundry in this segment with excellent co-operation amongst various entities across the organisation. Improvement in delivery performance helped to consolidate business with its key customers & increase share of business. FBU has implemented a number of initiatives aimed at cost reduction through localisation of key input material and increase in yield by developing multiple grades.

Outlook:

Demand for Hydraulic Excavators is likely to remain generally flat during FY 2014-15, however CMB is expected to improve market share by aiming growth of 5% over previous year. Demand from realty and general construction sectors are expected to remain sluggish. The demand will sustain from ongoing new metro-rail projects and other industrial construction. Coal & other non-ferrous mining activityis expected to grow during 2014-15. Opening up of mining in Goa is expected to drive growth in second half of FY 2014-15. About 14 highway projects have been identified by NHAI and it is expected that total of ₹ 24300 Cr worth projects will be undertaken under EPC Model in the next 2-3 years. It is anticipated that formation of a new government at the centre may see some policy changes which shall help revival in second half of FY 2014-15.

Global Tyre demand is likely to maintain its growth path at 4.7% to 3.3 Bn units (USD 220 Bn) by 2015. Passenger Car Radial segment is likely to grow across the continents and Truck Bus Radial is also likely to witness growth in most of the areas. Tyre Companies are harnessing their energy to focus onto the replacement tyre market to keep up the growth trend. Another promising area is "Automation Projects" which are becoming more active. RPM Business is restructuring its operations to focus on a "Product Unit" basis to facilitate growth of products across the portfolio. This is aimed at optimising cost and enhancing accountability & growth in business. Spares and Re-Manufacturing will get a Product Unit focus in order to improve the bottom-line.

Wind Turbine installation in India is expected to be around 2200 MW in 2014-15. Rising import costs from China and stabilisation in key input prices in local markets are expected to drive sales of WTG Castings in 2014-15. FBU has received newer export orders (including some sample orders from Siemens) from WTG players from countries including Europe and the US. Securing repeat orders from these customers are likely to open up newer markets and geographies for FBU and thereby positioning itself as the premium supplier to the major WTG players around the globe.

Overall, the business outlook for 2014-15 is optimistic for businesses of MIP. Government stability post-election, inflation control and recovery from policy paralysis are likely to be key factors that would help revival of business growth in 2014-15.

Major Subsidiary Companies:
EWAC ALLOYS LIMITED (EWAC):
EWAC, a wholly owned subsidiary of L&T, is a market leader in the business of maintenance & repairs welding & welding solutions for conservation of global metal resources. The principal products and services comprise Maintenance & Repair (M&R) consumables, specification grade electrodes, flux-cored welding wires, wear plates/ parts,services etc.

The year of 2013-14 had been challenging in terms of the business environment. During the year 2013-14, EWAC had terminated certain distributorship agencies with respect to Welding and Cutting Equipment. Overall slowdown in key sectors such as auto, cement and steel also had adverse impact on sales.

However, EWAC expects situation to improve in the year 2014-15 with revival of investments and softening of interest rates. Further major initiatives are planned for addressing export markets and providing total repair solutions to customers in the coming year, which is expected to drive business growth for the company.

L&T KOBELCO MACHINERY PRIVATE LIMITED (LTKM):
LTKM is a 51:49 joint venture (JV) of Larsen & Toubro (L&T) and Kobe Steel Ltd, Japan to manufacture Internal Mixers and Twin Screw Roller-head Extruders for the tyre industry. This venture has been successfully complementing the Rubber Processing Machinery Business of L&T by providing world-class products to the customers.

The Auto boom of yesteryears is fuelling the growth for the replacement tyres. Increased demand coupled with the softening of the rubber prices has helped tyre industry to post better results and also consider expansion in Passenger tyre and truck tyre segments. However, these positive trends will yield results in 2014-15 as the sales of the relevant LTKM products shall happen only in this year.

Localised manufacture of the components provides a major cutting edge for the company to compete against the international competitors from Europe and USA. Price competitiveness coupled with shorter lead time will provide continued advantage for the company, in addition to the technology support from Kobe Steel Ltd. Japan, which is a major advantage.

LTKM begins the year 2014-15 with a healthy order book. In addition, it has made significant break-through in convincing the Global tyre companies to consider it as one of their major source for the supply of Mixers and Extruders.

L&T CONSTRUCTION EQUIPMENT LIMITED (LTCEL):
LTCEL is engaged in the manufacture of Hydraulic Excavators and other associated hydraulic components. In April 2013, Larsen & Toubro Limited has acquired 50% share held by Komatsu Asia & Pacific Pte. Limited (KAP) in the LTCEL. With this buy-out, the company has become a wholly owned subsidiary of Larsen & Toubro Limited.

Consequent to the buy-out of shares from KAP, LTCEL has entered into Contract Manufacturing Arrangement with Komatsu India Private Limited, for manufacture of Hydraulic Excavators. LTCEL also manufactures L&T Model of hydraulic excavator and hydraulic components.

L&T VALVES LIMITED (LTVL) (formerly, Audco India Limited):
LTVL, a premier Valve Manufacturing Company, is a wholly owned subsidiary of Larsen & Toubro Limited. Effective July 1, 2013, LTVL has integrated the marketing and manufacturing operations in its fold through acquisition of L&T's Valve Manufacturing Unit at Coimbatore and transfer of Marketing operations from L&T. LTVL manufactures a wide range of flow control products which addresses both domestic and international markets in a range of industry segments.

To support Middle East, Europe & North American markets, LTVL has established a distributor presence in these markets. LTVL has targeted High Alloy products for growth in this region and has secured breakthrough orders in this segment, which is expected to provide immense opportunities in the coming years.

In the domestic market to address the tight market situation, initiatives in a phased manner in the HVAC as well as Pharma sector have been taken up including product customisation, in order to provide better value to its customers. Business for ball and butterfly valves in this segment through the stockists network has seen a steady increase. In Actuation and Control valves, the preliminary work done during 2012-13 has yielded major orders for Remote Operated Valves from Oil Marketing Companies. The year also marked the launch of Double Block and Bleed Valves, to meet the critical applications in Oil terminals as envisaged by the MB Lal Committee report. LTVL has secured maiden orders and track record of performance for these new products has been now well established. LTVL expects significant opportunities in this product line both in the international and domestic markets in the coming years.

L&T's valves find application in refineries and petrochemical complexes, LNG and GTL plants, process platforms and cross-country pipelines, and supercritical and nuclear power plants across the globe.

In the Oil and Gas sector, major investments are being done by Middle East, Asia Pacific as well as in India, which offers tremendous business prospects. LTVL is well positioned with the comprehensive product range meeting the quality expectations of customer. In the Power sector, in the domestic market, prospects appear to be moderate.

L&T CUTTING TOOLS LIMITED (LTCTL) (formerly Tractor Engineers Limited):
L&T Cutting Tools Limited had discontinued its manufacturing operations of undercarriage systems and components at Talegaon in the previous year and a substantial part of assets were disposed off.

LTCTL entered into exclusive distributorship arrangement with Iscar, Israel for provides Industrial cutting tool products & solutions to the Indian Machine tool industry across the automobile, aerospace, defence and other engineering sectors. The company expects sustainable demand for its products in the foreseeable future.

Five-axis machining centres ensure dimensional accuracy and consistency

Hydrocarbon Business

Aromatic Complex built on LSTK basis for ONGC Mangalore Petrochemicals Limited.

Scheme of Arrangement & Transfer of Hydrocarbon business:

Earlier, a business vertical of L&T, the Hydrocarbon business is now housed in a wholly owned subsidiary-L&T Hydrocarbon Engineering Limited ("the Company"). The Hydrocarbon undertaking ("HC undertaking") of L&T along with related assets, liabilities, specific identified reserves, employees, management, etc. were vested and transferred to the Company under a Court approved Scheme of Arrangement ("Scheme") on a going concern basis with effect from April 1, 2013 ("Appointed Date").

The aforementioned Scheme was sanctioned by the Honourable Bombay High Court vide its order dated December 20, 2013 and it came into effect on January 16, 2014 ("Effective Date").

Hydrocarbon undertaking's all work experience, qualifications, capabilities, legacies & track record, financials, contracts with clients & vendors and licenses & permissions were also transferred. The scheme will enable the Company to achieve focused leadership & management attention, attracting and retaining domain intense talent and capitalising on the global growth opportunities for wider reach into international markets.

The Company continues to draw on the parent Company's organisational strengths and experience. The Board has also given an in-principle approval for transfer of investments in subsidiary & associate companies in Hydrocarbon sector from L&T to the Company. This transfer process is expected to be completed in FY 2014-15.

Overview:

The Hydrocarbon business provides "design to build" engineering, procurement and construction solutions on turnkey basis in oil & gas, petroleum refining, chemicals & petrochemicals, fertiliser sectors and cross country pipelines. Capabilities include front end design through engineering, procurement, fabrication, project management, construction and installation up to commissioning services.

The Company has time & again proved its mettle in delivering large, complex projects due to its integrated strengths coupled with an experienced and highly skilled work force. The Company has key capabilities including in-house engineering, R&D centre, world class modular fabrication facilities, an experienced & competent project execution team and a safe work culture. The key aspects of business philosophy are excellence in corporate governance, high quality standards, best in class HSE protocol, IT security practices, timely execution and cost competitiveness.

The Company has major work centres in India at Powai (Mumbai), Vadodara, Chennai, Faridabad, Hazira and Kattupalli and international presence in Middle East and South East Asia. The Company's project execution capabilities in Middle East are located in UAE (Sharjah and Abu Dhabi), Saudi Arabia (Al-Khobar), Kuwait, Oman (Muscat) & Qatar (Doha). In addition the company has a major modular fabrication facility in Sohar in Oman. The Company's presence in South East Asia is spread across offices at Singapore, Malaysia (Kuala Lumpur) and Indonesia (Jakarta).

The Company has operations across the Hydrocarbon Value-Chain in India & Overseas:

- Hydrocarbon Upstream
- Hydrocarbon Mid & Downstream - Domestic
- Hydrocarbon Construction & Pipelines - Domestic
- Hydrocarbon Mid & Downstream including Pipelines - International

Hydrocarbon Upstream:
The Company offers turnkey solutions to the global offshore Oil & Gas industry encompassing well-head platforms, process platforms & modules, subsea pipelines, brown field developments, floating systems & offshore drilling rigs. The Company has successfully executed large offshore platforms and pipeline projects in east and west coast of India, Middle East, South East Asia and Africa for global companies such as ONGC, GSPC, ADMA OPCO, Bunduq, Qatar Petroleum, Maersk Oil Qatar, PTTEP, Petronas and Songas.

The Company has also established experience in the Jack-up rig refurbishment and is qualified to build new Jack-up rigs, floating production storage & off-loading (FPSO) topsides and subsea projects. The Company has two state-of-the-art fabrication facilities at strategically important locations for modular structures, heavy jackets and oil rigs offering round the year delivery. Hazira, near Surat in Gujarat, caters to business opportunities in the West Coast of India (Mumbai High). Kattupalli near Chennai in Tamil Nadu caters to opportunities from East Coast (KG Basin) and South East Asia. L&T Modular Fabrication Yard LLC's yard at Sohar, Oman caters to opportunities in the MENA region. These yards have a total fabrication capacity of about 150,000 MT per year.

The Company has business development offices at Abu Dhabi,Singapore, and Kuala Lumpur to provide the necessary thrust for its international growth vision. The Company is also exploring upcoming opportunities in the CIS region and East Africa.

The Company's subsidiaries offer offshore installation capabilities by virtue of owning and operating a Heavy Lift Pipe Lay vessel and also access to engineering centres at Bengaluru, Chennai and Faridabad.

Topsides sail away from L&T Modular Fabrication Yard in Sohar, Oman for Nasr & Umm Lulu Development project of ADMA-OPCO, Abu Dhabi.

DDW1 Wellhead Platform & Process-cum-living quarters platform for GSPC installed off India's east coast.

A jack-up rig along with a wellhead platform and a jacket at L&T's Modular Fabrication Yard in Sohar, Oman.

The Company received an order from BG Exploration and Production India Limited for Engineering, Procurement, Construction & Installation of a wellhead platform and 30 Km subsea pipeline spread over the Panna-Mukta fields in India. The Company in consortium with a partner, also bagged a turnkey order for conversion of a Mobile Offshore Drilling Unit (MODU) to a Mobile Offshore Production Unit (MOPU) from ONGC.

Hydrocarbon Mid & Downstream –Domestic:
The Company provides a wide range of EPC solutions for hydrocarbon refining, petrochemical and fertilizer (ammonia & urea complexes) sectors.

The Company has track record of successfully executing multiple large value projects on a turnkey basis with in-house Engineering Resource Centers located at Mumbai, Faridabad and Vadodara, catering to the complete spectrum of feed, process and detailed engineering. The Company also draws engineering support from L&T-Chiyoda Limited.

The Company has rich experience of project execution with technologies from process licensors like UOP, Axens, HaldorTopsoe, CB&I Lummus, Black & Veatch, Ortloff, Exxon Mobil, BOC Parsons, Du-Pont (Invista) & Davy Process Technologies. The Company has executed on-shore gas processing, refinery & petrochemical projects for PSU companies like Indian Oil Corporation, Mangalore Refineries & Petrochemicals, Oil & Natural Gas Corporation, Hindustan Petroleum Corporation, Bharat Petroleum Corporation, etc. as well as fertiliser companies like National Fertilisers, Gujarat Narmada Valley Fertilisers and others.

Orders received during the year include supply of cracking furnace modules and EPC execution of cryogenic ethylene package for a large petrochemical complex in India.

Hydrocarbon Construction & Pipelines – Domestic:
The Company undertakes EPC projects of cross-country pipelines for Oil & Gas and renders turnkey construction services for refineries, petrochemicals, chemical plants, fertilizers, gas gathering stations, crude oil & gas terminals and underground cavern storage systems for LPG.

Major capabilities include heavy lift competency, advanced welding technologies, world class HSE and Quality systems. The Company has strategically invested in key construction equipment such as earth moving equipment, Auto Rebar Plants and Batching Plants for civil works, heavy lift, all terrain cranes of various capacities, pipe layers and entire range of pipeline spread equipment, automatic welding machines and other plant & machinery for electromechanical construction Works.

The Company's subsidiary (JV with Gulf Interstate Engineering of USA) provides world class engineering capabilities forcross-country pipeline construction.

The Company has executed projects for major private sector customers like Cairn Energy, Reliance Industries, HPCL-Mittal Energy, as well as all major oil PSUs.

During the year, a major order was received for the Composite Construction Works, including Civil, Mechanical, Electrical & Instrumentation works for the largest Refinery & Petrochemical complex in India.

Motor Spirit Upgradation Project and Diesel HDS project with offsites & utilities executed for IOCL-Mathura refinery complex.

Hydrocarbon Mid & Downstream International:

The Company's network of international offices and facilities across Middle East countries, select South East Asian and CIS countries are geared to respond to the needs of its client base in multiple geographies. The Company's business operations in Middle-East are spread across United Arab Emirates, Sultanate of Oman, Qatar, Kingdom of Saudi Arabia, Kuwait, Iraq & Bahrain. In South East Asia, the Company is targeting prospects in Indonesia & Malaysia. The international headquarters are located in Sharjah supported by regional hubs in Al-Khobar and Kuala Lumpur.

Cross-cultural teams possessing local knowledge and domain expertise are being built up. Quite a few senior business development executives of different nationalities and having rich domain experience with customer insight have been inducted in these countries.

The Company is prequalified by major international Oil & Gas producers such as Saudi Aramco, Kuwait Oil Company (KOC) & Kuwait National Petroleum Company (KNPC), SOCAR & BOTAS (TANAP, Turkey), PETRONAS, CNPC and Dragon Oil in Turkmenistan, Lukoil in Uzbekistan and Sonatrach in Algeria. Pre-qualification with TOTAL and TULLOW in Uganda and SOCAR in Azerbaijan are under progress.

In Oman, the company received a major order for Engineering, Procurement & Construction of 3rd stage Depletion Compression Project at Yibal-Natih Gas reservoir.

In United Arab Emirates, the Company bagged an order for Engineering, Procurement & Construction of a new Aviation Fuel Terminal at Abu Dhabi International Airport for storage and delivery of Jet A-1 fuel.

In Qatar, the Company bagged an EPC order for Third Party Gas Interconnecting facilities at Ras Laffan from Dolphin Energy Limited.

In Kingdom of Saudi Arabia, Larsen Toubro Arabia, a locally incorporated In-Kingdom EPC company received its maiden order from Saudi Aramco for setting up gas processing facilities for Midyan Gas Fields.

Business Environment:

The year 2013-14 was a difficult year for the Company. There were cost over-runs in some of the international projects bagged during 2010 to 2012. Most of these projects were first of its kind with respect to customers, size & scale, technical complexity, and were situated in remote geographic locations. The problems were compounded during the year due to inclement weather conditions, unforeseen delays in project close-outs, extended stay of resources, stringent localisation norms and restrictions on visa availability, difficult contractual terms and financial difficulties of customer.

For 2014-15 is expected to be a year of transition and one focused on closing out the legacy projects and bidding on new opportunities incorporating there in learnings from past challenges. The Management is recruiting new talent and restructuring the organization to ensure that the necessary resources and the optimal structure are in place to achieve long-term success. The Company is taking steps to improve cost structure, building stronger customer relationships and creating a culture of operational excellence and greater accountability.

Significant Initiatives:

During the year, the Company has been prequalified for several upcoming projects in Kingdom of Saudi Arabia, United Arab Emirates, Kuwait, Oman, Turkey, Turkmenistan and Algeria. The Company has entered into strategic alliances with major EPC bidders for some of the targeted projects.

Operational excellence measures such as productivity monitoring, integrated project execution, knowledge management across projects and effective contract management are being undertaken for projects under execution.

The Company has established a branch in Singapore and is in the process of establishing branches in Ashgabat, Turkmenistan and in Abu Dhabi, UAE.

The Company has institutionalised risk management processes with clear policies and guidelines incorporating global best practices and procedures along with usage of industry wide quantitative tools and techniques to enhance/protect operating margins. The Risk Management process is aimed at identification, assessment, mitigation, monitoring risks and capturing lessons learnt from pre-bid to execution stage till project close out.

The challenges in the form of growing competition, newer geographies, forex variation, claims management and staffing of key manpower are mitigated through specific actions like operational excellence initiatives, alliancing, cost optimisation, increased customer intimacy, compliance with stringent HSE standards, proactive hedge management, strong contract management and talent acquisition and retention.

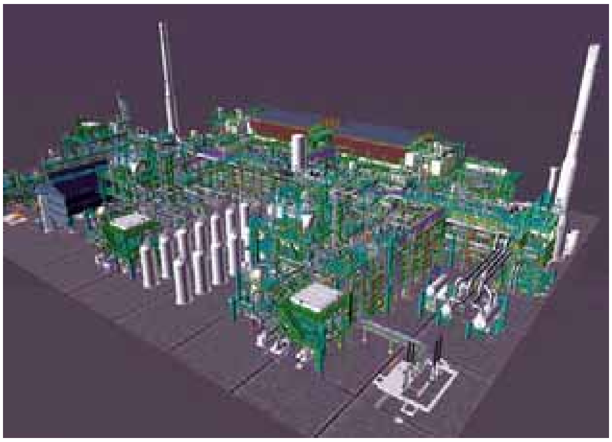
All projects undergo a well-structured pre-bid risk review process by risk management committee at business and at corporate levels with well-defined authorisation levels. The process involves a detailed assessment of risks and deliberation on mitigation measures by the risk management committee followed by on-going projects risk reviews at regular intervals. Project Managers/Project team members also undergo certified Risk Induction Programme conducted by ECRI (Engineering & Construction Risk Institute) on a continuous basis to get acquainted with Global Best Practices in Engineering & Construction Risk Management.

The Company believes that a strong internal control mechanism is an important pillar of corporate governance. It has established internal control mechanism commensurate with the size and complexity of its business. L&T's Group policy on internal control provides structured framework for identification, rectification, monitoring and reporting of internal control weaknesses in the Company. The Company also follows well documented Standard Operating Procedures (SOPs) for critical business processes.

The Company has a strong resource base of skilled and experienced people working in various disciplines. HR efforts are targeted to ensure that the right talent is sourced, selected, trained and deployed across the organisation. Special efforts are being put to identify high potential leaders and groom them through six stages of leadership development to take on higher responsibilities in the future. The Company participates in L&T's Corporate training programmes like Leadership programme (SDP, EDP, LDP etc), EMBA programmes and special E learning programmes (DDI, Harvard and other certification programme) on a regular basis. The Company continues to foster a high performance culture by recognising good performers and providing them with career enhancing opportunities.

As a part of its drive towards building international project management capabilities, several senior professionals have been recruited from leading international EPC companies.

Health, safety & environment is the cornerstone of our business philosophy and the Company strives for continuous



3-D CAD model for 2 x 44,000 MTPA Hydrogen Generation Units for Guru Gobind Singh Refinery of HPCL-Mittal Energy at Bathinda (Punjab).

improvement for the protection and development of health, safety, and environmental assets of its employees and stakeholders. During the year, sustained thrust on continual improvement in HSE systems & processes across locations and business units through the dedicated organizational support led by committed leadership, the business continued to emphasize on the Zero Incident Credo. Two crucial projects were commissioned safely without any reportable incident during the year. This year we focused on Implementation of behaviour based safety through senior management audits and a system of safety observations & safety field audit implementation at all domestic and international facilities. Human resources being a critical factor, various competency building programs such as NEBOSH, HSE in Design and Lead Auditor course (for ISO 14000 & OHSAS 18000), Trained the trainers were conducted for line managers and safety personnel. The one of its kind in India, Safety Innovation School at Hazira became operational with 24 sessions conducted which trained as many as 785 employees and contractors. An integrated centralized online system for recording Safety performance and real time reporting of incidents was developed in house for disseminating & sharing of the safety information & initiatives. Various internal & external audits were conducted during the year to monitor the implementation of various safety systems at the project sites along with a close follow up for closure of the recommendations. Campaigns on various on-job and off-job safety issues such as Road Safety, Stress Management, and Sustainability were conducted during the year. “SurakshaJeet” an initiative launched in the previous years, continued its sustained thrust on sharing the best practices across the construction business units which has achieved the desired effect of improved safety performance.

As a responsible Corporate Citizen, the Company has been constantly delivering on stakeholder’s expectations in an equitable and inclusive way through improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. During the year, we have taken up various initiatives based on local requirements such as Mother and Child Health, Education & Skill Building at various international and domestic project locations. Environment protection remains a priority for the business and various initiatives adopted at office campuses and project sites have led to significant conservation of precious resources such as energy and water.

During the year, a number of international safety certifications were achieved, which are vital in view of the growing international operations. The business won several national & international recognitions, accolades and appreciations from clients, which includes some of the prestigious awards namely Golden Peacock Award for Occupational Health & Safety, Platinum Award won by MFF Hazira & Certificate of Appreciation by MFF Kattupalli received during FICCI Safety Excellence Awards for Manufacturing, The British Safety Council International Safety Merit award was received by MFF Hazira, MFF Kattupalli, MFY Sohar & Dolphin Export Gas Processing Project Site and RoSPA Gold Award by MFY Sohar & Hydrocarbon Mid & Downstream International.

Outlook:

After a lull in ONGC orders in FY 2013-14, new project awards by ONGC are expected to pick up in FY 2014-15, both in the offshore platform projects as well as onshore gas processing projects. The Company is also adapting to changing competitive landscape by building higher competencies in Offshore Pipeline Projects and Brownfield Projects. As part of de-risking strategy, the Company is looking beyond traditional PSU clients and actively developing relationships with private sector customers. To provide long term stable growth, the Company is also exploring the possibility of entering into “Long Term Frame Agreements” with International Oil Companies for their yearly capex requirements. To diversify its business profile, the Company is also looking at building new Jack-up Rigs for drilling companies.

In the Mid and Downstream sector, the Company is witnessing a number of exciting opportunities in Middle East. United Arab Emirates has planned several field development projects to achieve a production of 3.5 million bpd crude oil by 2017 from current 2.8 million bpd. Opportunities in Oman exist mainly in redevelopment of existing fields undertaking by National Oil Companies to boost recovery rates. Saudi Arabia is developing gas facilities to replace the domestic consumption of crude oil with gas and hence free up the crude for export. However, the country has recently brought greater regulation for localization which is eventually increasing the cost and complexity of doing business. The Company is also participating in multiple bids for supply of modular process plants in consortium with leading international EPC Companies.

Consequent to a stable government regime in India, the Company is optimistic that the capex cycle will receive the much needed boost including fast-tracking the Fertiliser Expansion projects, ONGC offshore & gas processing projects and cross-country pipeline projects. Accordingly, the Company expects improved order inflows in FY 2014-15.

Information Technology Business

The Bangalore facility of L&T Infotech. This L&T subsidiary offers domain-led solutions to global clients in BFSI, manufacturing, energy and the petrochemical industry.

Overview:
Information Technology business forms part of the IT & Technology services segment of Larsen & Toubro. Information Technology business is housed in a wholly owned subsidiary viz. Larsen & Toubro Infotech Limited ("L&T Infotech"). L&T Infotech comprises of two business clusters 'Industrials' and 'Services' with a view to accelerate growth in the technology space.

- The 'Industrials' cluster leverages the parent Company's existing strengths and heritage to cater to manufacturing plants, establishments including wholesale, retail sale of products and establishments dealing with energy and utilities. This cluster also houses horizontals of SAP, enterprise Integration, Oracle as well as Manufacturing Execution Systems. Horizontals are responsible to serve clients across both clusters.
- The 'Services' cluster focuses on Banking, Financial Services, Insurance, Travel & Logistics, Media & Entertainment and Healthcare. This cluster houses horizontals of Testing, Mobility, and Infrastructure Management System and Business Intelligence/Data Warehouse. Horizontals are responsible to serve clients across both clusters.

Business Environment:
The world economy showed some signs of recovery in FY 2013-14. Indian economy witnessed slower growth. Changing economic and business conditions and increasingly competitive environment are driving corporations to transform the manner in which they operate. Companies are now more focused towards their core business objectives of revenue growth and profitability.

FY 2013-14 has been a year of transition and transformation for the Indian IT-BPM industry as it toiled hard to continue its growth trajectory albeit at a slower pace despite global economic uncertainty. Service, software exports and BPO remain the mainstay of the sector. Over the last five years, the IT and ITES industry has grown at a remarkable pace. A majority of the Fortune 500 and Global 2000 corporations are sourcing IT and ITES from India and it is the premier destination for the global sourcing of IT and ITES accounting for 55 per cent of the global market in offshore IT services and garnering 35 per cent of the ITES/ BPO market.

The Indian IT-BPM industry has exhibited rapid evolution – in terms of expanding their vertical and geographic markets, attracted new customer segments, transformed from technology partners to strategic business partners imbibing a shared vision, offering considerably wider spectrum of services over the years. Growth has been both organic and inorganic, resulting in the emergence of the first Indian MNCs – over 580 global centers in over 75 countries delivering IT-BPM services. At the same time there has been no let down in focus on operational efficiencies. India's IT and BPO sector exports has grown by 12-14 per cent in FY 2013-14 to touch US$ 85-87 billion. The Indian IT infrastructure market is projected to grow by 9.7 per cent y-o-y to reach US$ 2.1 billion. The Indian IT industry exports are expected to grow by 13-15% to reach $97-99 billion in 2014-15 mainly on account of increased demand from US and Europe and return of discretionary spending.

Indian IT- BPM Industry is demonstrating its existence and establishment on the five core pillars that it has nurtured and evolved over the past couple of years. With customers increasingly engaging with Indian service providers as a 'strategic partner', rather than just a pure 'technology service provider', key players in the Indian sourcing industry have re-aligned and capitalised on the following five areas –

- Continued focus on optimal cost-efficiency: Leading players in the Indian market continued to maintain optimum levels of cost-efficiency through various internal processes and productivity improvement initiatives. Service providers are mitigating cost escalations by adopting various strategic imperatives including agile delivery models, automation and standardization of business processes, delivery excellence, tapping alternative delivery locations as well as providing faster career transition growth for high performing employees.
- Unparalleled human capital: One of the most critical factor that is contributing to India's position as the most favored destination in the global sourcing market is its unparalleled human capital. India has the world's largest employable talent pool and every year it churns out a huge number of technical and non-technical pool of graduates and post graduates. India's uniquely diverse workforce, large-scale talent re-engineering initiatives, as well as employee engagement activities is ensuring a future-ready workforce, which in turn, is enabling the industry to grow up the value chain in providing both end-to-end and value added services across sectors.
- Unique customer centricity: The unique customer centric approach of Indian service providers is best demonstrated by re-engineering businesses/organizational structures; strategic advisory relationships focus on product/service delivery innovation as well as scale up the value chain by managing high end complex IT-BPM engagements. Indian service providers are focusing on three main imperatives: business outcome solutions + non-linearity + transforming customer businesses.
- Scalable and secure environment: The sheer size of the Indian market provides a high level of stability in terms of managing concentricity risk as compared to other sourcing markets. With political/economic stability, India has been able to further de-risk its delivery approach by expanding its global delivery network to other locations so as to leverage their niche capabilities, in addition to adopting robust security practices/business continuity models.
- Supportive ecosystem: India's infrastructure development landscape is expected to transform to the next level in the coming years. This will be driven by the government's massive thrust of over USD 1 trillion in investments on infrastructure development during the twelfth plan period (2013-2017). Besides, with large-scale investments in e-Governance projects and focus on establishing the national cyber security policy, the IT-BPM industry is very much well poised to maintain its growth trajectory in the domestic market.

Business environment of IT BPM industry and L&T Infotech witness multiple risks and challenges such as geography concentration, over dependence on a few business verticals and clients. Downturn or slower recovery in the specific geography or business vertical or downsizing by the key clients may have adverse impact on the prospects. The major business being international, change in the legislations of foreign countries, restrictions on offshore outsourcing and stringent immigration regulations governing on-site execution of contracts pose considerable challenges to Indian IT companies. External unforeseen circumstances and exchange rate risks are inherent in the business environment. Intense competition and employee attrition are other major risks being tackled by the IT industry. Legal & contractual compliance assumes major importance in execution

Significant Initiatives:

In rapidly changing global landscape, businesses are struggling to create sustainable advantage relative to the competition, thereby requiring different types of expertise, apart from technology. Solution demand is more Industry-specific. L&T Infotech has made strategic investments in people (talent acquisition, development & retention), technology and domain specific solution labs are critical to the on-going business proposition. L&T Infotech leverages the domain expertise of L&T Group and has been investing heavily in building domain solutions. It offers IT Solutions driven by business context and rooted in domain knowledge. For L&T Infotech's clients across the globe, these result in more impactful industry solutions focused on gaining efficiencies, reducing rework and improving time to market for its clients.

L&T Infotech has increased focus on investing in new service lines like IMS, Analytics, Testing and Mobility. This in addition to our continued focus on our domain led solutions by Service Lines like ERP and Consulting, will enable us to provide complete outsourcing services to our clients.

Geographical Expansion: L&T Infotech is investing in sales and marketing efforts in new geographies such as Australia, Canada, Singapore and South Africa, while consolidating our client-facing organisation in North America and Europe. L&T Infotech has had early success in these geographies and already has a very interesting clientele. Through its' Transfer Agency Cloud Enabled Platform' acquisition, L&T Infotech is well entrenched in Canada and is in a position to leverage its presence there for other verticals such a Insurance, High-Tech and Energy & Petrochemicals. L&T Infotech has recently established a Wealth Management Center in Singapore to serve our clients in Asia-Pac.

Global Delivery Model: While United States and Europe continues to be the main revenue generating regions, L&T Infotech is continuously focusing on strategic expansion in countries like Australia, Japan, Singapore, DACH Region and India by leveraging existing relationships/partnerships, identifying potential local special domain partners and building a strong and effective sales team to increase our foothold in new geographies. L&T Infotech has around 10 delivery centers and 2 proximity centers with diversified workforce across the globe to cater to 24/7 business needs of the clients.


L&T Infotech's global headquarters in Mumbai.

Innovation Focus: At the organisation level R&D initiatives are being run by Technology & Consulting Group and Client specific R&D functions are being run by the respective Verticals / Service Lines. The ongoing investments in Research and Development have been helping to build an array of industry specific IPs such as accelerators, frameworks, platforms, solutions etc. L&T Infotech has an Enterprise Business Solution Lab which tests innovative business ideas, which adds value client, it also prototypes solutions to reduce implementation.

We also have Thought Partnership™ structured program to deliver IT and consulting initiatives that lead to value-creation beyond stated objectives in the contract. A key part of the program is about sharing best practices and doing proof-of-value pilots wherever required.

New acquisitions: L&T Infotech is looking at acquisitions that will offer an undisputed leadership stamp, in a vertical, geography or platform. These acquisitions would be mainly aimed at the objective to significantly enhance the revenue in the next two years, leveraging on existing brand and customers, who believe in us.

Human Resource Strategy: Our focus on hiring, engaging and retaining key talent continued this year. We continue to align talent engagement, competency development, role and career progression, benchmarked compensation and benefits for our employees worldwide. This has helped the Company to attract and retain the best talent across the globe as well as build a pipeline of leaders to meet its future requirements. L&T Infotech has designed a leadership program to provide a focused efforts to groom leaders as they transition from one level to the other. These programs are based on the leadership competency framework. Specific programs have been designed to impart skills and clarify attitudes for each of these competencies.

At the end of Fiscal year 2013-14, total employee strength of L&T Infotech was 17,654. The attrition rate for the year was 13.2% as against 12.3% for the previous year.

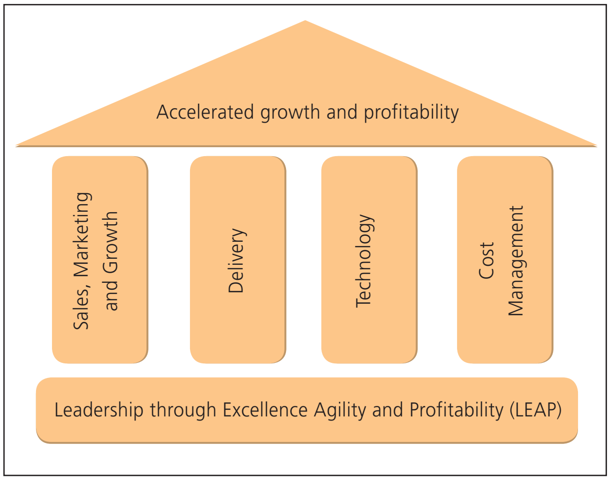
	2013-14	**2012-13**	**2011-12**	**2010-11**	**2009-10**
Headcount	17,654*	17,665	16,395	14,458	11,508

*After transfer of PES employees to L&T Technology Services Limited (LTTS) as a result of transfer of PES Business w.e.f. 1st January 2014.

In order to make business competitive and strive excellence, L&T Infotech has adopted a three pronged strategy to differentiate ourselves from competitors and provide a value proposition to the client:

Program LAKSHYA: A long-term strategy plan focused on global footprint building, was initiated in year 2012 by L&T, parent company of L&T Infotech. As an offshoot of the program LAKSHYA, program for Leadership through Excellence Agility and Profitability (LEAP) was conceived by L&T Infotech aiming to achieve accelerated growth and profitability comparable to the best in class in the IT services industry. LEAP facilitated identification of various strategic initiatives across Sales, Marketing, and Growth (SMG), Delivery (DEL), Technology (TCE), and Cost Management (CMG) which were formulated into 'Corporate Thrust Areas'. Further, the Company has embarked on an Operational Excellence program to drive operational efficiencies across the organisation. As part of the program, various initiatives around improving utilization and cost optimization have been initiated. A dedicated program management office has been set up to spearhead these initiatives.

The thrust areas have been assigned with owners and the execution process and governance structure has been put in place. The Thrust Areas are closely monitored by corporate strategy team and periodic updates are given to senior management.



Our Value Proposition: In order to make ourselves competitive and strive excellence L&T Infotech has adopted a three pronged strategy to differentiate ourselves from competitors and provide a value proposition to the client viz business to IT connect, execution excellence, engage the future.

Business to IT Connect: L&T Infotech leverages the domain expertise of its sister companies and has been investing heavily in building domain solutions. It offers IT Solutions driven by business context and rooted in domain knowledge providing more impactful industry solutions focused on gaining efficiencies, reducing rework and improving time to market for its clients.

Execution Excellence: L&T Infotech demonstrates execution excellence with its committed talent pool of associates and effective use of proprietary tools and processes to achieve clients' goals on-time, in-cost with a world-class quality.

Engage the Future: With a focus on future business requirements, L&T Infotech is making its businesses future-ready by building platforms and solutions based on emerging technologies. Its 2-tier (Technology Office at Cluster Level and Vertical/Client specific Technology office) dedicated technology offices deliver business benefits by harmonizing technology ecosystem and creating differentiators using technology as the prime mover. This helps clients benefits with the skills and capabilities to deliver next generation solutions.

Outlook:

As the global macro-economic scenario continues to improve with positive signs from US and Europe, there has been a gradual improvement in IT budgets across the globe.

As per NASSCOM, the Indian IT sector exports are set to cross USD 99 Billion during FY 2014-15 and y-o-y growth of 13-15% is due owing to increase in demand from US and European clients.

With firms moving towards more revenue focused models and disruptive technologies such as social media, analytics & cloud, avenues for more vertical oriented solutions are opening. Opportunities seem promising but it requires companies to continuously innovate and evolve.

True to these global trends, L&T Infotech has taken number of initiatives like increased focus on regions such as Europe by strengthening the sales efforts, building IMS capabilities in the wake of growing opportunities, and strengthening management team with induction of senior leaders from industry. By targeting and offering services across verticals in sync with L&T Infotech's three pronged strategy, L&T Infotech plans to continue higher growth momentum in FY 2014-15.

Technology Services Business

Knowledge City at Vadodara houses one of the delivery centres of L&T Technology Services Ltd. Other centres are located in Chennai, Bangalore, Mysore, Hyderabad, Mumbai, New Jersey and California.

Overview:

Technology Services business forms part of the IT & Technology Services segment of Larsen & Toubro (L&T). To achieve the next level of growth through comprehensive solutions across industries, the Integrated Engineering Services (IES) business of L&T and Product Engineering Services (PES) business of L&T Infotech Ltd. came together and formed L&T Technology Services Limited ("L&T Technology Services"), a 100% subsidiary of L&T. This allows L&T Technology Services to expand its footprint in the engineering services market through a multitude of industry verticals.

L&T Technology Services offers design and development solutions throughout the entire development chain across various industries such offering include Industrial Products, Medical Devices, Transportation, Telecom and Hi-tech and to the Process Industry. The company also offers solutions in the areas of Mechanical engineering Services, Embedded Systems Services, and Product Lifecycle Management (PLM).

With a CAGR of 40% over the last 3 years, technology Services is today acknowledged amongst the top 5 in the Indian Engineering Research and Development (ER&D) service segment.

The Zinnov 2013 Global Service Provider Ranking, (GSPR) has placed 6 of the company's verticals in the leadership zone and the Industrial Products vertical in the Leadership Zone for the third time in a row. This is a true reflection of the commitment to be on the fast track of being the "BEST" in engineering outsourcing service industry.

The company has its design and delivery locations in Vadodara, Chennai, Bangaluru, Mysore, Hyderabad and Mumbai in India. Outside of India, the 2 delivery centres include one in Edison, New Jersey and another in San Jose, California in the US.

L&T Technology Services has several alliances and partnerships some of which include AUTOSAR (Automotive Open System Architecture), CABA, CiA , National Instruments, GENIVI, Siemens, Dassault Systemes, PTC, Texas instruments and Institute of Asset Management (IAM).

L&T Technology Services is an ISO 9001:2008 and a CMMI level 5 certified organization.

Business Environment:
The engineering services market is rapidly changing as new disruptive technologies are impacting the current paradigm. With more than 30+ billion connected devices expected in the next five years, the Internet of Things/ M2M market is causing all our clients to explore new ways to leverage, develop new products and business models to monetize their respective value chain. The trends to shift to digital manufacturing, 3D printing, and virtual factory /modeling and innovative and simplistic industrial designs are becoming more real now.

As per Gartner, global spend in engineering services will reach $1.4 trillion by 2020. Total outsourcing spend in engineering services will grow 3-4 times the rate of total spend on engineering with a substantial contribution from the emerging markets. NASSCOM has predicted the Indian outsourcing industry growth at 13-15% for 2014-15 as worldwide spending on outsourcing is set to accelerate through 2015.

L&T Technology Services with its multi-disciplinary and multi-domain presence has the advantage to leverage its best practices across different industry verticals and is well poised to address the business environment.

Mega trends impacting the outsourcing industry are convergence of Technologies / Industries:

- Products and Solutions with multiple functionalities are emerging especially in industries such as Consumer Electronics, Medical Devices, Automotive and Mobile Devices with cross-industry collaborations
- Open standards driven innovation
- Electronics and software emerging as a key value differentiator
- Adoption of cloud computing, big data, and software driven infrastructure is opening new opportunities for cost savings and innovation across many industries including Telecom, Consumer, Healthcare, Utilities and Manufacturing

Significant Initiatives:
The next level of growth to achieve industry leadership demands an organization which is geared up for providing comprehensive solutions across industries. Formation of Technology Services was a step in that direction.

A few initiatives that the company has taken to boost momentum are:

- The change in technology and market trends is driving us to adapt and develop new innovative solutions and build new competencies. Three new solution offerings that L&T Technology Services has introduced in early 2014 to capitalise on these changes and enable rapid growth are:
  - Internet of Things (IoT)/M2M,
  - Engineering Analytics and
  - Power Electronics for Electric Vehicles.
- It continues its emphasis on account mining by focusing on high growth potential accounts
- The Technology Solutions & Innovation Centre (TSIC) has fostered within the organization a culture of innovation and healthy competition through the Tech Panorama and Tech Expression events which has encouraged company wide employee participation aiding in employee engagement

Engineering talent is drawn from India’s premier academic institutes.

- Initiatives such as Wings for balancing gender diversity & inclusion, implementation of the technical career path, identification & development of high potential employees, advanced project management certification programs have been taken keeping the future growth of our employees in mind
- For improving delivery capabilities L&T Technology Services is investing in setting up labs and POC's to drive innovation and technology advantage
- Future expansion to be more focused in tier - 2 cities which will highly reduce the facility and infrastructure costs
- Existing facilities are optimally planned. New facilities in Vadodara, Mysore and Bangaluru are being planned to support the growth of manpower as required for business growth. A phase wise occupation of facilities is done as per the requirement which helps in better planning of CAPEX
- The company has filed more than 135 patents co-authored with its clients and close to 12 patents in its own name.

L&T Technology Services' 98% business is through exports. It's presence across geographies and continuous venture into new regions has reduced possibility of any adverse impact in case of any geography specific turbulence.

Being in the engineering services outsourcing space, the markets today have many other emerging low cost countries like Malaysia, Indonesia, etc. who are also capable of providing engineering services at competitive prices. We are countering this risk by offering better pricing and high quality deliverables.

The engineering services market is rapidly changing as new disruptive technologies are impacting the current business model. L&T Technology Services is continuously investing in solution development, new service offerings, labs to align itself with the technology trends.

Outlook

Global trends in the economy today motivate the people in general to invest in businesses which have been growing significantly over the years. Engineering Services is one such industry. L&T Technology Services added 33 new clients during the year out of which 12 clients are Fortune 500 companies. In the race towards capturing a sizeable pie of this market, L&T technology Services has been able to achieve a revenue growth of 20% during the current fiscal year.

Investments in emerging geographies and new solutions are expected to add substantially towards incremental revenues in the year 2014-15.

Financial Services Business




Financial Services Business

The Financial Services business segment comprises retail and corporate finance, housing finance, infrastructure finance, investment and wealth management business carried through L&T Finance Holdings Limited. Financial Services business also includes general insurance which is housed in a wholly owned subsidiary viz. L&T General Insurance Limited.

L&T Finance Holdings

Overview:

The goal of L&T Finance Holdings (LTFH) is to become a comprehensive provider of financial solutions. The company's businesses, carried out through its wholly owned subsidiaries, are structured as Retail Finance, Wholesale Finance, Investment Management and Wealth Management.

Despite the challenging macroeconomic environment during the year 2013-14, the company achieved a new milestone by crossing ₹ 40000 crore in consolidated loans and advances, registering a healthy growth of 20% on a Y-o-Y basis.

L&T Mutual Fund's managed assets stood ₹ 18255 crore this fiscal and the Wealth Management business crossed ₹ 5000 crore in serviced assets.

Business Environment

Retail Finance business

The Retail Finance business, consisting of retail, mid-corporate and housing finance businesses is carried out through our wholly owned subsidiaries, L&T Finance Limited, Family Credit Limited and L&T Housing Finance Limited. These comprise loans for the purchase of income generating activities as well as consumer assets, working capital loans for SMEs, term loans for medium and large companies, micro finance, loans for purchase of homes and loans against property. The product portfolio under Retail Finance is as follows:

Consumer and Auto Loans	Micro and Small Enterprises	Mid and Large Corporations	Housing Finance	Micro Finance
Farm Equipment	Construction Equipment	Loans and Leases	Home Loans	Joint Liability Loans
Personal Vehicles (PV)	Medium & Heavy Commercial Vehicles (MHCV)	Loan Against Securities	Construction Funding	Micro Individual Loans
Small & Light Commercial Vehicles (SCV and LCV)	Warehouse Receipt Finance	Supply Chain Finance	Loan Against Property	

Our growth has been led by our geographical presence, strong OEM tie-ups and rapid roll-out capabilities with respect to innovative season-specific and geography-specific schemes. Asset quality pressures have been due to stress in the commercial vehicle (CV), construction equipment (CE) and mid-corporate segments. A conscious attempt to de-grow in the CV/CE segments and focus on quality of promoters, close monitoring of security, cash flows and end use in the mid-corporate segment, enabled us to arrest further worsening of asset quality.

The business and credit review functions operate individually to effectively manage credit risk. We introduced new technology advancements during the year

Retail Finance participates across the income cycles of the rural economy - crop, dairy and warehousing. We finance tractors and farm equipment and encourage rural enterprise in dairy, commodity storage and trading.

We fulfill the desire for personal mobility by financing two-wheelers and cars across rural and urban India

to significantly reduce turnaround time in loan processing and collections.

Wholesale Finance

The Wholesale Finance business comprises infrastructure financing and non-infra wholesale financing across three lending entities: L&T Infrastructure Finance Company Limited (L&T Infra Finance), L&T FinCorp Limited and L&T Infra Debt Fund Limited, which are subsidiaries of the Company.

During the year under review, the business focused on strengthening its portfolio and was selective in disbursements to Greenfield projects compared to earlier years, but maintained a steady growth. Disbursement was spread across key infrastructure sectors including conventional power, renewable energy, roads, ports, SEZ and industrial parks, telecommunications, oil & gas, urban infrastructure, etc.

The business's concentration risk with respect to single borrower and single promoter group remains comfortably low, with the top 10 borrowers and promoter groups constituting only 25% and 31% of the total exposure respectively, as on March 31, 2014.

The year saw increased focus towards low risk operational projects, which was largely the result of a changed business environment and emerging dynamics of the Infrastructure

Debt Fund. L&T Infra Debt Fund Limited, sponsored by L&T Infra Finance, commenced business this financial year.

Investment Management Business

L&T Mutual Fund has been one of the fastest growing fund houses in the Indian mutual fund industry with average assets growing at 63% to ₹ 18255 crore as at March 31, 2014 as against ₹ 11170 crore last year. The number of investor folios stood close to 8,00,000. This growth was achieved on the back of improved fund performance, effective cost management, strong risk management and significantly improved customer and distributor engagement. Most of the funds consistently outperformed their respective benchmarks across 1, 3 and 5 years periods. L&T Mutual Fund increased in its market share from 1.6% in March 2013 to 2.2% in March 2014 and improved its industry ranking from 16th to 13th. Moreover, the business achieved break-even for the financial year led by asset growth and tight cost controls.

L&T Mutual Fund went up the ladder by three notches In FY 14 and now ranks No. 13 in the industry.

Wealth Management Business

Wealth Management is carried out through L&T Capital Markets Limited, which was set up in 2012-13. The business operates through offices in Mumbai, Delhi, Bangalore, Chennai, Hyderabad, Ahmedabad, Baroda and Pune and has a client base of over 1500 high net worth customers across the country. Average assets under service have crossed ₹ 5000 crore.

Significant Initiatives:

New initiatives undertaken during the year FY 2013-14 include: -

- Mobile phone receipting for near-instant visibility of collections made on the field
- Deployment of tablets to digitize sourcing of loans in the retail business
- L&T Mutual Fund completed 51 Investor Awareness Programmes and 283 Distributor Trainings across cities. It introduced a new service called "Multi-Scheme SIP", launched its Facebook page, launched an application for the distributor fraternity called "I-advise" and initiated a unique investor education programme.

Outlook:

The fiscal has seen a continued growth slowdown combined with high inflation. Though the global slowdown has definitely hurt exports and affected investment, according to an IMF study, two-third of the downslide in GDP growth can be attributed to domestic factors such as supply bottlenecks, delayed project approval and implementation and policy uncertainty. Growth in industrial output and new capital expenditure saw significant deceleration during the fiscal. Though recent policy actions have reduced India's vulnerabilities, structural issues and high inflation continue to remain key concerns, which need to be tackled for a sustainable turnaround.

L&T General Insurance

Overview

L&T General Insurance business entered its third full year of operations selling more than 2,60,000 policies. Motor remains the largest contributor to Gross Written Premium (GWP) with a share of 52%. Health and other Commercial Lines of business contributed 19% and 29% of the total GWP respectively. In the commercial segment, Fire and Engineering were the main contributors. L&T General Insurance has a pan India presence with 14 branches.

Business Environment

Indian general insurance industry continues to show an impressive growth of 12% during 2013-14. All lines of business grew at a lower rate than previous year resulting in a lower industry growth which could be primarily attributed to lower GDP growth. The growth in premium for private players is 15% as compared to 10% for public players. Consequently the market share of private players grew from 43% to 44%.

Motor and Health lines of business are the fastest growing segment and now accounts for 44% and 23% of the industry's GWP.

Significant Initiatives:

- During the year, the business made significant foray into Individual Health.
- The business achieved a policy issuance TAT (Turn Around Time) of 92% in the retail non-micro segment by issuing the policies on the same day of application.
- The business has been awarded Celent Asia Model Insurer award in the area of "Distribution category: Other channels" for developing a point of sale system for manufacturing tie up channel.
- The business has covered 17,82,239 lives under the 'social sector' business and issued 34,546 policies in rural areas (comprising 8% of the GWP) during the current financial year.

Outlook:

Low insurance penetration in terms of premium percentage to GDP and growth in urbanisation are expected to sustain as well as accelerate the growth of the general insurance industry in general. L&T General Insurance is poised to leverage the opportunities on the back of its operational efficiencies supported by its state-of-the-art technology platform.

Developmental Projects Business

The Hyderabad Metro Rail Project is the world's largest public-private project in the urban transportation sector. It is poised to reduce commuting time and enhance the quality of life in the metropolis of Hyderabad.

Developmental Projects Business

Developmental Projects business segment comprises (a) Infrastructure projects executed through L&T Infrastructure Development Limited and its subsidiaries and associates (L&T IDPL Group); (b) Power Development Projects executed through L&T Power Development Limited and its subsidiaries (L&T PDL Group) and (c) Kattupalli Port operations of L&T Shipbuilding Limited.

The operations of developmental projects business segment primarily involves development, operation and maintenance of basic infrastructure projects in the Public Private Partnership format, toll collection including annuity based road projects, power development and power transmission, development & operation of port facilities and providing related advisory services. The business model envisages calibrated churning of the portfolio to monetize assets at an appropriate time for capital and also for realization of returns on the developed projects from the perspective of shareholder value creation.

L&T IDPL Group

Overview

L&T Infrastructure Development Projects Limited (L&T IDPL) is a major player in the Public-Private Partnership projects in India with business interests across Roads and Bridges, Ports, Metro Rail, Wind energy and emerging sectors such as Power Transmission Lines, Water and Railways. Incorporated in the year 2001 as L&T Holdings Limited, then a wholly owned subsidiary of Larsen & Toubro, L&T IDPL is currently India's premier road developer with a portfolio of 19 projects with 9736 kms at an estimated project cost of ₹ 23160 crore. Of these, 11 projects are under operation, 4 projects under implementation and 4 projects are under development.

L&T IDPL's portfolio of infrastructure assets also includes the Hyderabad metro rail project, a transmission line project, ports and a wind energy project.

Business Environment:
Toll collection across several projects in the road sector of the country has not been as per expectations due to lower industrial output and severe economic downturns resulting in lower growth in traffic. The total toll collection (including annuity income) across various subsidiaries was ₹ 1197 crore for the year 2013-14 as against ₹ 1112 crore in the previous year. The growth of 7.64% is also attributable to the L&T Devihalli Hassan Tollway Limited which commenced tolling during the year.

Due to the inherent complexity and long duration of infrastructure projects, there are uncertainties and a variety of risks encompassing this sector. L&T IDPL's risk management approach has focused on a forward looking, life cycle oriented risk assessment to identify the potential risks throughout the life of the projects and to determining measures to mitigate the risks.

Significant Initiatives:
Many of our projects have won awards for delivering exemplary performance in the infrastructure sector. During the year 2013-14, L&T IDPL has won the D&B Infra award for the road project L&T Ahmedabad-Maliya Tollway Limited under three categories namely Roads & Highways, Public Private Partnership and Environmental Sustainability.

At L&T IDPL, the Human Resources skill sets and talent are unique and hence the developmental interventions are designed in such a manner that training initiatives cover instilling and developing leadership qualities including management of an uncertain environment, relationship management, fostering a developer mind-set, value enhancement of portfolio. Employee engagement survey, administration of various psychometric tools, post-performance management system survey, custom designed 'people manager' programs and feedback are a regular affair at L&T IDPL.

Outlook:
During the year 2013-14, few projects were announced for bidding. The Company has successfully won a project in the Sambalpur–Rourkela road stretch in the State of Odisha. The Company has also made its entry into the transmission line and secured its first transmission line project in the State of Karnataka. Post the general election in May 2014, it is expected now that the infra sector would see accelerated pace of development and several large projects in the different segments in the infrastructure space that would be bid out.

L&T PDL Group:

Overview :
L&T Power Development Limited (PDL), a wholly owned subsidiary of L&T, has been incorporated as its' Power Development arm with an objective of developing, investing, operating and maintaining power generation projects of all types namely thermal, hydel, nuclear and other renewable forms of energy including captive and co-generation power plants.

Currently, L&T PDL portfolio comprises projects in Thermal and Hydel power generation.

Hydel Power Projects
Hydel projects with an aggregate capacity of 870 MW are in various stages of development. A brief status is depicted below:

<table>
<tr><th>Name of Project</th><th>Capacity (MW)</th><th>State</th><th>Name of Subsidiary</th><th>Current Status</th></tr>
<tr><td>Singoli-Bhatwari Hydro Electric Project</td><td>99</td><td>Uttarakhand</td><td>L&T Uttaranchal Hydropower Limited</td><td>Construction work is in progress</td></tr>
<tr><td>Tagurshit Hydro Electric Project</td><td>74</td><td>Arunachal Pradesh</td><td>L&T Arunachal Hydropower Limited</td><td rowspan="2">Detailed Project Report submitted</td></tr>
<tr><td>Sach-Khas Hydro Electric Project</td><td>267</td><td>Himachal Pradesh</td><td>L&T Himachal Hydropower Limited</td></tr>
<tr><td>Reoli-Dugli Hydro Electric Project</td><td>430</td><td>Himachal Pradesh</td><td>L&T Himachal Hydropower Limited</td><td></td></tr>
<tr><td>TOTAL</td><td>870</td><td></td><td></td><td></td></tr>
</table>

Thermal Power Projects
L&T PDL is in advanced stages of implementing a 1400 MW super critical thermal power project through its wholly owned subsidiary – Nabha Power Limited (NPL).

NPLis a special purpose vehicle formed by Punjab State Electricity Board (PSEB) to undertake the development of a thermal power project at Rajpura, Punjab. L&T Power Development Limited (L&T PDL) emerged as a successful bidder in the tender floated by PSEB and the ownership of NPL was transferred to L&T PDL in Jan – 2010.

NPL is setting up a 2 X 700 MW Supercritical thermal power plant in Rajpura Punjab. This is the first development project of L&T in thermal power space and the first power plant to be owned & operated by L&T. Entire power generated from this plant is contracted with Punjab State Power Corporation Limited for a period of twenty five years under a Power Purchase Agreement (PPA).

First unit of 700 MW has already commenced commercial operations in Feb – 2014 and power generation has commenced.

Business Environment:
The Year 2013-14 continued to witness challenges in the areas of Coal supply and regulatory uncertainty. Overall scenario in terms of inflation and interest rates also was not very encouraging.

Power Generation Capacity additions have accelerated in the eleventh plan period. On the important issue of fuel while there has been an increase in the coal production, there is still significant dependence on imported coal. It is important that mining activity and coal block / environment clearances are fast tracked in order to reduce the same.

This year has witnessed a balanced view being taken on various industry issues by Regulators across the country. Positive initiatives such as pass through of imported coal costs, new bidding guidelines, accelerated clearances, regular tariff hikes etc. were seen.

Significant Initiatives :
- First Unit of 700 MW was commissioned and declared commercial operations on 1st Feb – 2014 after successful completion of necessary tests under the PPA.
- A long term Fuel Supply Agreement (FSA) with South Eastern Coalfields Limited has been executed during the year. Fuel supply under the FSA has already commenced.
- Anticipating a challenging fuel supply scenario the company undertook significant initiatives to ensure approvals for sourcing of coal from alternative sources.
- Other development aspects of the project such as Land availability, Water linkage and Evacuation infrastructure are put in place.
- Construction of Second unit of 700 MW is in advanced stage of completion.
- Company has acquired the necessary approvals and clearances for Power Plant operations.
- Agreements for sale of dry fly ash have been entered into.
- State of the art ERP System has been implemented to support operations and maintenance activities.
- Experienced Power Plant operation and maintenance team has been established.

CSR initiatives in the area of development of village infrastructure, skill building, enhancing gender ratio, health and environment were implemented during the year.

Risks profile and mitigation measures:
As a private developer,the environment in the Power sector poses following major risks:

a. Regulatory risks (Clearances, Government Policies, dispute resolution etc.)
b. Financial Risks (Economic shocks, inflation, access to capital etc.)
c. Operation & Fuel related Risks (Fuel quality, Availability etc.)
d. Strategic risks (market scenario, demand supply situation)

The company has a robust risk management process which involves risk identification, assessment & evaluation, strategy & mitigation and Monitoring & review mechanism. The company has implemented multiple measures in each of the risk areas to ensure a proactive approach and timely mitigation.

Outlook:
Increased private participation in the power sector is expected to play an important role in future capacity additions. Lower per capita consumption promises robust long term demand. On the fuel side Coal production capacity is expected to increase by FY 2017.

At the state level, a power surplus situation is envisaged in the near future. This surplus is however expected to decline gradually as no significant capacity additions are planned beyond the ones currently under implementation. With energy demand expected to grow, the system is likely to be deficit again in the medium term.

Maximising the plant availability, efficiency, ensuring adequate fuel availability, cost competitiveness and timely commissioning of second unit are identified as the thrust areas for FY 2014-15.

L&T's modern port at Kattupalli, north of Chennai.

L&T Shipbuilding Limited:
Kattupalli Port Operations

L&T Shipbuilding Limited is a Joint Venture between L&T and Tamilnadu Industrial Development and Corporation Limited (TIDCO) wherein L&T holds 97% and TIDCO holds 3% in the Company to develop shipyard cum minor port complex. Both the shipyard and the port have SEZ status.

Kattupalli port at Chennai has a container terminal with two container berths. During the year, leading Shipping lines such as Maersk, Hyundai Merchant Marine (HMM) and Nippon Yusen Kaisha Lines (NYKL) made trail calls successfully. NYKL has commenced regular weekly call at Kattupalli Port.

The traffic through the port is expected to improve, post removal of certain customs procedure related impediments, in respect of the Container Freight Stations (CFS) located in and around Chennai.

Financial Review 2013-14

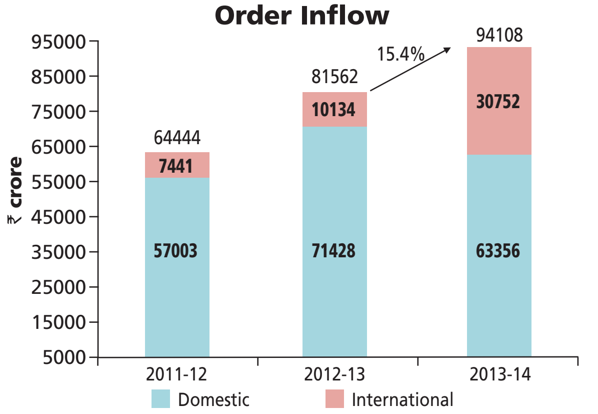
I. PERFORMANCE REVIEW

A. L&T STANDALONE

The Company despite the challenges posed by a slowing domestic economy and unfavourable investment climate has registered an impressive growth in order inflow, improvement in EBITDA margins and increase in Profit after Tax (PAT) during the year 2013-14.

The performance for the year ended March 31, 2014 excludes the performance of Hydrocarbon business segment, which has been transferred with effect from April 1, 2013 to L&T Hydrocarbon Engineering Limited, a wholly owned subsidiary of the Company upon sanction of the scheme by the Hon'ble Bombay High Court vide order dated December 20, 2013. Consequently, the performance for the previous year ended March 31, 2013 has been suitably restated.

The Company successfully secured new orders worth ₹ 94108 crore during the year 2013-14, registering a commendable growth of 15% over the previous year. The order intake was notable against the backdrop of depressed investment sentiment, slowing GDP growth, policy uncertainty and intense competition prevailing in India during the year. Buildings & Factories, Heavy Civil Infrastructure, Transportation Infrastructure, Power Transmission & Distribution and Water & Renewable Energy businesses contributed significantly to the order inflows during the year. International orders increased 3 times over the previous year contributing to 33% of the order inflow during 2013-14 aided by focused efforts on internationalisation.

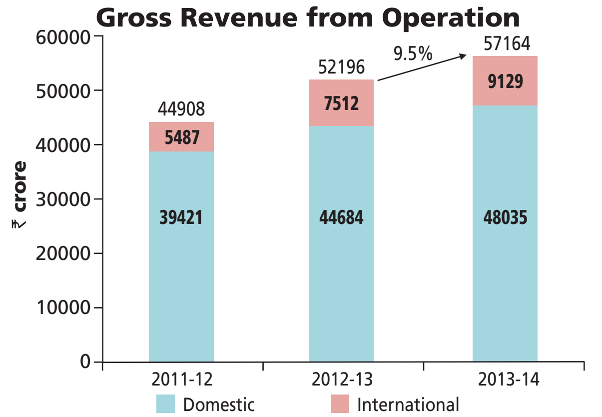


To facilitate like-to-like comparison, the figures for 2011-12 and 2012-13 have been restated to exclude Hydrocarbon business

The Order Book as at the year end stood at ₹ 162952 crore providing good revenue visibility for the next couple of years. The order book registered a growth of 13% over the previous year with international orders constituting 21% of the order book.

Revenue from Operations

Gross revenue for the year 2013-14 at ₹ 57164 crore grew by around 10% over the previous year. While businesses of the Infrastructure segment registered a healthy growth of 23% over the previous year, the Power segment and Metallurgical & Material Handling segment recorded decline in the revenue owing to the unresolved long pending sectoral constraints.



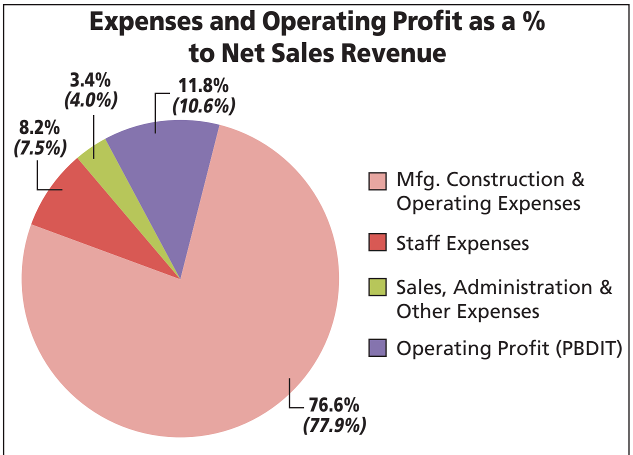
To facilitate like-to-like comparison, the figures for 2011-12 and 2012-13 have been restated to exclude Hydrocarbon business

International revenue at ₹ 9129 crore grew 22% over 2012-13 and constituted 16% of the total revenue. The international revenue is mainly contributed by Power Transmission & Distribution, Commercial Buildings & Airports, Process Plants & Nuclear Equipment and Integrated Engineering Services businesses.

Healthy order book and on-time execution would enable the Company to maintain the revenue growth momentum in the near to medium term.

Operating Cost and PBDIT

Manufacturing, Construction and Operating (MCO) expenses at ₹ 43346 crore for the year 2013-14 increased



[Figures in brackets ( ) relate to previous year] by 8%.These expenses mainly comprise cost of construction & other materials and subcontracting expenses. The MCO expenses reduced from 77.9% to 76.6% of revenue on the back of efficient contract management and decline in key input prices.

The staff expenses for the year 2013-14 at ₹ 4662 crore increased by 21% as compared to the previous year. There was a net addition of 3987 employees during the year, taking the Company's manpower strength to 54579 as at March 31, 2014.

Sales and administration expenses for the year 2013-14 at ₹ 1923 crore decreased to 3.4% of net sales revenue due to reversal of warranty provisions on successful close out of jobs and lower exchange loss as compared to the previous year.

The EBITDA margin for the year at 11.8% improved by 120 basis points as compared with the previous year. Consequently, Profit before depreciation, interest and tax (PBDIT) stood at ₹ 6667 crore for the year, registering a growth of 21.8% over the previous year.

Depreciation & Amortisation charge

Depreciation and amortisation charge for the year 2013-14 at ₹ 792 crore increased by 9% over the previous year. Increase in the depreciation charge for the year reflects the impact of the depreciation on the additions made to the fixed assets.

Other Income

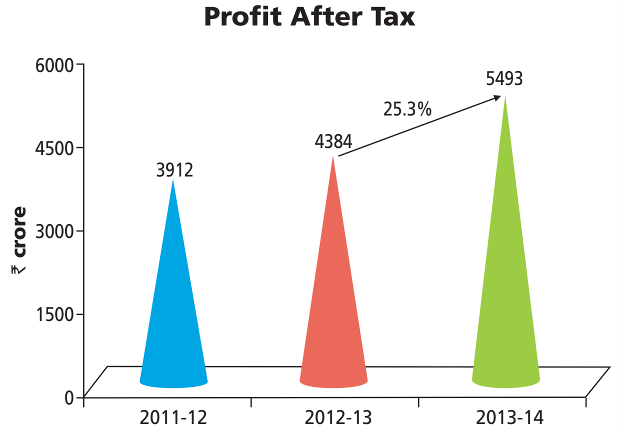
Other income for the year 2013-14 amounted to ₹ 1881 crore as against ₹ 1887 crore for the previous year. Dividends from Group companies during the year 2013-14 amounted to ₹ 865 crore as against ₹ 585 crore for the previous year. The short term investments of temporary surpluses made in low risk securities, yielded income at ₹ 452 crore for the year. The other income for the year 2013-14 included exceptional gain of ₹ 589 crore on divestment of the Company's part-stake in L&T Finance Holdings Limited towards complying with the listing requirements on minimum public shareholding.

Finance Cost

The interest expenses for the year 2013-14 at ₹ 1076 crore were higher vis-à-vis ₹ 955 crore for the previous year. The increase in the interest expenses is mainly due to interest on higher short term borrowings made during the year to finance the rising working capital needs of the businesses. The average borrowing cost for the year 2013-14 was contained at 9.6% p.a., despite elevated interest rates and tight liquidity conditions prevalent in the year as also volatility in the exchange rates witnessed in the first half of the year 2013-14.

Profit after Tax

Profit after Tax (PAT), including extraordinary and exceptional items, for the year 2013-14 at ₹ 5493 crore was higher vis-à-vis ₹ 4384 crore for the previous year, recording an increase of 25.3%.Excluding the exceptional gains(net of tax) of ₹ 589 crore earned during the year, the Profit after Tax (PAT) at ₹ 4905 crore recorded a growth of 17.6% over the previous year.



To facilitate like-to-like comparison, the figures for 2011-12 and 2012-13 have been restated to exclude Hydrocarbon business

Earnings per share

The Earnings Per Share (EPS) including exceptional and extraordinary items, for the year 2013-14 at ₹ 59.36 showed an improvement of 11.3% over the previous year. The same, however, is not comparable vis-à-vis 2012-13 which included the profit from operations of the erstwhile Hydrocarbon business undertaking.

Funds Employed and Returns

The overall Funds Employed by the Company at ₹ 45531 crore as at March 31, 2014 increased by ₹ 7312 crore as compared to the position as on March 31, 2013.

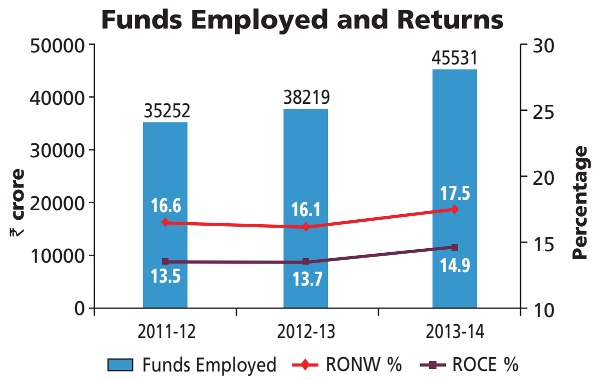
The Company incurred ₹ 962 crore towards capital expenditure during the year. The major expenditure was incurred on procurement of various plant and equipment for the businesses in Infrastructure segment.

Net Working Capital as at March 31, 2014 at ₹ 13692 crore increased to 24% of sales as compared to ₹ 9056 crore at 17.3% of sales as on March 31, 2013. Higher unbilled construction work-in-progress and relatively lower increase in customer advances resulted in increase in net working capital.

During the year, investments and loans to subsidiary and associate companies increased by ₹ 3329 crore (net). Major investments have been made in subsidiary companies operating in Hydrocarbon, Power Development, Technology

Services, Infrastructure Development Projects and Realty businesses.

During the year 2013-14, the Company continued its strategic initiative of restructuring its businesses to provide the necessary impetus for its core businesses. Hydrocarbon, Valves and Cutting Tools businesses have been transferred to the wholly-owned subsidiaries of the Company to provide the required focus and agility to these businesses to take advantage of market opportunities.



To facilitate like-to-like comparison, the figures for 2011-12 and 2012-13 have been restated to exclude Hydrocarbon business

Return on Net Worth (RONW) including the gains on divestitures for the year 2013-14 is 17.5% as against 16.1% for the previous year. Return on Capital Employed (ROCE) for the year 2013-14 at 14.9% is higher compared to 13.7% as that of the previous year. The investments made in the recent past through the Group companies in capital intensive businesses have yet to earn adequate returns, as the newly created facilities have not reached their full scale of commercial operations. The majority of the SPVs developing toll roads under concession agreements are either under construction or in their initial phase of operations and have not started yielding returns.

Economic Value Added (EVA) for the year 2013-14 is at ₹ 459 crore vis-à-vis negative EVA of ₹ 112 crore for the year 2012-13. Gains on divestment of stake in L&T Finance Holdings Limited resulted in improvement in EVA as compared to the previous year despite increase in funds employed.

Liquidity & Gearing

Tight liquidity position continued to prevail through the year 2013-14 resulting in build-up of working capital. The Company tapped internal accruals and resorted to short term borrowings to meet the rising working capital requirements.

Cash accruals from the operations were lower at ₹ 1047 crore during the year 2013-14 as compared to ₹ 1472 crore generated in the previous year mainly due to increase in working capital. Borrowings during the year (net of repayments) amounted to ₹ 2612 crore. Dividend and treasury income contributed ₹ 1359 crore to the cash generation during the year 2013-14. There was net decrease of ₹ 1381 crore in the current investment and cash balances as on March 31, 2014 as compared to the balances as at the beginning of the year.

The Company has incurred capital expenditure of ₹ 962 crore and has made a net investment of ₹ 3329 crore in its Group companies during the year 2013-14.

Fund Flow Statement	₹ crore	
Particulars	**2013-14**	*2012-13*
Operating activities	1047	*1472*
Borrowings (net of repayments)/ (Repayments)	2612	*(1515)*
Dividend from Group companies and Treasury income	1359	*1180*
ESOP proceeds	144	*164*
Sale of current investments	1718	*1447*
(Increase)/decrease in cash balance	(337)	*1187*
Sources of Funds	**6543**	*3935*
Capital expenditure (net)	(962)	*(1000)*
Investments in Group companies (net of divestment)	(3329)	*(970)*
Interest paid	(1025)	*(850)*
Dividend paid	(1227)	*(1115)*
Total Utilisation of Funds	**(6543)**	*(3935)*

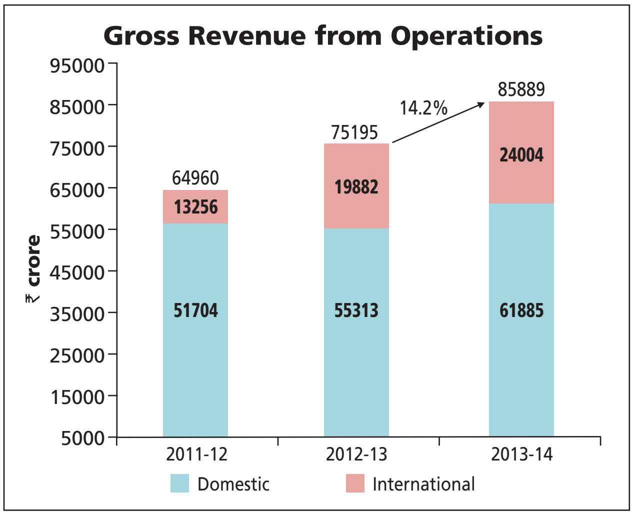
The total borrowings as on March 31, 2014 stood at ₹ 11459 crore. The loan portfolio of the Company comprises a judicious mix of domestic and suitably hedged foreign currency loans. The gross Debt Equity ratio increased to 0.34:1 as at March 31, 2014 from 0.29:1 as at March 31, 2013. The Company has a low net Debt Equity ratio of 0.17:1 as at March 31, 2014 after considering short term investments in liquid funds.

B. L&T GROUP PERFORMANCE

As at March 31, 2014, L&T Group consists of 138 subsidiaries, 13 associates and 17 joint venture companies. Apart from extension of the Company's core businesses including Hydrocarbon in the Group companies, certain distinct businesses such as Information Technology, Financial Services and Developmental Projects form part of the Group through investments in subsidiary and associate (S&A) companies.

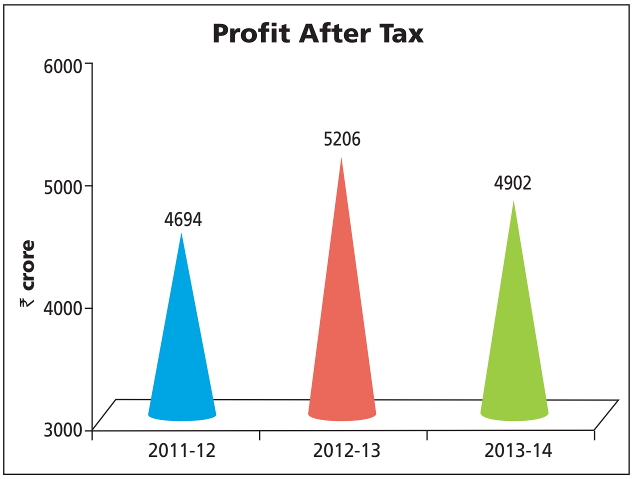
The unit 1 of the 2*700 MW supercritical thermal power plant at Rajpura in Punjab commenced commercial operations during the year. Seawoods project in Navi Mumbai was commercially launched and marketing efforts are under way. Hyderabad Metro Rail project has achieved progress in its construction despite challenges with respect to right of way and Andhra Pradesh State Reorganisation during the year.

The consolidated revenue at ₹ 85889 crore for the year 2013-14 registered a growth of 14.2% over the previous year. S&A companies operating in Financial Services, Information Technology and Realty businesses have registered a healthy growth during the year 2013-14. Revenue from International business has grown by 21% during the year 2013-14 and constitutes 28% of total revenue of the Group.



The Company has changed its accounting policy on amortisation of toll road projects for more appropriate presentation of financial statements. As per the revised accounting policy, the amortisation will be based on the new revenue based method prescribed by the Ministry of Corporate Affairs under Schedule XIV to the Companies Act, 1956. Pursuant to the aforesaid policy change, the consolidated PAT is higher by ₹ 955 crore.

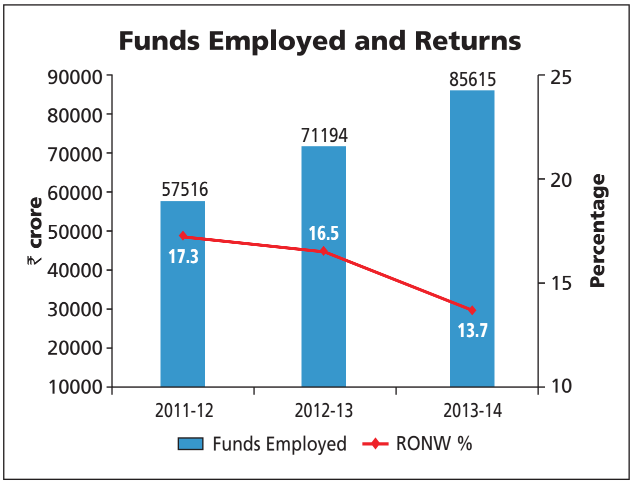
The overall consolidated Profit after Tax (PAT) was ₹ 4902 crore for the year 2013-14 as compared to PAT of ₹ 5206 crore for 2012-13. The consolidated PAT for the year 2013-14 was lower mainly on account of prestabilisation period losses incurred by new ventures namely L&T Shipbuilding Limited and L&T Special Steel and Heavy Forgings Private Limited aggregating to ₹ 876 crore. These two newly commissioned facilities are yet to gain scale and have adversely impacted the PAT at the Group level due to fixed cost of interest and depreciation.



Consequently, Consolidated Earnings per Share (EPS) including exceptional and extraordinary items for the year 2013-14 at ₹ 52.97 showed a decline of 6.3% over the previous year.

Funds Employed and Returns

The overall Funds Employed by the Group at ₹ 85615 crore as at March 31, 2014 increased by ₹ 14421 crore as compared to the position as on March 31, 2013.



Return on Net Worth (RONW) including the gains on divestitures for the year 2013-14 is 13.7% as against 16.5% for the previous year. The reduction is attributable to decline in the overall consolidated profit after tax.

C. SEGMENT WISE PERFORMANCE

The Company has changed the identification of its reportable segments during the year 2013-14 for better reflection of segment performance as well as to further align the segment reporting with the internal reporting structure. The operations of the Engineering and Construction segment which were hitherto reported as part of one single segment have now been reported into its different component segments. Further, the Urban Infrastructure Development business which was hitherto reported as part of Developmental Projects under Consolidated Segment Reporting, has been included as part of Realty business and reported under "Others" segment.

Accordingly, the segments at the standalone level are (a) Infrastructure (b) Power (c) Metallurgical & Material Handling (d) Heavy Engineering (e) Electrical & Automation (f) Machinery & Industrial Products (g) Others comprising Realty, Shipbuilding and Integrated Engineering Services.

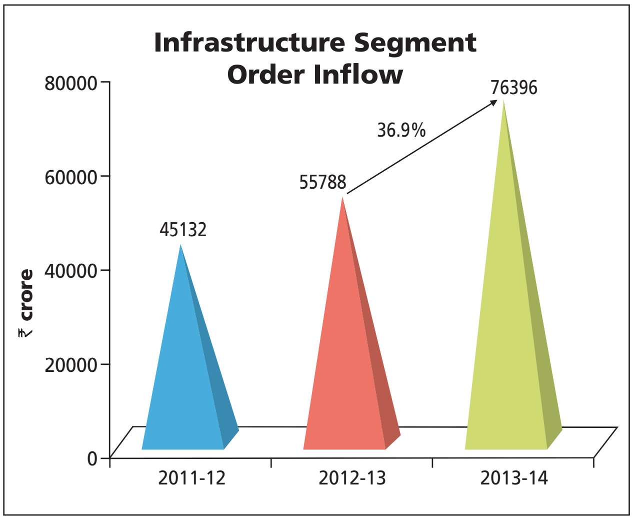
In addition, the segments at the consolidated level include (a) Hydrocarbon (b) IT & Technology Services (c) Financial Services (d) Developmental Projects and (e) Others comprising Realty, Shipbuilding, Ready Mix Concrete, Mining and Aviation.

The Integrated Engineering Services which forms part of "Others" segment at the standalone level is reported as part of IT and Technology Services at the consolidated level.

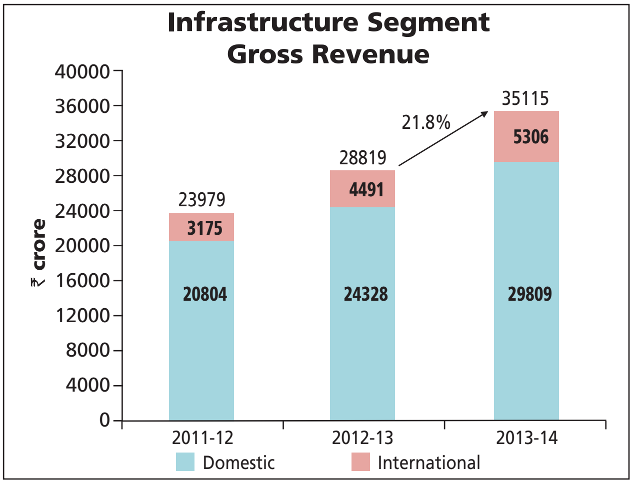
1. Infrastructure Segment

1.1. L&T Standalone:

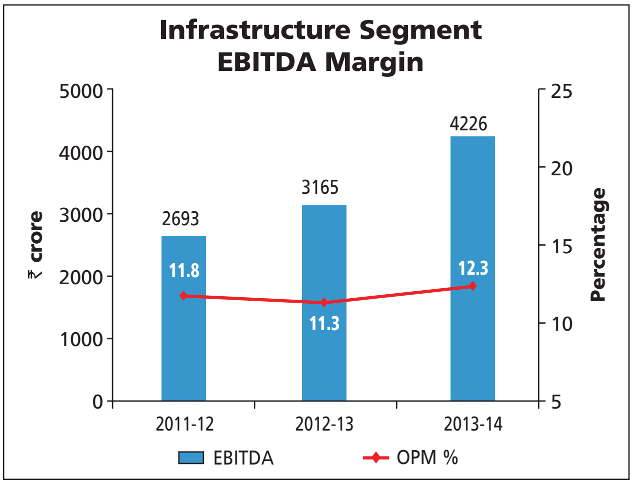
Order inflow of the segment during the year at ₹ 76396 crore registered a healthy growth of 37% over the previous year. Heavy Civil, Transportation Infrastructure and Water & Renewable Energy businesses have recorded significant growth in the order inflow. Buildings & Factories and Power Transmission & Distribution businesses also secured major orders during the year 2013-14.



The segment revenue for the year at ₹ 35115 crore recorded a significant increase of 22% over the previous year, despite slow progress on a few jobs under execution due to various reasons. The revenue growth was mainly driven by Power Transmission and Distribution, Buildings & Factories, Transportation Infrastructure and Water & Renewable Energy businesses. International sales revenue during the year 2013-14 at ₹ 5306 crore grew by 18% as compared to ₹ 4491 crore for 2012-13 led by Power Transmission and Distribution, Buildings & Factories and Transportation Infrastructure businesses.

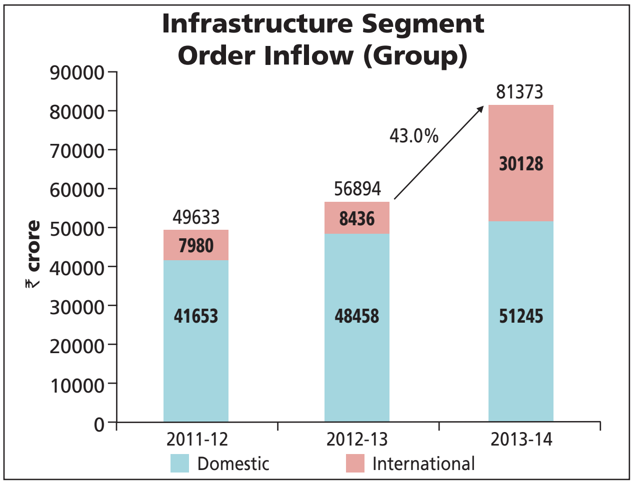


The segment recorded improved EBITDA margin of 12.3% for 2013-14 vis-à-vis 11.3% earned in the previous year on the back of execution efficiencies and better contract management.

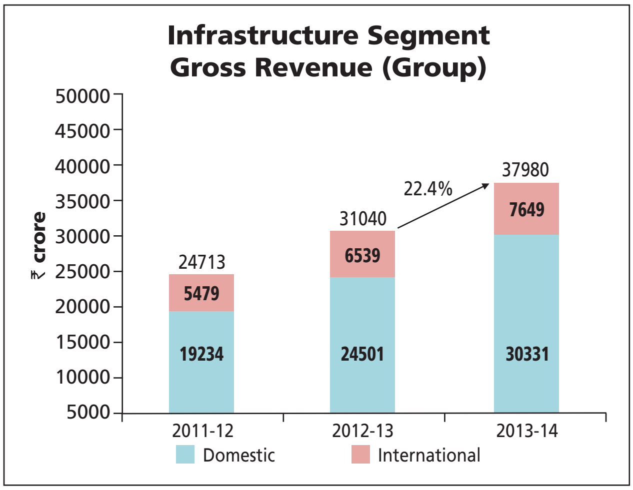


1.2. L&T Group:

Order inflow at the Group level in the Infrastructure segment grew by 43% to ₹ 81373 crore for the year 2013-14. The order inflow growth has been contributed by international projects bagged through unincorporated joint ventures with consortium partners.



At Group level, Infrastructure segment recorded gross segment revenue of ₹ 37980 crore for the year 2013-14 registering 22% growth over the previous year in line with growth recorded at standalone level under the Infrastructure segment.



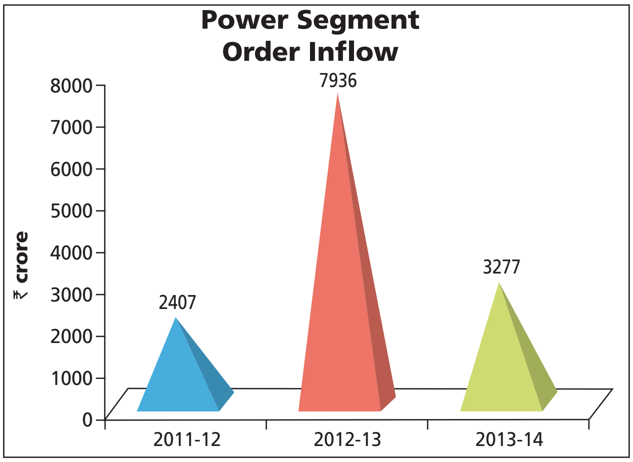
The Group segment EBITDA margin improved to 11.0% during the year 2013-14 vis-à-vis 10.7% earned in the year 2012-13 after absorbing cost overruns on a few jobs being executed by the subsidiary companies.

The Funds Employed by the Group segment at ₹ 12910 crore as at March 31, 2014 increased by ₹ 3342 crore as compared to the position as on March 31, 2013.

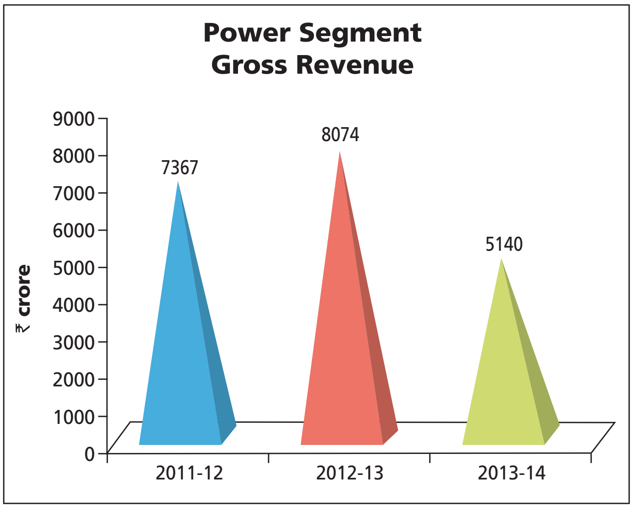
2. Power Segment

2.1. L&T Standalone:

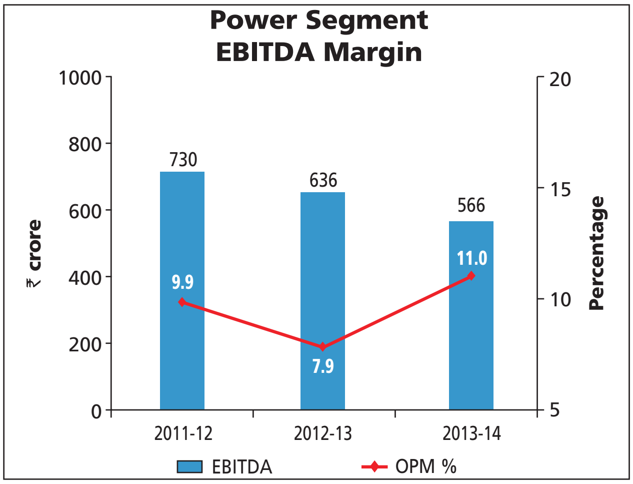
Order inflow of the segment during the year at ₹ 3277 crore registered a decline of 59% over the previous year. The year witnessed drying up of order prospects, as the power sector in India faced multiple bottlenecks, which impacted new investments in the sector. The segment, however, secured a prestigious international order towards the end of the year.



The segment revenue for the year at ₹ 5140 crore also declined 36% over the previous year, mainly due to lower opening order book and delays in award of targeted order inflow.

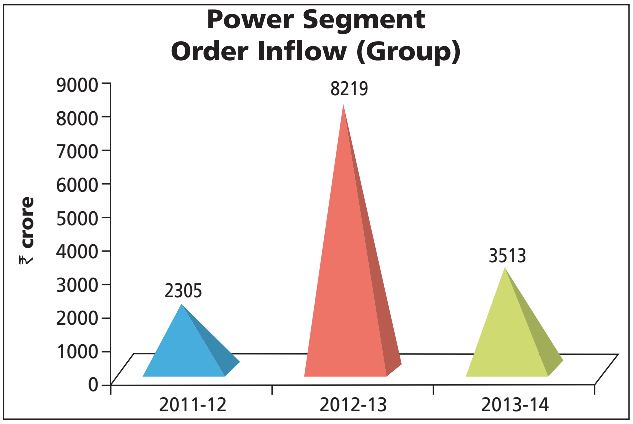


The segment recorded improved EBITDA margin of 11.0% for 2013-14 vis-à-vis 7.9% earned in the previous year on the back of progress achieved on the jobs under execution.

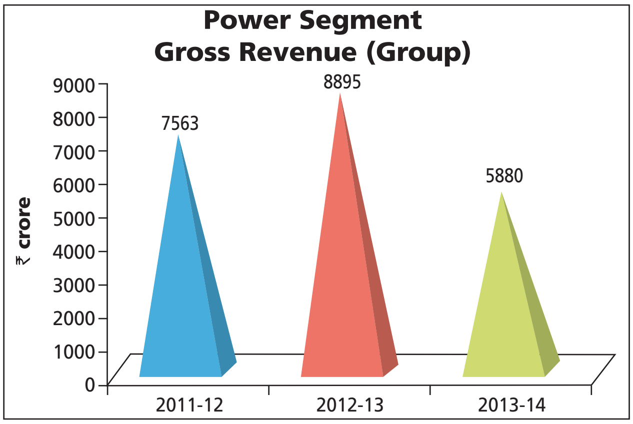


2.2. L&T Group:

Order Inflow at the Group level in the Power segment declined by 57% to ₹ 3513 crore during the year 2013-14. The decline in order inflow at standalone level resulted in decline in the order inflow at the Group level.



At Group level, Power segment recorded gross segment revenue of ₹ 5880 crore for the year ended



March 31, 2014 registering a decline of 34% over the previous year in line with decline recorded at standalone segment level.

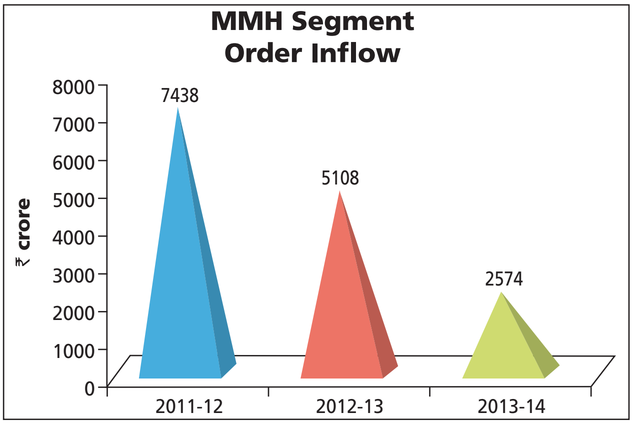
The Group segment recorded improved EBITDA margin of 23.1% during the year ended March 31, 2014 vis-à-vis 14.4% in 2012-13 mainly due to better margins recorded by L&T-MHI Boilers Private Limited, a subsidiary of the Company.

The Funds Employed by the Group segment at ₹ 1824 crore as at March 31, 2014 decreased by ₹ 247 crore as compared to the position as on March 31, 2013.

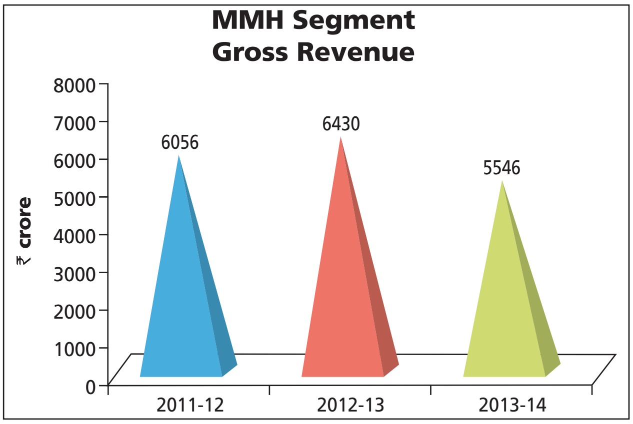
3. Metallurgical and Material Handling Segment

3.1. L&T Standalone:

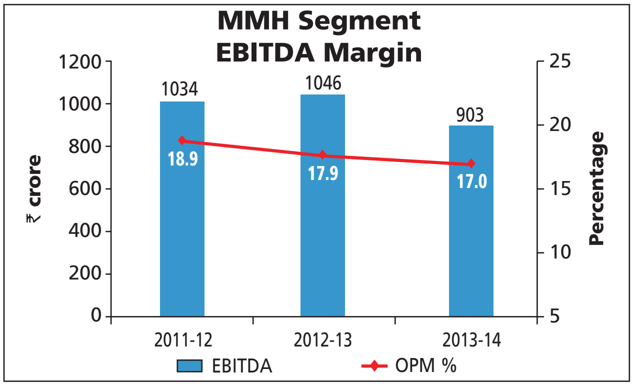
Order inflow of the segment during the year at ₹ 2574 crore registered a decline of 50% over the previous year. Order inflow was lower due to deferment of targeted orders, as Minerals & Metals sector which constitutes major customer base for the segment, witnessed slower growth on account of several unresolved policy issues.



The segment revenue for the year at ₹ 5546 crore declined by 14% over the previous year due to reduced opening order book and delays in receipt of fresh orders.



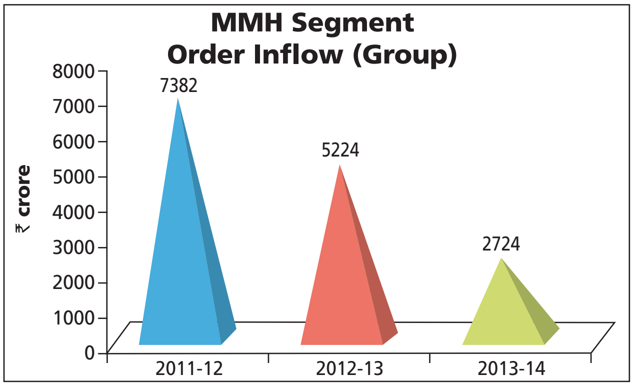
The segment recorded decline in EBITDA margin at 17.0% for 2013-14 vis-à-vis 17.9% earned in the previous year on account of cost overruns and delays in approval of claims.



MMH Segment EBITDA Margin

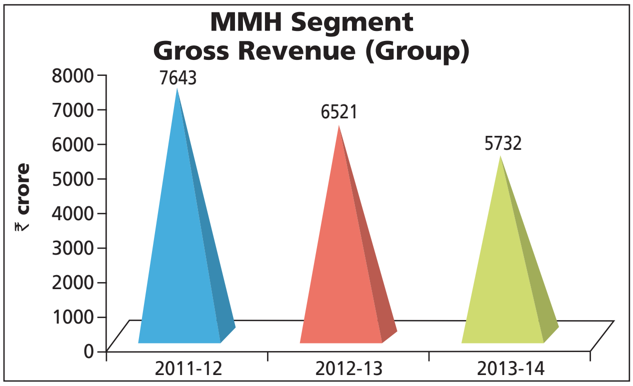
3.2. L&T Group:

Order inflow at the Group level at ₹ 2724 crore in the MMH segment showed a decline of 48% during the year 2013-14. The international subsidiary Company under the segment secured fresh orders during the year 2013-14.



MMH Segment Order Inflow (Group)

At Group level, MMH segment recorded gross segment revenue of ₹ 5732 crore for the year ended March 31, 2014 registering a decline of 12% over the previous year.



MMH Segment Gross Revenue (Group)

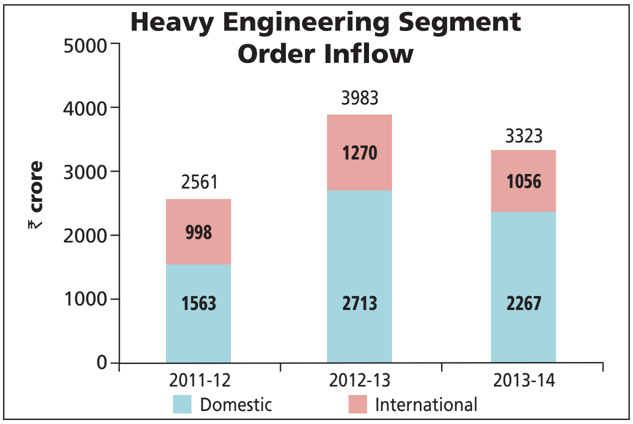
The Group segment recorded decline in EBITDA margin at 16.6% during the year ended March 31, 2014 vis-à-vis 17.7% in 2012-13 in line with the decline at the standalone level.

The Funds Employed by the Group segment at ₹ 3043 crore as at March 31, 2014 increased by ₹ 441 crore as compared to the position as on March 31, 2013.

4. Heavy Engineering Segment

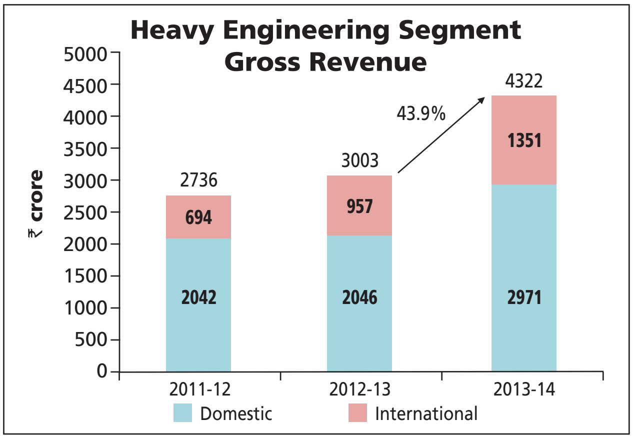
4.1. L&T Standalone:

Order inflow of the segment during the year at ₹ 3323 crore registered a decline of 17% over the previous year due to postponement of projects and the consequent deferment of targeted orders. International orders at ₹ 1056 crore represents 32% of the total order inflow.



Heavy Engineering Segment Order Inflow

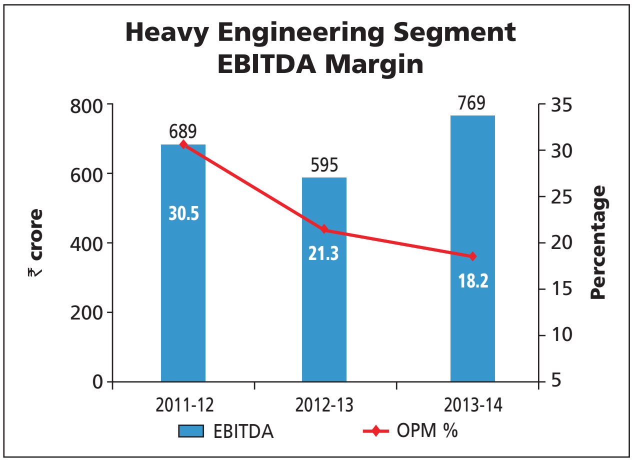
The segment revenue for the year at ₹ 4322 crore registered an impressive growth of 44% over the previous year, mainly driven by Process Plant & Nuclear Equipment jobs under execution. International revenue



Heavy Engineering Segment Gross Revenue

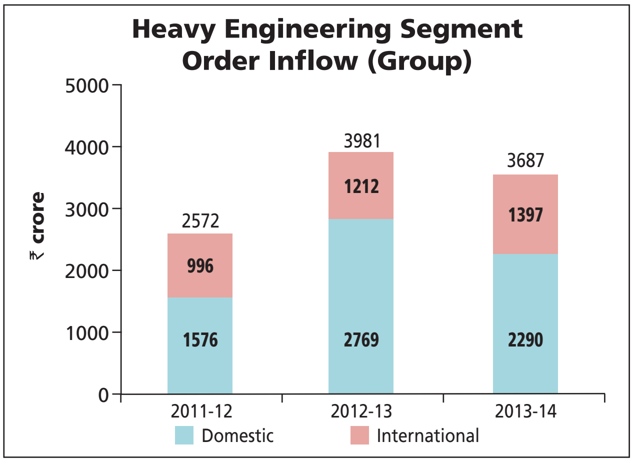
during the year 2013-14 at ₹ 1351 crore grew 41% as compared to ₹ 957 crore for 2012-13.

The segment EBITDA margins for both 2013-14 and 2012-13 were subdued due to cost overruns. The segment recorded a decline in EBITDA margin at 18.2% for the year 2013-14 vis-à-vis 21.3% earned in the previous year.

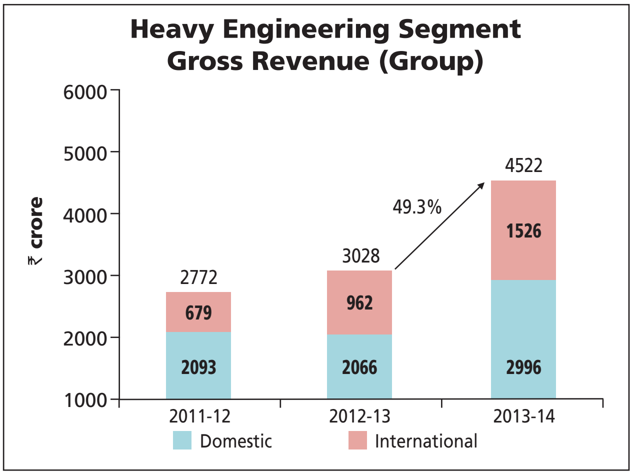


4.2. L&T Group:

Group level order inflow in the Heavy Engineering segment declined by 7% to ₹ 3687 crore for the year ended March 31, 2014. During the year, L&T Heavy Engineering LLC, a subsidiary company operating at Oman improved its order procurement on the back of certain successful pre-qualifications.



At Group level, Heavy Engineering segment recorded gross segment revenue of ₹ 4522 crore for the year ended March 31, 2014 registering 49% growth over the previous year in line with growth recorded at standalone segment level.



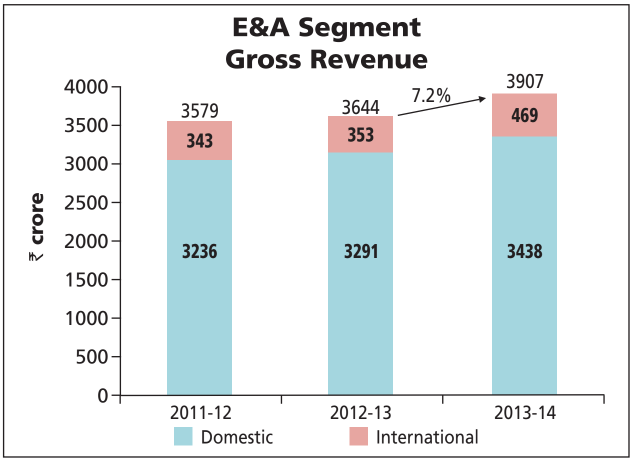
The Group segment recorded EBITDA margin of 15.8% during the year ended March 31, 2014 vis-à-vis 19.0% in 2012-13. L&T Special Steels and Heavy Forgings Private Limited, a joint venture with NPCIL, operated below its full commercial scale being the first full year of its operations. The under recovery of fixed overheads of this new facility adversely impacted the EBIDTA margin of the segment.

The Funds Employed by the Group segment at ₹ 4276 crore as at March 31, 2014 increased by ₹ 412 crore as compared to the position as on March 31, 2013.

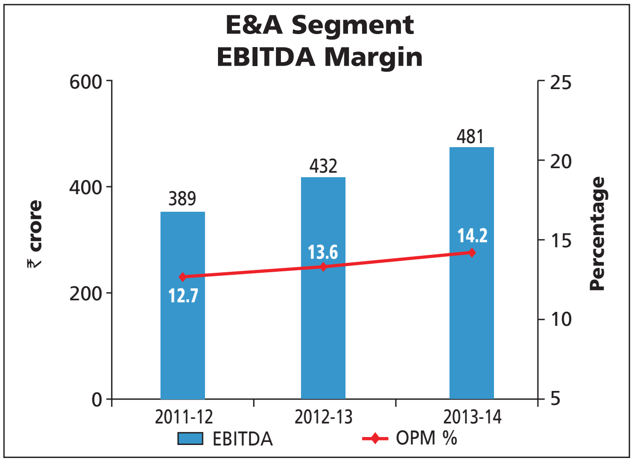
5. Electrical & Automation Segment

5.1. L&T Standalone:

The segment revenue of Electrical & Automation business stood at ₹ 3907 crore for the year 2013-14, recording an increase of 7% over the previous year



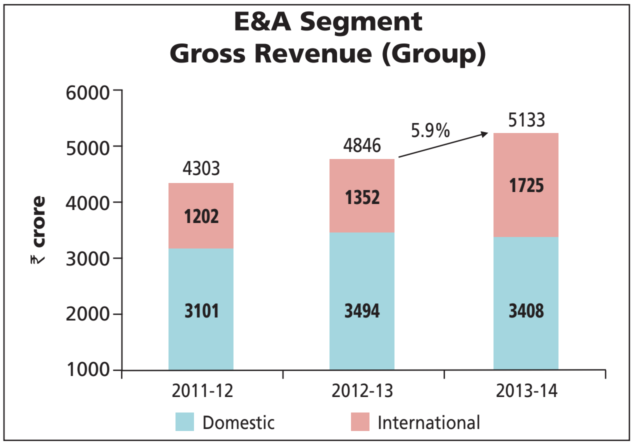
despite slow-down in the market demand during the year. International revenue contributed about 12% of the total revenues during the year 2013-14.



The EBITDA margin for the year at 14.2% improved by 60 basis points as compared with the previous year, contributed by operational efficiencies and better sales mix.

5.2. L&T Group

At Group level, E&A segment recorded gross segment revenue of ₹ 5133 crore for the year ended March 31, 2014 registering 6% growth over the previous year. The revenue growth at the group level was driven by the performance of Tamco Group of subsidiary companies and the subsidiaries operating in the Middle East.



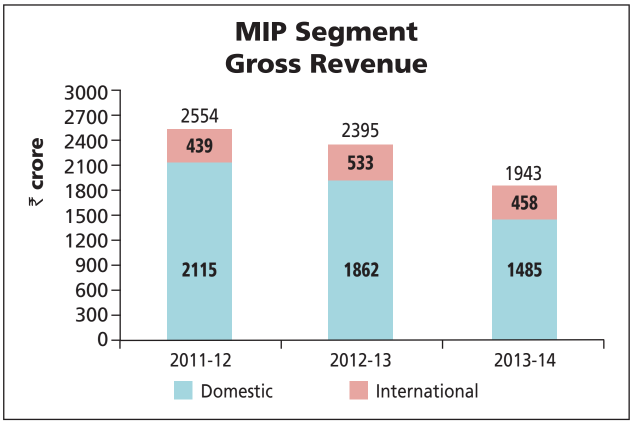
The Group segment recorded EBITDA margin of 13.3% during the year ended March 31, 2014 vis-à-vis 14.1% in the year 2012-13. The decline in the EBIDTA Margin at group level is attributable to lower margin realisation by a few international subsidiaries.

The Funds Employed by the Group segment at ₹ 2401 crore as at March 31, 2014 increased by ₹ 271 crore as compared to the position as on March 31, 2013.

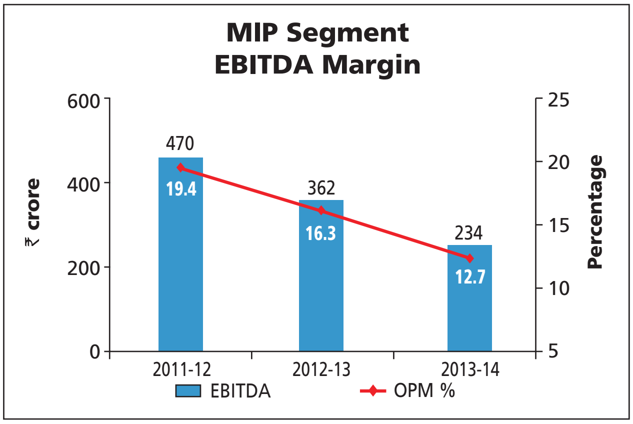
6. Machinery & Industrial Products Segment (MIP)

6.1. L&T Standalone:

The segment revenue declined in the year 2013-14 to ₹ 1943 crore due to restructuring of business portfolio and sluggish market conditions. International sales revenue during 2013-14 at ₹ 458 crore constituted 24% of the revenue during the year, largely led by Industrial Valves and Rubber Processing Machinery businesses.

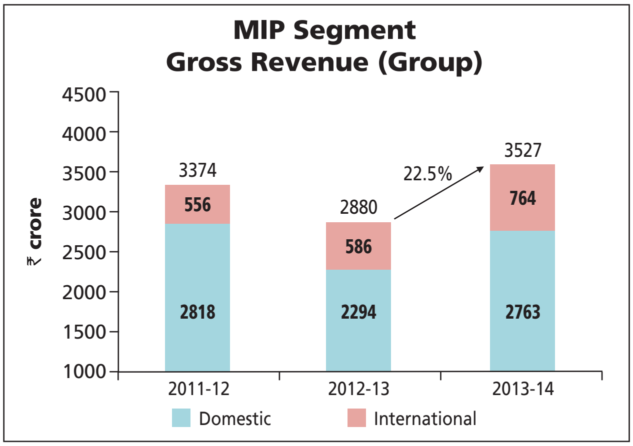


The segment margin declined during the year 2013-14 to 12.7% compared to 16.3% in the previous year due to the lower sales volume and competitive pressures.



6.2. L&T Group:

At Group level, MIP segment recorded 22% growth in segment gross revenue of ₹ 3527 crore for the year 2013-14 vis-à-vis ₹ 2880 crore in the previous year. The growth in revenue at segment level is mainly attributable to consolidation of full year performance of L&T Valves Limited and L&T Construction Equipment Limited which have become subsidiaries post acquisition of the balance 50% stake by the Company. International revenues represent about 21.7% of total segment revenue for 2013-14 at Group level.

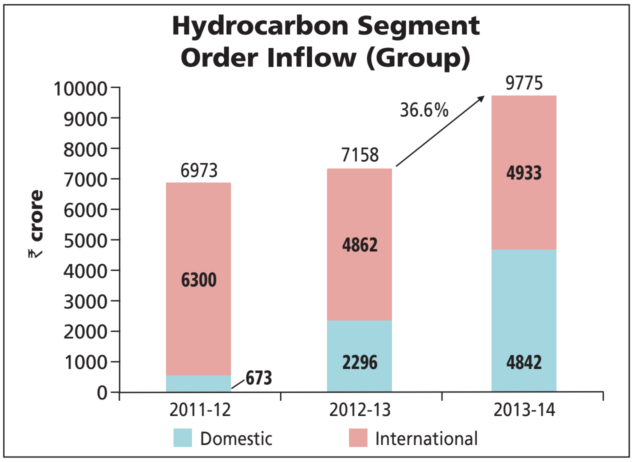


The MIP segment recorded an EBITDA margin of 13.8% during the year 2013-14 as against 16.1% during the previous year due to changes in the sales mix and competitive pressures.

The Funds Employed by the Group segment at ₹ 1288 crore as at March 31, 2014 increased by ₹ 85 crore as compared to the position as on March 31, 2013.

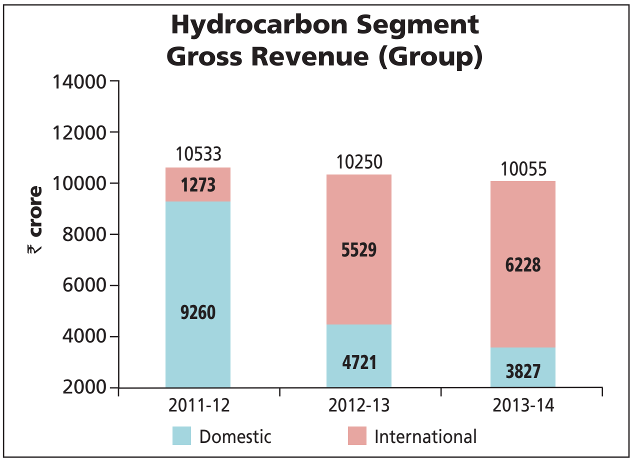
7. Hydrocarbon Segment

Hydrocarbon segment, at consolidated level, represented by L&T Hydrocarbon Engineering Limited and other subsidiaries recorded order inflow of ₹ 9775 crore during 2013-14 registering a growth of 37% for the year ended March 31, 2014. The growth was driven by domestic orders bagged by L&T Hydrocarbon Engineering Limited. International orders accounted for nearly 51% of total order inflow for 2013-14.



Hydrocarbon segment recorded gross segment revenue of ₹ 10055 crore for the year ended March 31, 2014 registering a marginal decline of 2% over the previous year. The revenues were lower due to low order book consequent to modest order inflow for the segment over the last two years.

International revenues during 2013-14 registered a 13% growth over the previous year and constitute 62% of the total revenues of the segment.



The Group segment recorded a sharp decline in the EBITDA margin to 3% during the year 2013-14 vis-à-vis 11.6% in 2012-13. The margins declined significantly due to cost and time overruns in some of the international projects mainly by Hydrocarbon Construction & Pipelines jobs under execution.

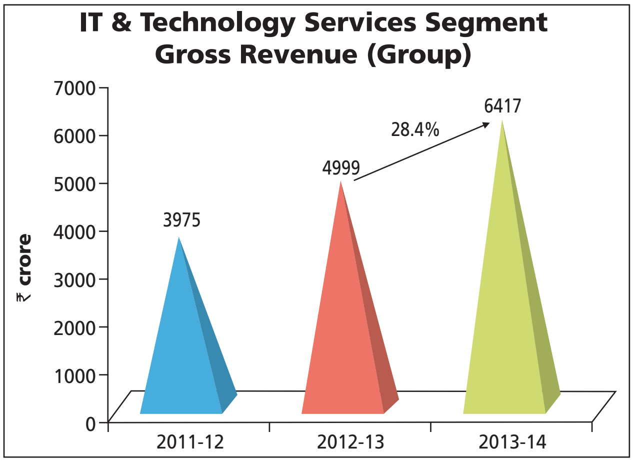
The Funds Employed by the Group segment at ₹ 3903 crore as at March 31, 2014 increased by ₹ 1642 crore as compared to the position as on March 31, 2013.

8. IT & Technology Services (IT&TS)

IT&TS segment at consolidated level comprises L&T Infotech Group of companies and Integrated Engineering Services (IES) business run by Larsen and Toubro Limited, the parent company. At standalone level, IES is grouped under "Others" segment of the parent company.

IT&TS segment recorded gross segment revenue of ₹ 6417 crore for the year ended March 31, 2014 registering an impressive growth of 28.4% over the previous year. Most of its revenues are from international customers.

L&T Infotech Group recorded total income of ₹ 4823 crore during the year ended March 31, 2014, registering 25% growth over the previous year. In USD terms, L&T Infotech Group recorded 18% growth over the previous year, on like-to-like basis.



Integrated Engineering Services business, a strategic business unit of L&T showed a robust growth of 29% in revenue for 2013-14 at ₹ 1638 crore. Enhanced business volumes coupled with favourable foreign currency rates enabled the segment to post growth in its revenue. In USD terms, IES registered 19% growth in its revenue over the previous year.

The EBITDA margin for the year 2013-14 stood healthy at 22.2%, however, the same is lower as compared to 24.0% recorded in the previous year. The drop in margin compared to previous year is mainly attributable to investment in building its sales and execution workforce and higher proportion of resources deployed onsite.

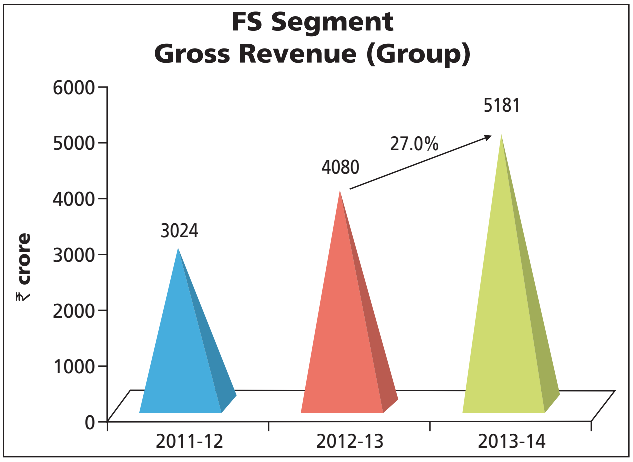
The Funds Employed by the Group segment at ₹ 2626 crore as at March 31, 2014 increased by ₹ 319 crore as compared to the position as on March 31, 2013.

9. Financial Services (FS)

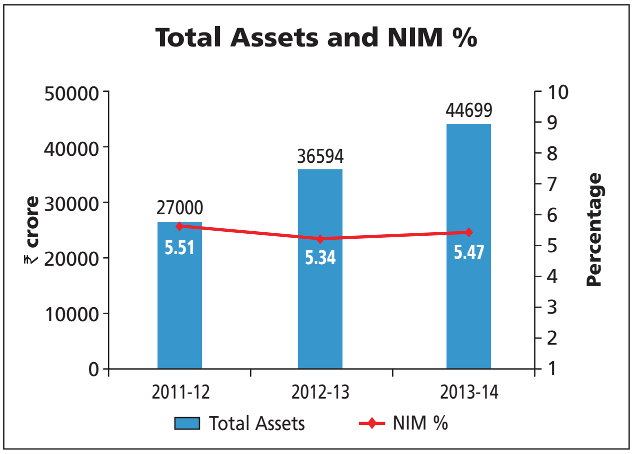
FS segment, represented by L&T Finance Holdings Limited and its subsidiaries, continued its growth momentum during the year ended March 31, 2014 with an impressive 27.0% growth in its revenue at ₹ 5181 crore. The segment recorded a stable net interest margin of 5.5% as against 5.3% in the previous year. The loan book of the segment at ₹ 40080 crore as at March 31, 2014, registered a healthy growth of 20% over the previous year with increased focus on retail segments and in operating assets of infrastructure sector.

The asset management business moved up to rank 13 in the mutual fund industry with the average assets under management recording a 63% increase over last year to reach ₹ 18255 crore.

The General Insurance business of the segment entered in its third full year of operations and achieved a Gross Written Premium (GWP) of ₹ 270 crore by selling more than 2,60,000 policies on the back of efficient policy issuance leveraging its high level technology platform. Motor Insurance remained the largest contributor to GWP with a share of 52%. Health and other Commercial lines of business accounted for 19% and 29% of the total GWP respectively. The business also made significant foray into individual health segment during the year. The business has established a pan India presence with 14 branches.



The FS segment disbursed fresh loans and advances of ₹ 25959 crore during the year 2013-14, recorded healthy growth of 13% over the previous year. Net Non-performing Assets (NPA) of the segment stood at 2.29% of loan assets as at March 31, 2014 as against 1.26% as on March 31, 2013, reflecting the credit environment in the country.



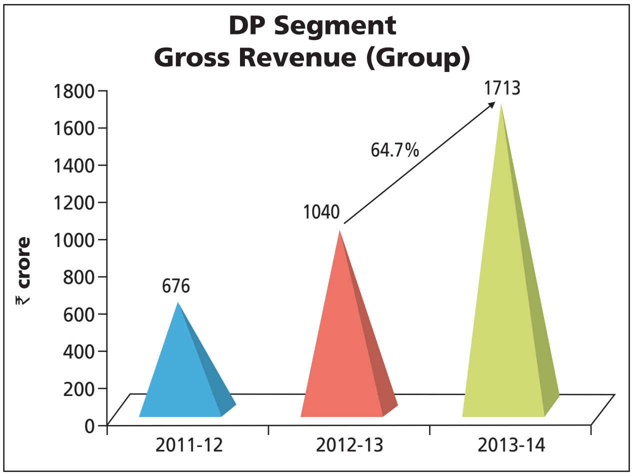
10. Developmental Projects (DP)

The Group has diversified Infrastructure Development business portfolio with a mix of projects under development across various sectors such as roads, bridges, ports, metro and power development. While power development projects are held and executed by L&T Power Development Limited, a subsidiary company, all the developmental projects in the other sectors are held and developed by L&T Infrastructure Development Projects Limited except in case of Kattupalli port which is housed its another subsidiary viz. L&T Shipbuilding Limited.

L&T Infrastructure Development Projects Limited (L&T IDPL), a subsidiary of the Company, holds majority of its investment in the transportation infrastructure and port sectors. The Group owns 25 concessions in transportation infrastructure development space under its fold out of which 19 are roads and bridges, 3 ports, 1 transmission line project, 1 metro rail project and 1 property development project with total estimated project cost of ₹ 46124 crore. As on March 31, 2014, 13 projects are under operation, 6 projects are under implementation and 6 projects are under development.

As for developmental projects in power sector, the Group has 5 power projects (1 thermal and 4 hydel) under development/operation. The total estimated cost of projects under development aggregate to ₹ 18132 crore. The unit 1 of the 2*700 MW super critical thermal power plant at Rajpura in Punjab commenced commercial operations during the year.

Developmental Projects segment recorded gross segment revenue of ₹ 1713 crore for the year ended March 31, 2014, registering a growth of 65% over the previous year.



The segment recorded improved EBITDA of ₹ 810 crore for the year 2013-14 vis-à-vis ₹ 698 crore for the previous year on account of improved performance of Dhamra Port Company Limited. Most of the operating road SPVs of the segment are in the initial stage of operations and therefore, have not achieved its full scale of the toll income.

The Funds Employed by the Group segment at ₹ 30587 crore as at March 31, 2014 increased by ₹ 7981 crore as compared to the position as on March 31, 2013.

11. Others Segment

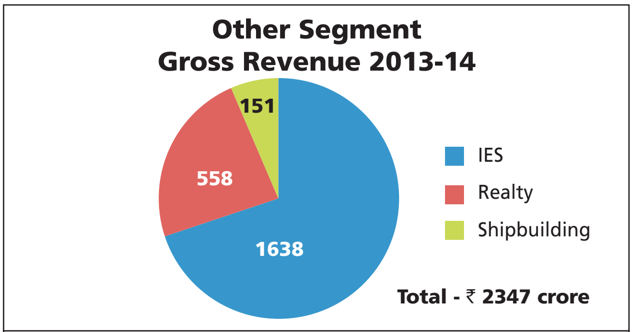
11.1. L&T Standalone

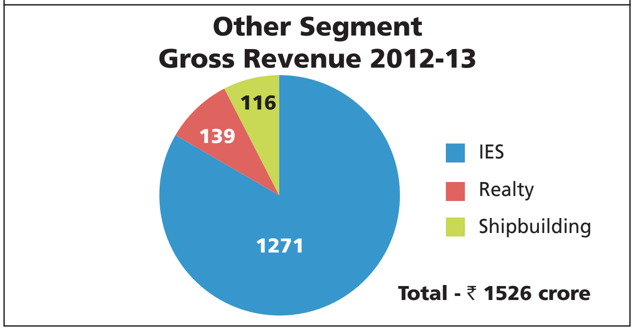
Others segment at the L&T standalone level comprises Realty business, Shipbuilding activity at Hazira works and Integrated Engineering Services.

The segment revenue of Realty business for the year 2013-14 at ₹ 558 crore grew more than 4 times over previous year. The entire revenue accrued from domestic operations. The segment EBITDA of Realty business for the year 2013-14 stood at ₹ 279 crore compared to ₹ 59 crore in the previous year. The progress on the projects under execution contributed to EBITDA expansion during the year.

The segment revenue of Shipbuilding activity at Hazira works for the year 2013-14 at ₹ 151 crore grew by 30.2% over previous year. The EBITDA of Shipbuilding business for the year 2013-14 stood negative at ₹ 355 crore compared to negative EBITDA of ₹ 182 crore in the previous year. The losses on projects under execution due to time and cost overruns contributed to negative margin during the year.

The performance of IES has been explained under "IT&TS segment".



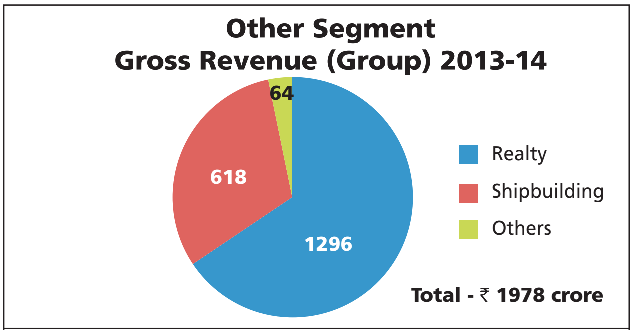


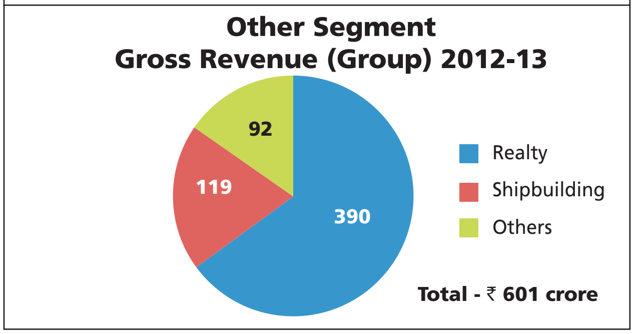
11.2. L&T Group:

Others segment at the consolidated level for L&T Group mainly comprises Realty and Shipbuilding. The operations of Ready Mix Concrete, Mining and Aviation businesses which form part of the Group, however, are not material.

At Group level, Realty business recorded robust growth in segment gross revenue of ₹ 1296 crore for the year 2013-14 vis-à-vis ₹ 390 crore in the previous year. The growth in revenue at segment level is mainly attributable to progress on four residential real estate development projects under execution. The Realty business recorded an EBITDA of ₹ 816 crore during the year 2013-14 as against ₹ 220 crore during the previous year as some of the projects under execution crossed their margin recognition threshold.

At Group level, Shipbuilding business recorded robust growth in segment gross revenue of ₹ 618 crore for the year 2013-14 vis-à-vis ₹ 119 crore in the previous year. The Shipbuilding business recorded a negative EBITDA of ₹ 499 crore during the year 2013-14 as against ₹ 243 crore during the previous year. The losses on projects under execution due to time and cost overruns and under recovery of overheads due to low capacity utilisation have resulted in negative margin during the year.





The Funds Employed by the Group segment at ₹ 8084 crore as at March 31, 2014 increased by ₹ 335 crore as compared to the position as on March 31, 2013.

II. RISK MANAGEMENT

The Company's primary activity of engineering and construction business combines opportunities with uncertainty and associated risks. Over last decade, Enterprise Risk Management (ERM) has evolved as an important function adding value to businesses. The Company has developed processes to map the risks across the businesses and respond effectively to achieve the strategic objectives defined by the Management. Despite the slowdown in the economy, the Company has been successful in tapping the opportunities both in domestic and international markets. This can be attributed to efficient risk enabling environment prevailing in the Company.

The risk management framework in the Company addresses risks that are strategic, tactical and operational in nature. The strategic risks arising out of the changes in macroeconomic factors, technological innovations, and geo-political landscape etc. get due attention of the Board and Management of the Company from time to time. The tactical risks, on the other hand, cover transactional strategies like project bidding, positioning with respect to competition, vendor related risks, credit profile of customers, financial health of Joint Venture and consortium partners, etc.

Each business group has a well-documented risk management policy and procedure that addresses the uniqueness of that business. A structured risk review at the pre-bid stage and also during the execution of the project along with well-defined authorisation matrix at business and corporation level have helped the Company in ensuring that the risks emanating in the projects get the due attention of the Management. The Senior Management also reviews the portfolio level risks at periodic intervals. In case of first time entry into a new country or geography, the risks and opportunities in the new geography are evaluated and approved.

Over the last few years, the Company has been pre-qualified and selected to participate in large international projects in Middle East and Far East. The challenges faced in the international projects are quite different compared to executing projects in India. The local content and manpower requirement across the countries continues to pose challenge for the EPC companies. The Company encounters fairly severe competition in these markets. In addition to country, client, regulatory and political risks, the newer set of risks like consortium arrangement and technology partnership have emerged due to the large size and complex nature of projects in these countries. Stringent quality requirements, increased focus on health, safety and environment makes execution of these projects extremely challenging especially in far away and under-developed areas. The Company, however, has a process to learn the business rules in areas like contracts administration, execution, customer intimacy, claims management, leadership development, internal controls, system related issues, etc. in those countries.

The Company is also mindful of strengthening the risk management architecture across L&T businesses and subsidiaries with the increase in Company's domestic and international business. The process also addresses areas like contracts management, talent acquisition and retention, information security, business continuity and disaster recovery systems, regulatory compliance, financial reporting and controls, liquidity management, capital adequacy etc. to ensure sustainable growth and profitability across the Group.

The Company focuses on the training efforts to strengthen the quality of risk managers both at corporation and business levels. The Company monitors the risk profile of customers, competitors, vendors, partners as well as sectors in which the Company has business interest to take well informed decisions. The Management believes that risks and opportunities are integral part of any business and is committed to spreading a culture of informed risk taking within defined parameters.

Internal Controls

Increasing international operations, dynamic business structure and changing methods of operations with advancement of technology warrant adequate internal control mechanism and constant review of its efficacy. The Company has an internal control mechanism which is commensurate with the size and complexity of business and aligned with evolving business needs.

A structured framework for monitoring and reporting of internal control systems in the Company is provided by the Corporate Policy on Internal Controls. Various business segments have well documented policies and standard operating procedures covering their business processes. Policies and procedures are reviewed periodically for any changes required due to change in business needs and improvements suggested during internal audit to strengthen the overall internal control systems of the Company. The Company regularly issues guidelines to ensure uniformity and reliability of financial statements and also has financial authorisation guidelines which are followed throughout the Company. The Company has its Code of Conduct and Whistle Blower policies in place.

Internal controls are expected to be embedded in business operations and standard operating procedures. Accordingly, Business Heads and Heads of Business Support functions are responsible for design and establishment of internal controls in their respective areas. There is a separate cell at corporate level which oversees the internal control mechanism in the Company. They help to formulate corporate level internal control policies and provide support to various businesses. They develop guidelines for areas of weakness which are identified during internal audit or as triggered by process owners or management based on internal or external risk factors.

The Company has an internal audit department that conducts audit of all units of the Company and its major S&A companies at regular intervals. The department is staffed adequately with qualified professionals in both technical and financial field. All significant observations and corrective actions taken are reviewed by the Management and Audit Committee of the Board.

The Company also periodically engages independent professional firms to carry out reviews of the effectiveness of various control processes in businesses and support functions which is in addition to the internal mechanism to review and monitor internal controls. Their observations and suggestions on good practices are reviewed by the Management and the Audit Committee of the Board for implementation and strengthening of the controls.

III. FINANCIAL RISKS

1. Capital Structure, Liquidity and Interest Rate Risks

The Company continues its policy of maintaining a conservative capital structure which has ensured that it retains the highest credit rating amidst an adverse economic environment. Low gearing levels also equip the Company with the ability 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.

Given the tough economic conditions in FY 2013-14, there has been an increase in the working capital levels of the Company. The Company has been investing capital into subsidiaries as scheduled and in some cases to provide for deterioration in performance caused by the economic/business downturn. The Company, however, continues to maintain adequate liquidity on the Balance Sheet to deal with economic cycles.

The Company judiciously deploys its periodical surplus funds in short term investments in line with the corporate treasury policy. The Company constantly monitors the liquidity levels, economic and capital market conditions and maintains access to the lowest cost means of sourcing liquidity through banking lines, trade finance and capital markets.

The Company dynamically manages interest rate risks through a mix of fund-raising products, investment products and derivative products across maturity profiles and currencies within a robust risk management framework.

2. Foreign Exchange and Commodity Price Risks

The various 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.

While the business related financial risks, especially involving commodity prices, by and large, are managed contractually through variations clauses, the Company's loan portfolio is managed by an appropriate choice of loan currency and appropriate treasury products, for balancing risks and at the same time optimising the borrowing costs.

Business related foreign exchange risks are insulated largely through hedging actions under the framework of a Board approved Risk Management Policy. Financial risks in each business portfolio are measured and managed centrally within the Company. These risks are reviewed periodically, quantified and managed within the acceptable thresholds as laid out in the Risk Management Policy of the Company. The process is also subject to an annual review by the Audit Committee.

The financial year 2013-14 was characterised by an unprecedented amount of volatility in foreign exchange and interest rate markets. The rupee moved from 54 to 69 and back to 60 per US Dollar during the year while the short term interest rates moved up by almost 2%. The Company was able to deal with the volatility in markets reasonably well given the robust financial risk management process in place. The Company has invested in strengthening the financial risk analytics framework to insulate the Company from such volatility.

IV. INFORMATION TECHNOLOGY

The use of Information Technology (IT) has always been an essential ingredient to the success of the Company. The Company views IT as a key enabler to improve productivity, efficiency and for providing a competitive advantage. The Company has over many years implemented Enterprise Resource Planning (ERP) and other solutions to handle the various business processes. Periodic upgrades and implementation of newer features of ERPs and other applications is being done regularly to keep the systems current and to meet emerging business requirements. Suitable enhancements to network bandwidth and other IT Infrastructure is also done proactively.

In line with the current trends in IT, the Company is evaluating and carrying out pilot implementations of solutions relating to mobility, social media, analytics and cloud computing. The implementation of social media within the enterprise is aimed at increasing communication, collaboration and employee engagement.

The Company has adopted the principles and technologies of cloud computing to create the L&T Private Cloud through the establishment of energy efficient data centers, virtualisation of compute and storage and consolidation. With this capability of providing on demand, scalable and secure IT resources to business, the Company plans to offer more applications and services from the private cloud. This will enable us to meet the changing business requirements at a faster pace and be more cost effective. Information security processes are reviewed periodically, enhanced through implementation of latest technologies and also certified through external ISO 27001 reviews.

Disclaimer

Certain statements in the Management Discussion and Analysis may contain "forward-looking statements" within the meaning of applicable securities laws and regulations concerning L&T's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, ability to manage international operations, government policies and actions with respect to investments, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. Past performance may not be indicative of future performance. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

Independent Auditors' Report

To the Members of Larsen & Toubro Limited

Report on the financial statements

We have audited the accompanying financial statements of Larsen & Toubro Limited ("the Company"), which comprise the balance sheet as at March 31, 2014, and the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013, of the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the central government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. the balance sheet, statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards notifed under the Act read with the General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013; and
   e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai, May 30, 2014

Annexure to the Auditors' report

(Referred to in paragraph (1) of our report of even date)

1 (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of all fixed assets.

(b) We are informed that the Company has formulated a programme of physical verification of all the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, the physical verification of the fixed assets has been carried out by management during the year and no material discrepancies were noticed on such verification.

(c) The Company has not disposed of any substantial part of its fixed assets so as to affect its going concern status.

2 (a) As explained to us, inventories have been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.

(b) As per the information given to us, the procedures of physical verification of inventory followed by management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3 (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b), (c) and (d) of the Order are not applicable.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(f) and (g) of the Order are not applicable.

4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.

5 According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956; accordingly paragraph 4(v) (b) of the Order is not applicable.

6 The Company had accepted deposits from the public and in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA and the relevant provisions of the Companies Act, 1956 and rules framed thereunder, where applicable, have been complied with. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. As of the date of the balance sheet, the Company has no fixed deposits other than unclaimed matured deposits.

7 In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

8 We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the central government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of all its manufacturing and construction activities and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.

9 (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues outstanding as at 31 March 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of sales tax, excise duty, service tax, customs duty, income tax and profession tax as at 31 March 2014 which have not been deposited on account of a dispute pending are as under:

Name of the statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
Central Sales Tax Act, Local Sales Tax Acts and Works Contract Tax Act	Non-submission of forms	1.46	1991-92, 1992-93, 1994-95, 1996-97 to 2003-04, 2005-06 to 2009-10	Commercial Tax Officer
	Non-submission of forms, dispute related to sales in transit, rejection of exemption certificates, rate of tax dispute and other matters	3.56	1991-92, 1992-93, 1993-94, 1996-97, 1997-98 and 1999-00 to 2011-12	Assistant Commissioner (Appeals)
	Non-submission of forms, additional demand for pending forms, rate of tax dispute, disallowance of branch transfer, sub-contractor's turnover, interest demand on road permit, disallowance of exemptions on sale of assets, transit sale and other matters	399.00	1989-90, 1991-92 to 2011-12	Deputy Commissioner(Appeals)
	Non-submission of forms, disallowance of transit sales, high seas sales, classification dispute and other matters	51.65	1993-94, 1996-97, 1997-98, 1999-00, 2001-02 to 2009-10	Joint Commissioner(Appeals)
	Non-submission of forms	8.52	1997-98, 2002-03 to 2011-12	Additional Commissioner(Appeals)
	Non-submission of forms, dispute related to sales in transit and other matters	0.52	2001-02 to 2004-05, 2006-07 and 2008-09	Commissioner (Appeals)
	Non-submission of forms, labour and service charges, sub-contractors turnover, pumping and freight charges, inter-state sales turnover, arbitrary demand raised, TDS disallowed, rate dispute, classification dispute, disallowance of works contract tax and other matters	325.24	1987-88, 1989-90 to 2011-12	Sales Tax Tribunal
	Classification dispute,tax deducted at source at lower rate, sales in transit, local VAT, local WCT, rate of tax of declared goods and other matters	259.46	1986-87, 1987-88, 1998-99 to 2011-12	High Court

Name of the statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
	Taxability of sub-contractor turnover, rate of tax for declared goods, inter-state sales, non-submission of forms and high seas sales	3.20	1991-92, 1995-96, 1997-98 and 1999-00 to 2006-07	Supreme Court
The Central Excise Act, 1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Disallowance of cenvat credit, excise duty refund rejected, short payment of service tax, excise duty on concrete mix made at site, service tax rate dispute and other matters	0.90	2006-07 to 2011-12	Commissioner (Appeals)
	Demand of excise duty on site fabricated steel structure, export rebate disallowance, valuation dispute, excise duty on concrete mix made at site, non-maintenance of proper records, packing/re-packing, labelling/re-labelling amounting to manufacturing activity and other matters	1215.66	1991-92, 2001-02 to 2011-12	CESTAT
	Dispute on site mix concrete and PSC grinder	0.27	1997-98	Supreme Court
	Demand of service tax including penalty and interest on lumpsum turnkey jobs and demand of penalty on late payment of service tax	27.18	2002-03 to 2011-12	CESTAT
	Export rebate claim and service tax on commercial construction service	10.47	2003-04 to 2006-07	High Court
Income-tax Act, 1961	Dispute regarding tax deducted at source at lower rates	0.97	2005-06, 2010-11 to 2012-13	Commissioner (Appeals)
	Assessment under section 143(3) read with section 144C(13)	188.10	2006-07 to 2008-09	ITAT
The Maharashtra State Tax on Professions, Trade Callings and Employments Act, 1975	Demands raised relating to employees located in other states	1.14	2007-08	Joint Commissioner (Appeals)

*Net of pre-deposit paid in getting the stay/appeal admitted

10 The Company has no accumulated losses as at March 31, 2014 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.

11 According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

12 According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13 The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.

14 In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.

15 In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by subsidiary companies from banks or financial institutions are not prima facie prejudicial to the interests of the Company.

16 In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purposes for which they were obtained.

17 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.

18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

19 According to the information and explanations given to us and the records examined by us, security or charge has been created in respect of the debentures issued.

20 The Company has not raised any money by public issues during the year.

21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No. 33013

Mumbai, May 30, 2014

Balance Sheet as at March 31, 2014

	Note	As at 31-3-2014		As at 31-3-2013	
		₹ crore	₹ crore	₹ crore	₹ crore
EQUITY AND LIABILITIES:					
Shareholders' Funds					
Share capital	**A**	185.38		*123.08*	
Reserves and surplus	**B**	33476.45		*29019.64*	
			33661.83		*29142.72*
Non-current liabilities					
Long term borrowings	**C(I)**	5478.14		*7271.03*	
Deferred tax liabilities (net)	**Q(13)**	409.92		*242.22*	
Other long term liabilities	**C(II)**	93.57		*502.03*	
Long term provisions	**C(III)**	299.61		*285.92*	
			6281.24		*8301.20*
Current liabilities					
Short term borrowings	**D(I)**	3876.04		*734.53*	
Current maturities of long term borrowings	**D(II)**	2104.74		*828.65*	
Trade payables	**D(III)**	16345.45		*16932.65*	
Other current liabilities	**D(IV)**	13921.76		*14400.47*	
Short term provisions	**D(V)**	2113.52		*2083.81*	
			38361.51		*34980.11*
TOTAL			78304.58		*72424.03*
ASSETS:					
Non-current assets					
Fixed Assets					
Tangible assets	**E(I)**	7560.81		*8218.75*	
Intangible assets	**E(II)**	113.99		*86.39*	
Capital-work-in-progress	**E(I)**	411.86		*491.05*	
Intangible assets under development	**E(II)**	150.55		*105.79*	
			8237.21		*8901.98*
Non-current investments	**F**		15168.41		*10522.70*
Long term loans and advances	**G(I)**		3721.57		*3669.07*
Cash and bank balances	**G(II)**		9.54		*39.02*
Other non-current assets	**G(III)**		53.24		*43.30*
Current assets					
Current investments	**H(I)**	4046.23		*5580.69*	
Inventories	**H(II)**	1982.53		*2064.18*	
Trade receivables	**H(III)**	21538.76		*22613.01*	
Cash and bank balances	**H(IV)**	1782.86		*1455.66*	
Short term loans and advances	**H(V)**	6345.65		*5743.76*	
Other current assets	**H(VI)**	15418.58		*11790.66*	
			51114.61		*49247.96*
TOTAL			78304.58		*72424.03*
CONTINGENT LIABILITIES	**I**				
COMMITMENTS (Capital and others)	**J**				
OTHER NOTES FORMING PART OF THE ACCOUNTS	**Q**				
SIGNIFICANT ACCOUNTING POLICIES	**R**				

A. M. NAIK
Group Executive Chairman

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai, May 30, 2014

N. HARIHARAN
Company Secretary

K. VENKATARAMANAN
Chief Executive Officer &
Managing Director

R. SHANKAR RAMAN
Chief Financial Officer &
Whole-time Director

S. RAJGOPAL

M. M. CHITALE

A. K. JAIN

M. DAMODARAN

VIKRAM SINGH MEHTA

Directors

Mumbai, May 30, 2014

Statement of Profit and Loss for the year ended March 31, 2014

	Note	2013–14 ₹ crore	2013–14 ₹ crore	2012–13 ₹ crore	2012–13 ₹ crore
REVENUE:					
Revenue from operations (gross)	K	57163.85		*52195.70*	
Less: Excise duty		564.93		*584.74*	
Revenue from operations (net)			56598.92		*51610.96*
Other income	L		1880.89		*1887.29*
Total revenue			58479.81		*53498.25*
EXPENSES:					
Manufacturing, construction and operating expenses:	M				
Cost of raw materials, components consumed		6002.80		*7574.93*	
Construction materials consumed		15973.55		*13927.00*	
Purchase of stock-in-trade		1922.16		*2063.23*	
Stores, spares and tools consumed		2054.07		*2093.09*	
Sub-contracting charges		13272.94		*12191.48*	
Changes in inventories of finished goods, work- in- progress and stock-in-trade		110.03		*(1090.87)*	
Other manufacturing, construction and operating expenses		4010.90		*3445.97*	
			43346.45		*40204.83*
Employee benefits expense	N		4662.37		*3860.93*
Sales, administration and other expenses	O		1932.03		*2085.66*
Finance costs	P		1076.08		*954.75*
Depreciation, amortisation and obsolescence		793.36		*728.69*	
Less: Transfer from revaluation reserve		0.94		*0.95*	
			792.42		*727.74*
			51809.35		*47833.91*
Less: Overheads charged to fixed assets			8.95		*13.60*
Total expenses			51800.40		*47820.31*
Profit before exceptional and extraordinary items and tax			6679.41		*5677.94*
Exceptional items	Q(3)(a)		588.50		*176.24*
Profit before extraordinary items and tax			7267.91		*5854.18*
Extraordinary items	Q(3)(b)		–		*78.11*
Profit before tax			7267.91		*5932.29*
Tax expenses					
Current tax	Q(5)	1686.53		*1412.01*	
Deferred tax	Q(13)	88.25		*135.79*	
			1774.78		*1547.80*
Profit after tax for the period from continuing operations			5493.13		*4384.49*
Profit from discontinued operations [Note Q(14)(g)]			–		*778.86*
Tax expense on discontinued operations [Note Q(14)(g)]			–		*252.70*
Profit from discontinued operations (after tax) [Note Q(14)(g)]			–		*526.16*
Profit for the period carried to Balance Sheet			5493.13		*4910.65*
Basic earnings per equity share before extraordinary items (₹)	Q(12)		59.36		*52.55*
Diluted earnings per equity share before extraordinary items (₹)	Q(12)		59.00		*52.12*
Basic earnings per equity share after extraordinary items (₹)	Q(12)		59.36		*53.33*
Diluted earnings per equity share after extraordinary items (₹)	Q(12)		59.00		*52.89*
Face value per equity share (₹)			2.00		*2.00*
OTHER NOTES FORMING PART OF THE ACCOUNTS	Q				
SIGNIFICANT ACCOUNTING POLICIES	R				

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Directors

Mumbai, May 30, 2014

Cash Flow Statement for the year ended March 31, 2014

		2013-14	*2012-13*
		₹ crore	*₹ crore*
I	**Cash flow from continuing operations**		
A.	**Cash flow from operating activities:**		
	Profit before tax (excluding extraordinary and exceptional items)	6679.41	*5677.94*
	Adjustments for:		
	Dividend received	(867.25)	*(589.66)*
	Depreciation, amortisation and obsolescence (net)	792.42	*727.74*
	Exchange difference on items grouped under financing/investing activities	192.43	*349.53*
	Effect of exchange rate changes on cash and cash equivalents	2.18	*(0.90)*
	Expenditure on voluntary retirement scheme	–	*(38.05)*
	Interest expense	1076.08	*954.75*
	Interest income	(494.92)	*(532.46)*
	Profit on sale of fixed assets (net)	(25.06)	*(226.23)*
	Profit on sale of investments (net)	(197.55)	*(248.92)*
	Employee stock option-discount forming part of staff expenses	55.88	*76.65*
	Provision/(reversal) for diminution in value of investments	13.64	*(17.24)*
	Operating profit before working capital changes	7227.26	*6133.15*
	Adjustments for:		
	(Increase)/decrease in trade and other receivables	(7445.20)	*(3652.71)*
	(Increase)/decrease in inventories	(27.55)	*(302.88)*
	Increase/(decrease) in trade payables and customer advances	3269.52	*947.53*
	Cash (used in)/generated from operations	3024.03	*3125.09*
	Direct taxes refund/(paid)-net	(1976.79)	*(1652.85)*
	Net cash (used in)/from operating activities	1047.24	*1472.24*
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets	(1014.97)	*(1298.95)*
	Sale of fixed assets (including advance received)	52.94	*298.94*
	Investment in subsidiaries, associates and joint ventures	(3640.36)	*(907.74)*
	Divestment of stake in subsidiaries, associates and joint ventures	727.24	*388.21*
	Purchase of long term investments	(0.10)	*(35.99)*
	Sale of long term investments	–	*218.26*
	(Purchase)/Sale of current investments (net)	1718.37	*1446.55*
	Deposits/Loans (given)/repaid (net)-subsidiaries, associates, joint venture companies and third parties (net)	(1375.50)	*57.79*
	Advance towards equity commitment (net)	(87.51)	*(743.00)*
	Interest received	491.35	*590.64*
	Dividend received from subsidiaries	863.06	*583.21*
	Dividend received from other investments	4.19	*6.45*
	Cash (used in)/from investing activities (before extraordinary items)	(2261.29)	*604.37*
	Extraordinary items		
	Cash received on sale of Valves Business Unit	149.60	*–*
	Consideration received on transfer of Hydrocarbon business pursuant to scheme of arrangement [Note Q(14)]	1760.00	*–*
	Amount transferred to L&T Hydrocarbon Engineering Limited pursuant to scheme of arrangement [Note Q(14)]	(862.63)	*–*
	Cash received (net of expenses) on sale of Medical Business	–	*52.36*
	Net cash (used in)/from investing activities (after extraordinary items)	(1214.32)	*656.73*

Cash Flow Statement for the year ended March 31, 2014 (contd.)

		2013-14	2013-14	2012-13
		₹ crore	₹ crore	₹ crore
C.	**Cash flow from financing activities:**			
	Proceeds from fresh issue of share capital		144.05	163.14
	Proceeds from long term borrowings		4165.87	3494.96
	Repayment of long term borrowings		(4981.69)	(2300.14)
	(Repayments)/Proceeds from other borrowings (net)		3428.25	(2710.03)
	Dividends paid		(1140.85)	(1012.79)
	Additional tax on dividend		(86.26)	(101.82)
	Interest paid (including cash flows from interest rate swaps)		(1025.32)	(849.55)
	Net cash (used in)/from financing activities		504.05	(3316.23)
	Net increase/(decrease) in cash and cash equivalents (A + B + C)		336.97	(1187.26)
II	**Cash flow from discontinued operations:**			
A.	**Net cash (used in)/from operating activities**		–	643.43
B.	**Net cash (used in)/from investing activities**		–	(191.80)
C.	**Net cash (used in)/from financing activities**		–	325.97
	Net increase/(decrease) in cash and cash equivalents (A + B + C)		–	777.60
	Net increase/(decrease) in cash and cash equivalents (I + II)		336.97	(409.66)
	Cash and cash equivalents at beginning of the year	1496.36		
	less : Transfer pursuant to scheme of arrangement [Note Q(14)]	(39.21)		
			1457.15	1906.02
	Cash and cash equivalents at end of the year		1794.12	1496.36

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
2. Purchase of fixed assets includes movement of capital work-in-progress during the year.
3. For cash and cash equivalents not available for immediate use as on the Balance Sheet date [Note G(II)(a)].
4. Cash and cash equivalents included in the Cash Flow Statement comprise the following :

		2013-14	2012-13
		₹ crore	₹ crore
(a)	Cash and cash equivalents disclosed under current assets [Note H(IV)]	1782.86	1455.66
(b)	Cash and cash equivalents disclosed under non-current assets [Note G(II)]	9.54	39.02
	Total cash and cash equivalents as per Balance Sheet	1792.40	1494.68
(c)	Unrealised exchange loss on cash and cash equivalents	1.72	1.68
	Total cash and cash equivalents as per Cash Flow Statement	1794.12	1496.36

5. Previous year's figures have been regrouped/reclassified wherever applicable.

A. M. NAIK
Group Executive Chairman

As per our report attached
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Directors

N. HARIHARAN
Company Secretary

Mumbai, May 30, 2014

Mumbai, May 30, 2014

Notes forming part of the Accounts

NOTE [A]

Share capital

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

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Authorised:				
Equity shares of ₹ 2 each	1,62,50,00,000	325.00	*1,62,50,00,000*	*325.00*
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	92,69,12,658	185.38	*61,53,85,981*	*123.08*

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

Particulars	2013-14		*2012-13*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity share outstanding at beginning of the year	61,53,85,981	123.08	*61,23,98,899*	*122.48*
Add: Shares issued on exercise of employee stock options during the year	32,32,101	0.65	*29,87,082*	*0.60*
Add: Shares issued as bonus on July 15, 2013	30,82,94,576	61.65	*–*	*–*
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	92,69,12,658	185.38	*61,53,85,981*	*123.08*

A(III) 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.

A(IV) Shareholder holding more than 5% of equity shares as at the end of the year:

Name of the shareholder	As at 31-3-2014		*As at 31-3-2013*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	15,75,56,473	17.00	*10,12,52,038*	*16.45*
L&T Employees Welfare Foundation	11,16,06,174	12.04	*7,44,04,116*	*12.09*
Administrator of the Specified Undertaking of the Unit Trust of India	7,59,25,962	8.19	*5,06,17,308*	*8.23*

A(V) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	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 #	98,66,116 @	1.97 *	*87,45,451*	*1.75 **
3.5% 5 years & 1 day US$ denominated foreign currency convertible bonds (FCCB) ##	73,60,864 @	1.47 **	*49,07,243*	*0.98 ***

* The equity shares will be issued at a premium of ₹ 367.43 crore *(previous year: ₹ 491.96 crore)*

** The equity shares will be issued at a premium of ₹ 934.93 crore *(previous year: ₹ 935.42 crore)* on the exercise of options by the bond holders

\# Note A(VIII) for terms of employee stock option schemes

\## Note D(II)(a) for terms of foreign currency convertible bonds

@ The number of options have been adjusted consequent to bonus issue wherever applicable

A(VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2014 are 30,82,94,576 *(previous period of five years ended March 31, 2013: 29,25,92,054 shares)*

Notes forming part of the Accounts (contd.)

A(VII) 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, 2014: Nil *(previous period of five years ended March 31, 2013: Nil)*

A(VIII) Stock option schemes

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 [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 schemes under various series are summarised below:

Sr. no.	Series reference	2000		2002 (A)		2002 (B)		2003 (A)		2003 (B)		2006		2006 (A)	
		2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*
1	Grant price (₹)	2.30*	*3.50*	2.30*	*3.50*	2.30*	*3.50*	11.70*	*17.50*	11.70*	*17.50*	400.70*	*601.00*	400.70*	*601.00*
2	Grant dates	1-6-2000		*19-4-2002*		19-4-2002		23-5-2003 onwards		23-5-2003 onwards		1-9-2006 onwards		1-7-2007 onwards	
3	Vesting commences on	1-6-2001		*19-4-2003*		19-4-2003		23-5-2004 onwards		23-5-2004 onwards		1-9-2007 onwards		1-7-2008 onwards	
4	Options granted and outstanding at the beginning of the year	16800	*16800*	21500	*21500*	39700	*39700*	31452	*31452*	435202	*647302*	911468	*2026751*	7289329	*8645349*
5	Options lapsed prior to bonus	–	–	–	–	–	–	–	–	3400	*62150*	2746	*42513*	201054	*781908*
6	Options granted prior to bonus	–	–	–	–	–	–	–	–	4500	*118000*	–	–	1115	*1072250*
7	Options exercised prior to bonus	–	–	–	–	–	–	–	–	45750	*267950*	387135	*1072770*	770285	*1646362*
8	Options granted and outstanding as on July 13, 2013**	16800	–	21500	–	39700	–	31452	–	390552	–	521587	–	6319105	–
9	Adjusted options as on July 13, 2013** consequent to bonus issue	25200	–	32250	–	59550	–	47178	–	585829	–	782390	–	9478918	–
10	Options lapsed post bonus issue	–	–	–	–	–	–	–	–	10950	–	21311	–	530097	–
11	Options granted post bonus issue	–	–	–	–	–	–	–	–	93300	–	–	–	1352790	–
12	Options exercised post bonus issue	–	–	–	–	–	–	–	–	168636	–	250898	–	1609397	–
13	Options granted and outstanding at the end of the year	25200	*16800*	32250	*21500*	59550	*39700*	47178	*31452*	499543	*435202*	510181	*911468*	8692214	*7289329*
	of which														
	Options vested	25200	*16800*	32250	*21500*	59550	*39700*	47178	*31452*	127015	*109802*	510181	*911468*	3096418	*2135578*
	Options yet to vest	–	–	–	–	–	–	–	–	372528	*325400*	–	–	5595796	*5153751*
14	Weighted average remaining contractual life of options (in years)	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	4.87	*5.12*	0.08	*0.51*	4.17	*4.39*

*Current year grant price restated pursuant to the issue of bonus shares ** Record date: July 13, 2013

c) The number and weighted average exercise price of stock options for the following group of options are as follows:

Particulars	2013-14		*2012-13*	
	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	87,45,451	564.54	*1,14,28,854*	*562.27*
(ii) Options granted pre bonus issue	5,615	133.37	*11,90,250*	*543.15*
(iii) Options allotted pre bonus issue	12,03,170	578.81	*29,87,082*	*548.66*
(iv) Options lapsed pre bonus issue	2,07,200	591.43	*8,86,571*	*560.10*
(v) Options granted and outstanding prior to bonus issue	73,40,696	561.11	–	–
(vi) Adjusted options consequent to bonus issue	1,10,11,315	374.10	–	–
(vii) Options granted post bonus issue	14,46,090	375.60	–	–
(viii) Options allotted post bonus issue	20,28,931	368.37	–	–
(ix) Options lapsed post bonus issue	5,62,358	393.13	–	–
(x) Options granted and outstanding at the end of the year	98,66,116	374.42	*87,45,451*	*564.54*
(xi) Options exercisable at the end of the year out of (x) *supra*	38,97,792	371.36	*32,66,300*	*561.50*

d) Weighted average share price at the date of exercise for stock options exercised during the period is ₹ 1120.61 *(previous year: ₹ 1452.14)* per share

e) i. In respect of stock options granted pursuant to the Company's stock options schemes, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation over the vesting period.

ii. Expense on employee stock option schemes debited to the Statement of Profit and Loss during 2013-14 is ₹ 55.88 crore *(previous year: ₹ 76.65 crore excluding ₹ 8.76 crore in respect of discontinued operations)* net of recoveries of ₹ 3.30 crore *(previous year: ₹ 6.18 crore)* from its Group companies towards the stock options granted to deputed employees, pursuant to the employee stock option schemes. (Note N). The entire amount pertains to equity-settled employee share-based payment plans.

f) During the year, the Company has recovered ₹ 16.01 crore *(previous year: ₹ 12.44 crore)* from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.

g) Had fair value method been adopted for expensing the compensation arising from employee share-based payment plans:

i. The employee compensation charge debited to the Statement of Profit and Loss for the year 2013-14 would have been higher by ₹ 21.30 crore *(previous year: ₹ 29.85 crore)* [excluding ₹ 5.45 crore *(previous year: ₹ 2.30 crore)* on account of grants to employees of subsidiary companies]

ii. Basic EPS before extraordinary items would have decreased from ₹ 59.36 per share to ₹ 59.13 per share

iii. Basic EPS after extraordinary items would have decreased from ₹ 59.36 per share to ₹ 59.13 per share

iv. Diluted EPS before extraordinary items would have decreased from ₹ 59.00 per share to ₹ 58.77 per share

v. Diluted EPS after extraordinary items would have decreased from ₹ 59.00 per share to ₹ 58.77 per share

h) Weighted average fair values of options granted during the year is ₹ 556.06 *(previous year: ₹ 606.23*)* per option

i) 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	2013-14	*2012-13*
(i)	Weighted average risk-free interest rate	8.88%	*8.05%*
(ii)	Weighted average expected life of options	4.34 years	*4.26 years*
(iii)	Weighted average expected volatility	38.00%	*39.38%*
(iv)	Weighted average expected dividends over the life of the option	₹ 53.42 per option	*₹ 46.83* per option*
(v)	Weighted average share price	₹ 834.48 per option	*₹ 878.54* per option*
(vi)	Weighted average exercise price	₹ 379.45 per share	*₹ 362.10* per share*
(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.	

j) The balance in share option outstanding account as on March 31, 2014 is ₹ 323.70 crore (net) *(previous year: ₹ 393.96 crore)*, including ₹ 148.22 crore *(previous year: ₹ 154.32 crore)* for which the options have been vested to employees as on March 31, 2014.

*Previous year figures have been restated pursuant to the issue of bonus shares.

A(IX) The Directors recommend payment of final dividend of ₹ 14.25 per equity share of ₹ 2 each on the number of shares outstanding as on the record date.

Provision for final dividend has been made in the books of account for 92,69,12,658 equity shares outstanding as at March 31, 2014 amounting to ₹ 1320.85 crore.

Notes forming part of the Accounts (contd.)

NOTE [B]

Reserves and surplus

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Capital reserve		10.52		*10.52*
Securities premium account: [Note Q(5)(b)]				
As per last Balance Sheet	7512.11		*7206.35*	
Addition during the year	291.50		*309.05*	
	7803.61		*7515.40*	
Less: Share/bond issue expenses (net of tax)	0.63		*0.57*	
Premium on inflation linked debentures (net of tax)	3.53		*–*	
Issue of Bonus shares	61.65		*–*	
Reversal of recoveries credited in previous years	–		*2.72*	
		7737.80		*7512.11*
Debenture redemption reserve:				
As per last Balance Sheet	168.26		*118.01*	
Add: Transferred from Surplus Statement of Profit and Loss	44.00		*50.25*	
Less: Transferred to general reserve	68.75		*–*	
		143.51		*168.26*
Revaluation reserve:				
As per last Balance Sheet	20.19		*21.14*	
Less: Transferred to Statement of Profit and Loss	0.94		*0.95*	
		19.25		*20.19*
Share options outstanding account:				
Employee stock options outstanding:				
As per last Balance Sheet	585.89		*709.00*	
Addition during the year	66.86		*92.20*	
Deduction during the year	193.52		*215.31*	
		459.23		*585.89*
Deferred employee compensation expense:				
As per last Balance Sheet	(191.93)		*(277.06)*	
Addition during the year	(66.86)		*(92.20)*	
Deduction during the year	123.26		*177.33*	
		(135.53)		*(191.93)*
Hedging reserve (net of tax): [Note Q(13)]				
As per last Balance Sheet	(332.87)		*(301.53)*	
Addition/(deduction) during the year (net)	62.35		*(31.34)*	
Add: Transfer pursuant to scheme of arrangement	148.27		*–*	
		(122.25)		*(332.87)*
General reserve:				
As per last Balance Sheet	20961.72		*17461.72*	
Add: Transferred from Surplus Statement of Profit and Loss	4000.00		*3500.00*	
Add: Transferred from debenture redemption reserve	68.75		*–*	
		25030.47		*20961.72*
Carried forward		33143.00		*28733.89*

Notes forming part of the Accounts (contd.)

NOTE [B]

Reserves and surplus *(contd.)*

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		33143.00		*28733.89*
Surplus Statement of Profit and Loss				
As per last Balance Sheet	285.75		*152.39*	
Profit for the year	5493.13		*4910.65*	
	5778.88		*5063.04*	
Less: Dividend paid for previous year	2.38		*2.33*	
Additional tax on dividend paid for previous year	0.40		*0.38*	
Transfer to general reserve	4000.00		*3500.00*	
Transfer to debenture redemption reserve	44.00		*50.25*	
Proposed dividend [Note A(IX)]	1320.85		*1138.47*	
Additional tax on dividend	77.80		*85.86*	
	5445.43	333.45	*4777.29*	*285.75*
		33476.45		*29019.64*

NOTE [C(I)]

Long term borrowings

Particulars	Note	As at 31-3-2014			*As at 31-3-2013*		
		Secured	Unsecured	Total *	*Secured*	*Unsecured*	*Total **
		₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	C(I)(a)	400.00	1050.00	1450.00	*900.00*	*1050.00*	*1950.00*
Redeemable non-convertible inflation linked debentures	C(I)(a)	–	105.34	105.34	–	–	–
3.50% Foreign currency convertible bonds	D(II)(a)	–	–	–	–	*1085.70*	*1085.70*
Term loans from banks	C(I)(b)	–	3921.73	3921.73	–	*4227.08*	*4227.08*
Sales tax deferment loan	C(I)(c)	–	1.07	1.07	–	*8.25*	*8.25*
		400.00	5078.14	5478.14	*900.00*	*6371.03*	*7271.03*

*Loans guaranteed by directors or others ₹ Nil *(previous year ₹ Nil)*

C(I)(a) i) **Secured redeemable non-convertible fixed rate debentures (privately placed):**

Sr. no.	Face value per debenture (₹)	Date of allotment	31-3-2014 ₹ crore	*31-3-2013 ₹ crore*	Interest for the year 2013-14	Terms of repayment for debentures outstanding as on 31-3-2014
1	10,00,000	January 5, 2009	400.00	*400.00*	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
2	10,00,000	December 5, 2008	–	*500.00*	11.45% p.a. payable annually	
Total			**400.00**	***900.00***		

Security: The debentures are secured by way of a first charge having *pari passu* rights on the immovable property at certain locations and part of a movable property of a business division, both present and future.

ii) **Unsecured redeemable non-convertible fixed rate debentures (privately placed):**

Sr. no.	Face value per debenture (₹)	Date of allotment	31-3-2014 ₹ crore	*31-3-2013 ₹ crore*	Interest for the year 2013-14	Terms of repayment for debentures outstanding as on 31-3-2014
1	10,00,000	April 10, 2012	250.00	*250.00*	9.75% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.

Notes forming part of the Accounts (contd.)

C(I)(a) ***(contd.)***

Sr. no.	Face value per debenture (₹)	Date of allotment	31-3-2014 ₹ crore	*31-3-2013 ₹ crore*	Interest for the year 2013-14	Terms of repayment for debentures outstanding as on 31-3-2014
2	10,00,000	May 26, 2010	300.00	*300.00*	8.95% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
3	10,00,000	May 11, 2010	300.00	*300.00*	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
4	10,00,000	April 13, 2010	200.00	*200.00*	8.80% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
Total			**1050.00**	***1050.00***		

iii) **Unsecured redeemable non-convertible inflation linked debentures:**

Sr. no.	Face value per debenture (₹)	Date of allotment	31-3-2014 ₹ crore	*31-3-2013 ₹ crore*	Interest for the year 2013-14	Terms of repayment for debentures outstanding as on 31-3-2014
1	10,00,000	May 23, 2013	105.34 #	–	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 will be calculated as per the following formula: [{Average reference WPI $ (on Maturity Date) / Average reference WPI (on Issue Date)} * Face Value] with Floor Rate as 3% and Cap Rate as 12%. $ WPI here refers to Wholesale Price Index

The principal amount has been calculated as [{Average reference WPI (as at 31-3-2014) / Average reference WPI (as at 23-5-2013)} * Face Value]

C(I)(b) Term loans from banks (unsecured): External Commercial Borrowings (ECBs)

Sr. no.	31-3-2014 ₹ crore	*31-3-2013 ₹ crore*	Rate of interest	Terms of repayment of term loan outstanding as on 31-3-2014
1	1198.30	*1085.70*	USD LIBOR + Spread	Repayable in 5 equal quarterly installments commencing from January 17, 2019 and ending on January 17, 2020
2	299.58	–	USD LIBOR + Spread	Repayment due on July 2, 2018
3	119.83	*108.57*	USD LIBOR + Spread	Repayment due on September 27, 2017
4	264.91	–	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016, (ii) August 30, 2017 and (iii) June 28, 2018
5	365.74	–	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016, (ii) August 30, 2017 and (iii) June 28, 2018
6	599.15	–	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016, (ii) August 30, 2017 and (iii) June 28, 2018
7	599.15	–	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016, (ii) August 30, 2017 and (iii) June 28, 2018
8	335.27	–	USD LIBOR + Spread	Repayable in 2 installments on (i) August 30, 2016 and (ii) August 30, 2017
9	174.75	*190.00*	USD LIBOR + Spread	Repayable in 5 equal installments payable annually from September 18, 2014 to September 18, 2017 with the final installment due on June 18, 2018
10	864.31	*858.65*	JPY LIBOR + Spread	Repayment due on July 26, 2014
11	–	*542.85*	USD LIBOR + Spread	
12	–	*542.85*	USD LIBOR + Spread	
13	–	*352.01*	JPY LIBOR + Spread	
14	–	*323.01*	JPY LIBOR + Spread	
15	–	*255.11*	JPY LIBOR + Spread	
16	–	*168.04*	JPY LIBOR + Spread	
17	–	*582.48*	JPY LIBOR + Spread	
Total	**4820.99**	***5009.27***		
Less:	899.26	*782.19*	Current portion of long term borrowings [Note D(II)]	
	3921.73	***4227.08***	Long term borrowings as disclosed in Note C(I)	

ECB's guaranteed by directors or others ₹ Nil *(previous year ₹ Nil)*

Notes forming part of the Accounts (contd.)

C(I)(c) Sales tax deferment loan (Unsecured):

Sr. no.	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*	Rate of Interest	Terms of repayment as on March 31, 2014
1	0.39	*0.39*	Interest Free	Repayable in 5 equal annual installment of ₹ 0.08 crore ending April 26, 2018
2	0.48	*0.60*		Repayable in 4 equal annual installment of ₹ 0.12 crore ending April 26, 2017
3	0.44	*0.58*		Repayable in 3 equal annual installment of ₹ 0.14 crore ending April 26, 2016
4	0.21	*0.31*		Repayable in 2 equal annual installment of ₹ 0.10 crore ending April 26, 2015
5	0.07	*0.15*		Repayable in 1 equal annual installment of ₹ 0.07 crore ending April 26, 2014
6	–	*0.05*		
7	6.66	*13.46*		Repayable on April 1, 2014
Total	**8.25**	***15.54***		
Less:	7.18	*7.29*	Current portion of long term borrowings [Note D(II)]	
	1.07	***8.25***	Long term borrowings as disclosed in [Note C(I)]	

C(I)(d) Long term maturities of finance lease obligations:

Sr. no.	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*	Terms of repayment as on March 31, 2014
1	–	*39.17*	
Less:	–	*39.17*	Current portion of long term borrowings [Note D(II)]
	–	**–**	

NOTE [C(II)]
Other long term liabilities

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
Forward contract payable	79.13	*485.44*
Others	14.44	*16.59*
	93.57	*502.03*

NOTE [C(III)]
Long term provisions

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
Provision for employee benefits:		
Employee pension scheme [Note Q(8)(ii)(a)]	175.52	*186.38*
Post-retirement medical benefits plan [Note Q(8)(ii)(a)]	96.54	*99.54*
Interest rate guarantee-provident fund [Note Q(8)(ii)(a)]	27.55	*–*
	299.61	*285.92*

Notes forming part of the Accounts (contd.)

NOTE [D(I)]

Short term borrowings

Particulars	As at 31-3-2014			*As at 31-3-2013*		
	Secured	Unsecured	Total*	*Secured*	*Unsecured*	*Total**
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand from banks [Note D(I)(a)]	104.45	81.22	185.67	*209.26*	*8.94*	*218.20*
Short term loans and advances from banks [Note D(I)(a)&(b)]	103.92	2773.79	2877.71	*124.75*	*391.58*	*516.33*
Short term borrowings against Government Securities [Note D(I)(c)]	698.86	–	698.86	–	–	–
Loans from related parties (Subsidiary companies)	–	113.80	113.80	–	–	–
	907.23	2968.81	3876.04	*334.01*	*400.52*	*734.53*

* Loans guaranteed by directors or others ₹ Nil *(previous year: ₹ Nil)*

D(I) (a) Loans repayable on demand from banks include fund based working capital facilities viz. cash credits and demand loans. The secured portion of loans repayable on demand from banks of ₹ 104.45 crore *(previous year: ₹ 209.26 crore)*, short term loans and advances from the banks of ₹ 103.92 crore *(previous year: ₹ 124.75 crore)*, working capital facilities and other non-fund based facilities viz. bank guarantees and letters of credit, are secured by hypothecation of inventories, book debts and receivables.

D(I) (b) Short term loans and advances from banks includes loans amounting to ₹ Nil *(previous year: ₹ 10.21 crore)* availed under bill discounting facility and are secured against specific receivables.

D(I) (c) Short term borrowings ₹ 698.86 crore *(previous year: ₹ Nil)* secured against Government Securities represent obligation under the Collateralized Borrowing and Lending Obligation segment through a daily auction conducted by Clearing Corporation of India Limited.

NOTE [D(II)]

Current maturities of long term borrowings

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore*	*₹ crore**
Unsecured		
3.50% Foreign currency convertible bonds [Note D(II)(a)]	1198.30	–
Term loan from banks [Note C(I)(b)]	899.26	*782.19*
Sales tax deferment loan [Note C(I)(c)]	7.18	*7.29*
Finance lease obligation [Note C(I)(d)]	–	*39.17*
	2104.74	*828.65*

* Loans guaranteed by directors or others ₹ Nil *(previous year: ₹ Nil)*

D(II) (a) Foreign currency convertible bonds

3.50% US$ denominated 5 years & 1 day Foreign Currency Convertible Bonds (FCCB) carried at ₹ 1198.30 crore as on March 31, 2014 *(₹ 1085.70 crore as on March 31, 2013)* represent 2000 bonds of US$ 1,00,000 each. The bonds are convertible into the Company's fully paid equity shares of ₹ 2 each at a conversion price of ₹ 1272.13 per share (Pre bonus conversion price was ₹ 1908.20 per share) at the option of the bond holders at any time on and after December 1, 2009 up to October 15, 2014. The bonds are redeemable, subject to fulfillment of certain conditions, in whole but not in part, at the option of the Company, on or at any time after October 21, 2012 but not less than seven business days prior to the maturity date, at the principal amount together with accrued interest (calculated up to but excluding the date of redemption) on the date fixed for redemption, unless the bonds have been previously redeemed, converted or purchased and cancelled.

Notes forming part of the Accounts (contd.)

NOTE [D(III)]

Trade payables

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
Acceptances	52.19	*607.23*
Due to related parties:		
Subsidiary companies	2536.29	*2966.63*
Associate companies	19.69	*44.39*
Joint venture companies	61.90	*30.32*
Micro and small enterprises [Note Q(23)]	53.94	*68.40*
Due to others	13621.44	*13215.68*
	16345.45	*16932.65*

NOTE [D(IV)]
Other current liabilities

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
Interest accrued but not due on borrowings	123.86	*116.42*
Interest accrued and due on borrowings	–	*0.02*
Unclaimed dividend	28.01	*23.85*
Due to customers (Construction related activity)	4080.37	*4369.41*
Due to customers (Property development projects)	98.37	*–*
Advances from customers	8207.75	*8723.26*
Other payable (including sales tax, service tax, excise duty and others) [Note D(IV)(a)]	1383.40	*1167.51*
	13921.76	*14400.47*

D(IV) (a) Other payable includes due to directors ₹ 52.90 crore *(previous year: ₹ 40.80 crore)* on account of commission.

NOTE [D(V)]
Short term provisions

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits :				
Gratuity [Note Q(8)(ii)(a)]	1.14		*1.11*	
Compensated absences	425.34		*416.54*	
Employee pension scheme [Note Q(8)(ii)(a)]	13.00		*11.98*	
Post-retirement medical benefits plan [Note Q(8)(ii)(a)]	5.92		*5.77*	
Bonus provision	11.24		*10.79*	
		456.64		*446.19*
Others:				
Current tax [Net of payment made ₹ Nil (*previous year ₹1658.05 crore*)]	–		*3.74*	
Proposed equity dividend	1320.85		*1138.47*	
Additional tax on dividend	77.80		*85.86*	
Other provisions [Note Q(16)]	258.23		*409.55*	
		1656.88		*1637.62*
		2113.52		*2083.81*

Notes forming part of the Accounts (contd.)

NOTE [E(I)]

Tangible assets

₹ crore

Class of assets	Cost/valuation					Depreciation					Impairment	Book value	
	As at 1-4-2013	Transferred to LTHEL*	Additions	Deductions	As at 31-3-2014	*Up to 31-3-2013*	Transferred to LTHEL*	For the year	Deductions	Up to 31-3-2014	As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
Land													
Freehold	*402.47*	1.03	1.12	–	402.56	–	–	–	–	–	–	402.56	*402.47*
Leashold	*138.18*	48.47	1.39	7.47	83.63	*7.22*	1.70	0.80	0.08	6.24	–	77.39	*130.96*
Sub total - Land	*540.65*	49.50	2.51	7.47	486.19	*7.22*	1.70	0.80	0.08	6.24	–	479.95	*533.43*
Buildings													
Owned	*2524.21*	117.17	154.73	8.03	2553.74	*353.61*	10.71	55.91	4.18	394.63	–	2159.11	*2170.60*
Leased out	*189.88*	–	–	–	189.88	*9.76*	–	3.62	–	13.38	–	176.50	*180.12*
Sub total -Buildings	*2714.09*	117.17	154.73	8.03	2743.62	*363.37*	10.71	59.53	4.18	408.01	–	2335.61	*2350.72*
Plant and equipment													
Owned	*7227.17*	874.46	615.37	102.38	6865.70	*2547.29*	292.90	531.74	50.29	2735.84	–	4129.86	*4679.88*
Leased out	*38.73*	–	–	4.51	34.22	*12.59*	–	1.20	4.51	9.28	6.93 #	18.01	*19.21*
Taken on lease	*8.88*	8.88	–	–	–	*3.17*	3.17	–	–	–	–	–	*5.71*
Sub total- Plant & equipment	*7274.78*	883.34	615.37	106.89	6899.92	*2563.05*	296.07	532.94	54.80	2745.12	6.93	4147.87	*4704.80*
Computers													
Owned	*496.61*	45.07	96.84	18.55	529.83	*275.65*	29.22	76.63	16.78	306.28	–	223.55	*220.96*
Taken on lease	*0.09*	–	–	–	0.09	*0.08*	–	–	–	0.08	–	0.01	*0.01*
Sub total - Computers	*496.70*	45.07	96.84	18.55	529.92	*275.73*	29.22	76.63	16.78	306.36	–	223.56	*220.97*
Office equipment													
Owned	*205.87*	26.38	37.19	3.16	213.52	*102.13*	12.87	22.91	2.42	109.75	–	103.77	*103.74*
Sub total - Office equipment	*205.87*	26.38	37.19	3.16	213.52	*102.13*	12.87	22.91	2.42	109.75	–	103.77	*103.74*
Furniture and fixtures													
Owned	*237.63*	11.76	25.02	4.53	246.36	*115.78*	7.24	22.38	3.03	127.89	–	118.47	*121.85*
Sub total - Furniture & fixture	*237.63*	11.76	25.02	4.53	246.36	*115.78*	7.24	22.38	3.03	127.89	–	118.47	*121.85*
Vehicles													
Owned	*236.56*	30.57	29.17	20.90	214.26	*99.44*	10.96	26.21	11.74	102.95	–	111.31	*137.12*
Taken on lease	*0.27*	0.27	–	–	–	*0.17*	0.17	–	–	–	–	–	*0.10*
Sub total-Vehicles	*236.83*	30.84	29.17	20.90	214.26	*99.61*	11.13	26.21	11.74	102.95	–	111.31	*137.22*
Other assets													
Owned													
Railway sidings	*0.25*	–	–	–	0.25	*0.25*	–	–	–	0.25	–	–	–
Ships	*71.46*	–	–	1.92	69.54	*22.47*	–	4.85	1.12	26.20	–	43.34	*48.99*
Sub total-Other assets	*71.71*	–	–	1.92	69.79	*22.72*	–	4.85	1.12	26.45	–	43.34	*48.99*
Lease Adjustment	–	–	–	–	–	–	–	–	–	–	–	(3.07)	*(3.07)*
Total	*11778.26*	1164.06	960.83	171.45	11403.58	*3549.61*	368.94	746.25	94.15	3832.77	6.93	7560.81	*8218.65*
Previous year	*10356.77*	*–*	*1590.40*	*168.91*	*11778.26*	*2840.17*	*–*	*788.23*	*78.79*	*3549.61*	*6.93*		
Add : Asset held for sale												–	*0.10*
												7560.81	*8218.75*
Add : Capital work-in-progress												411.86	*491.05*
												7972.67	*8709.80*

* In terms of the Scheme of Arrangement, fixed assets as on 1-4-2013 pertaining to hydrocarbon business have been transferred to L&T Hydrocarbon Engineering Limited (LTHEL) [Note Q(14)].

\# Impairment up to 31-03-2014 ₹ 6.93 crore. During the year ₹ Nil

1. Cost/Valuation of freehold land includes ₹ 0.14 crore for which conveyance is yet to be completed.

2. Cost/Valuation of buildings includes ownership accommodation:

   (i) (a) in various co-operative societies and apartments and shop-owners' associations: ₹ 82.62 crore, including 2,415 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250.

Notes forming part of the Accounts (contd.)

NOTE [E(I)] ***(contd.)***

(b) in various co-operative societies and apartments and shop-owners' associations: ₹ 19.07 crore for which share certificates are yet to be issued.

(c) in proposed co-operative societies ₹ 12.36 crore.

(ii) of ₹ 4.39 crore in respect of which the deed of conveyance is yet to be executed.

(iii) of ₹ 8.45 crore representing undivided share in properties at various locations.

3. Additions during the year and capital work-in-progress include ₹ 9.87 crore *(previous year ₹ 10.54 crore)* being borrowing cost capitalised in accordance with Accounting Standard (AS)16 on "Borrowing Costs" as specified in the Companies (Accounting Standards) Rules, 2006. Asset wise break-up of borrowing costs capitalised is as follows:

₹ crore

Asset class	2013-14	*2012-13*
Building owned	1.81	*17.06*
Owned Building Leased out	–	*3.17*
Plant and equipment owned	0.01	*6.22 **
Computer owned	–	*1.06*
Furniture and Fixtures owned	0.01	–
Capital work-in-progress	8.04	*(16.97) **
Total	9.87	*10.54*

* excludes ₹ 0.39 crore pertaining to the discontinued operations.

4. Depreciation for the year as per the statement of profit and loss accounts includes, obsolescence ₹ 17.09 crore *(previous year ₹ 7.59 crore excluding ₹ 0.67 crore pertaining to the discontinued operations)*.

5. Owned assets given on operating lease have been presented separately under tangible assets [Note E(I)] as per Accounting Standard (AS) 19.

6. Cost/valuation as at April 1, 2013 of individual assets has been reclassified wherever necessary.

7. Out of its lease hold land at Hazira, the Company has given certain portion of land for the use of its subsidiary company. The lease deed in respect of leasehold land given to the subsidiary company is under execution.

8. The Company had taken certain plant and equipment on finance lease in earlier years. The said assets have been acquired by the Company during 2013-14 at the end of the lease term. Accordingly, an amount of ₹ 133.22 crore being opening balance of cost of such assets and an amount of ₹ 51.57 crore being opening balance of the accumulated depreciation in respect of such assets have been reclassified as "owned assets" upon acquisition of ownership interest in such assets. The said assets are being depreciated at the rates prescribed under Schedule XIV to the Companies Act, 1956 or at the higher rates adopted by the Company for similar assets [Note R(9)(b)(ii)].

NOTE [E(II)]

Intangible assets

₹ crore

Particulars	Cost/valuation					Amortisation					Book value	
	As at 1-4-2013	Transferred to LTHEL*	Additions	Deductions	As at 31-3-2014	*Up to 31-3-2013*	Transferred to LTHEL*	For the year	Deductions	Up to 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
Specialised softwares	*182.96*	4.51	51.56	2.86	227.15	*105.69*	2.40	25.75	2.12	126.92	100.23	*77.27*
Technical knowhow	*17.63*	–	7.06	7.54	17.15	*13.93*	–	1.47	0.83	14.57	2.58	*3.70*
New product design and development	*6.78*	–	8.55	–	15.33	*1.36*	–	2.80	0.01	4.15	11.18	*5.42*
Total	*207.37*	4.51	67.17	10.40	259.63	*120.98*	2.40	30.02	2.96	145.64	113.99	*86.39*
Previous year	*179.67*	–	*33.94*	*6.24*	*207.37*	*102.44*	–	*22.93*	*4.39*	*120.98*		
Add: Intangible assets under development											150.55	*105.79*
											264.54	*192.18*

* In terms of the Scheme of Arrangement,fixed assets as on 1.4.2013 pertaining to hydrocarbon business have been transferred to L&T Hydrocarbon Engineering Limited (LTHEL) [Note Q(14)]

Notes forming part of the Accounts (contd.)

NOTE [F]

Non -current investments (at cost unless otherwise specified)

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Long term investments				
(1) Trade Investments				
(A) Investment in fully paid equity/preference instruments				
(a) Subsidiaries companies				
(i) Fully paid equity shares	13832.61		*10221.23*	
(ii) Fully paid preference shares	990.00		*–*	
		14822.61		*10221.23*
(b) Associate companies				
Fully paid equity shares	32.43		*92.46*	
Less: Provision for diminution in value	0.56		*0.56*	
		31.87		*91.90*
(c) Other companies	43.00		*42.90*	
Less: Provision for diminution in value	15.90		*15.90*	
		27.10		*27.00*
(B) Investment in integrated joint ventures		286.83		*182.57*
(2) Other Investments				
Other fully paid equity shares		–		*–*
		15168.41		*10522.70*

Non-current Investments (at cost unless otherwise specified)

Particulars	Face value per unit	Number of units As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
	₹		₹ crore	*₹ crore*
(1) Trade Investments				
(A) Investments in fully paid equity/preference instruments				
(a) Subsidiary companies:				
(i) Fully paid equity shares				
L&T Valves Limited (formerly known as Audco India Limited)	100	15,63,260	201.54	*201.54*
Bhilai Power Supply Company Limited	10	49,950	0.05	*0.05*
EWAC Alloys Limited	100	8,29,440	150.24	*150.24*
Hi-Tech Rock Products & Aggregates Limited	10	50,000	0.05	*0.05*
Kesun Iron & Steel Company Private Limited	10	9,500	0.01	*0.01*
Larsen & Toubro Consultoria E Projeto Ltda	R$ 1	96,819	0.27	*0.27*
L&T-Gulf Private Limited	10	40,00,016	4.00	*4.00*
L&T Ahmedabad-Maliya Tollway Limited [₹ 1000 *(previous year ₹ 1000)*]	10	100	–	*–*
L&T Aviation Services Private Limited	10	4,56,00,000	45.60	*45.60*
L&T Capital Company Limited	10	2,20,00,000	22.00	*22.00*
L&T Cassidian Limited	10	37,000	0.04	*0.04*
L&T Finance Holdings Limited (quoted)	10	1,31,65,89,609	1652.54	*1778.59*
L&T Chennai-TADA Tollway Limited [₹ 1000 *(previous year ₹ 1000)*]	10	100	–	*–*
L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited) (prior to April 15, 2013, Associate Company)	10	12,00,00,000	84.32	*–*
L&T Devihalli Hassan Tollway Limited [₹ 1000 *(previous year ₹ 1000)*]	10	100	–	*–*
L&T General Insurance Company Limited	10	49,50,00,000	495.00	*415.00*
L&T Halol-Shamlaji Tollway Limited [₹ 1000 *(previous year ₹ 1000)*]	10	100	–	*–*
L&T Howden Private Limited	10	1,50,30,000	15.03	*15.03*
L&T Infocity Limited	10	2,40,30,000	16.02	*16.02*
Carried forward			2686.71	*2648.44*

NOTE [F]

Non-current investments (at cost unless otherwise specified) *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
	₹		₹ crore	*₹ crore*
(i) Fully paid equity shares *(contd.)*				
Brought forward			2686.71	*2648.44*
L&T Metro Rail (Hyderabad) Limited	10	1,15,53,980	11.55	*5.30*
L&T Infrastructure Development Projects Limited	10	31,28,69,096	2696.48	*2696.47*
L&T Kobelco Machinery Private Limited	10	2,55,00,000	25.50	*25.50*
L&T Krishnagiri Walajahpet Tollway Limited [₹ 26000 *(previous year ₹ 26000)*]	10	2,600	–	–
L&T-MHI Boilers Private Limited	10	11,93,91,000	119.39	*119.39*
L&T-MHI Turbine Generators Private Limited	10	19,41,06,000	194.11	*173.71*
L&T Natural Resources Limited	10	50,000	0.05	*0.05*
L&T Power Development Limited	10	2,72,93,00,000	2729.30	*1799.00*
L&T Power Limited	10	51,157	0.05	*0.05*
L&T Powergen Limited	10	50,000	0.05	*0.05*
L&T Rajkot-Vadinar Tollway Limited [₹ 1000 (previous year ₹ 1000)]	10	100	–	–
L&T Realty Limited	10	4,71,60,700	47.16	*47.16*
L&T Samakhiali Gandhidham Tollway Limited	10	13,000	0.01	*0.01*
L&T Sapura Offshore Private Limited	10	6,000	0.01	*0.01*
L&T Sapura Shipping Private Limited	10	9,53,11,850	95.31	*95.31*
L&T Seawoods Private Limited	10	1,50,60,00,000	1506.00	*0.01*
L&T Shipbuilding Limited	10	81,86,80,000	818.68	*818.68*
L&T Solar Limited	10	50,000	0.05	*0.05*
L&T Special Steels and Heavy Forgings Private Limited	10	41,92,84,000	419.28	*399.60*
L&T Electricals and Automation Limited	10	50,000	0.05	*0.05*
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*
L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)	10	1,00,00,50,000	1000.05	*0.05*
L&T Technology Services Limited	10	10,25,00,000	102.50	*0.05*
L&T-Valdel Engineering Limited	10	11,79,000	23.89	*23.89*
Larsen & Toubro Infotech Limited	5	3,22,50,000	134.25	*134.25*
Larsen & Toubro International FZE	AED 550500	1,829	1147.40	*1147.40*
Larsen Toubro Arabia LLC	SAR 1000	7,500	11.08	*11.08*
Larsen & Toubro Hydrocarbon International Limited LLC	SAR 1000	450	0.68	–
Larsen & Toubro LLC	USD 1	50,000	0.23	*0.23*
Narmada Infrastructure Construction Enterprise Limited	10	–	–	*12.65*
PNG Tollway Limited	10	4,39,66,000	43.97	*43.97*
Raykal Aluminum Company Private Limited	10	37,750	0.04	*0.04*
Spectrum Infotech Private Limited	10	4,40,000	6.80	*6.80*
L&T Cutting Tools Limited (formerly known as Tractor Engineers Limited)	1,000	68,000	0.30	*0.30*
			13832.61	*10221.23*
(ii) Fully paid preference shares				
L&T Shipbuilding Limited -12% Non convertible cumulative redeemable preference shares, October 23, 2028	10	9,00,00,000	90.00	–
L&T Technology Services Limited -10% Non convertible redeemable preference shares,February 15, 2024	10	40,00,00,000	400.00	–
L&T Hydrocarbon Engineering Limited -10% Non convertible cumulative redeemable preference shares, February 7, 2029	10	50,00,00,000	500.00	–
			990.00	–
Total [1]-(A) (a) (i+ii)			14822.61	*10221.23*
(b) Associate companies:				
AIC Structural Steel Construction (India) Private Limited	10	–	–	*0.03*
Gujarat Leather Industries Limited	10	7,35,000	0.56	*0.56*
JSK Electricals Private Limited	10	21,20,040	2.12	*2.12*
Carried forward			2.68	*2.71*

Notes forming part of the Accounts (contd.)

NOTE [F]

Non-current investments (at cost unless otherwise specified) *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
	₹		₹ crore	*₹ crore*
(b) Associate companies: *(contd.)*				
Brought forward			2.68	*2.71*
L&T-Chiyoda Limited	10	45,00,000	4.50	*4.50*
L&T-Komatsu Limited (subsidiary company w.e.f. April 15, 2013)	10	–	–	*60.00*
L&T-Ramboll Consulting Engineers Limited	10	18,00,000	1.80	*1.80*
Magtorq Private Limited	100	9,000	4.42	*4.42*
Rishi Consfab Private Limited	10	27,04,000	2.70	*2.70*
Salzer Electronics Limited (quoted)	10	26,79,808	16.33	*16.33*
			32.43	*92.46*
Less: Provision for diminution in value			0.56	*0.56*
Total [1]-(A) (b)			31.87	*91.90*
(c) Other companies:				
International Seaport Dredging Limited	10,000	15,899	15.90	*15.90*
Tidel Park Limited	10	40,00,000	4.00	*4.00*
Astra Microwave Products Limited (quoted)	2	79,50,045	23.00	*23.00*
BBT Elevated Road Private Limited	10	1,00,000	0.10	*–*
			43.00	*42.90*
Less: Provision for diminution in value			15.90	*15.90*
Total [1]-(A) (c)			27.10	*27.00*
(B) Integrated joint venture				
Desbuild-L&T Joint Venture			0.05	*0.05*
HCC-L&T Purulia Joint Venture			0.06	*0.06*
International Metro Civil Contractors Joint Venture			8.36	*8.39*
L&T-Eastern Joint Venture			6.13	*4.06*
L&T-AM Tapovan Joint Venture			91.71	*83.03*
L&T-Hochtief Seabird Joint Venture			23.81	*19.20*
L&T Shanghai Urban Corporation Group Joint Venture			13.16	*12.73*
Metro Tunneling Group			15.13	*14.65*
Metro Tunneling Delhi - L&T SUCG Joint Venture			19.10	*6.32*
Delhi Metro Railway Corporation - SUCG 27			12.66	*–*
Metro Tunneling Chennai - L&T SUCG Joint Venture			57.84	*28.89*
L&T - Shapoorji Pallonji & Co. Limited Joint Venture -TCS			38.82	*5.19*
Total [1]-(B)			286.83	*182.57*
Trade Investments- Total (1)			15168.41	*10522.70*
(2) Other Investments				
Investments in fully paid equity Instruments				
Other companies:				
Utmal Multi purpose Service Co-operative Society Limited (B Class) [₹ 30000 *(previous year ₹ 30000)*]	100	300	–	*–*
Other Investments - Total (2)			–	*–*
Total Non current Investments (1+2)			15168.41	*10522.70*

Details of quoted/unquoted investments:

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted investments and market value thereof;		
Book Value	1691.87	*1817.92*
Market Value	9740.38	*10503.90*
(b) Aggregate amount of unquoted investments;		
Book Value	13476.54	*8704.78*
(c) Aggregate provision for diminution in value of investments is ₹ 16.46 crore *(previous year ₹ 16.46 crore)*		

Notes forming part of the Accounts (contd.)

NOTE [G(I)]

Long term loans and advances

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013* *₹ crore*
Secured considered good:		
Loans against mortgage of house property	3.76	*5.60*
Rent deposit (KMP's)	–	*0.01*
Capital advances	2.65	*6.52*
Unsecured considered good		
Capital advances	67.41	*122.36*
Loans and advances to related parties:		
Subsidiary Companies		
Advances towards equity commitment	1208.37	*2264.85*
Intercorporate deposit including interest accrued [Note Q(2)(a)]	1342.27	*294.01*
Joint venture company		
Loans	490.27	*453.37*
Other loans and advances		
Security deposits	109.18	*107.92*
Earnest money deposits	0.74	*0.51*
Advances recoverable in cash or in kind	496.92	*413.54*
Balances with customs, port trust etc.	–	*0.32*
Lease receivable [Note Q(11)(i)(b)]	–	*0.06*
	3721.57	*3669.07*

NOTE [G(II)]

Cash and bank balances

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013* *₹ crore*
Cash and bank balances not available for immediate use [Note G(II)(a)]	9.54	*39.02*
	9.54	*39.02*

G (II)(a) Particulars of cash and bank balances not available for immediate use

₹ crore

	Particulars	As at 31-3-2014	*As at 31-3-2013*
1	Amount deposited under credit support arrangement which is refundable only on cessation of exposure to a bank	35.15	*104.77*
2	Amount received including interest accrued there on from customers of property development business – to be handed over to housing society on its formation	19.89	*18.65*
3	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	14.89	*12.81*
4	Other bank balances not available for immediate use being in the nature of security offered for bids submitted, loans availed, guarantees issued by bank on behalf of the Company, collaterals, earmarked grants etc.	58.28	*38.49*
	Total	**128.21**	***174.72***
	Less: Amount reflected under current assets [Note H(IV)]	118.67	*135.70*
	Amount reflected under non-current assets [Note G(II)]	**9.54**	***39.02***

Notes forming part of the Accounts (contd.)

NOTE [G(III)]

Other non-current asset

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
Unamortised expenses	53.24	*43.30*
	53.24	*43.30*

NOTE [H(I)]

Current Investments

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Current investments				
Government and trust securities	944.28		*112.87*	
Less: Provision for diminution in value	15.23		*0.86*	
		929.05		*112.01*
Debentures and bonds	723.93		*1101.08*	
Less: Provision for diminution in value	0.06		*0.56*	
		723.87		*1100.52*
Mutual funds	2118.68		*2102.56*	
		2118.68		*2102.56*
Other current investments	274.63		*2265.83*	
Less: Provision for diminution in value	–		*0.23*	
		274.63		*2265.60*
		4046.23		*5580.69*

Other particulars in respect of current investment mentioned in H(1) are as follows:

Particulars	Face value per unit	Number of Units As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
	₹		₹ crore	*₹ crore*
Current investments:				
(1) Government and trust securities:				
8.28% Government of India Bonds 2032 (quoted)	100	5,00,000	4.91	*4.91*
7.16% Government of India Bond 2023 (quoted)	100	75,00,000	66.49	*–*
8.15% Government of India Bonds 2022 (quoted)	100	20,00,000	19.71	*5.09*
8.33% Government of India Bonds 2026 (quoted)	100	1,00,00,000	106.37	*102.87*
8.12% Government of India Bond 2020 (quoted)	100	2,75,00,000	262.68	*–*
8.28% Government of India Bond 2027 (quoted)	100	1,91,75,800	179.98	*–*
9.20% Government of India Bond 2030 (quoted)	100	55,00,000	54.69	*–*
8.32% Government of India Bond 2032 (quoted)	100	15,00,000	13.89	*–*
7.28% Government of India Bond 2019 (quoted)	100	1,80,00,000	167.47	*–*
8.24% Government of India Bond 2027 (quoted)	100	71,06,000	66.00	*–*
9.84% Andhra Pradesh SDL 2024 (quoted)	100	2,00,600	2.01	*–*
8.90% Maharashtra SDL 2022 (quoted)	100	8,000	0.08	*–*
			944.28	*112.87*
Less: Provision for diminution in value			15.23	*0.86*
Government and trust securities -Total			929.05	*112.01*

Notes forming part of the Accounts (contd.)

NOTE [H(I)]

Current investments *(contd.)*

Particulars	Face value per unit	Number of Units As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
	₹		₹ crore	*₹ crore*
(2) Debentures and Bonds				
(i) Subsidiary companies:				
L&T Finance Limited - 10.24% Secured Redeemable Non Convertible Debenture, 17 September 2019 (quoted)	1,000	3,69,570	36.96	*36.98*
L&T Infrastructure Finance Company Limited - 8.91% Non Convertible Debentures, 16 April 2013 (quoted)	10,00,000	–	–	*24.95*
L&T Infrastructure Finance Company Limited - 8.91% Non Convertible Debentures, 16 April 2014 (quoted)	1,000,000	–	–	*24.95*
L&T Infrastructure Finance Company Limited - 8.91% Non Convertible Debentures, 16 April 2015 (quoted)	10,00,000	–	–	*24.95*
			36.96	*111.83*
Less: Provision for diminution in value			–	*0.30*
Subsidiary companies-Total			36.96	*111.53*
(ii) Other Debentures and Bonds				
9.15% ICICI Bank Ltd. NCD 31 December 2022 (quoted)	10,00,000		–	*5.00*
9.05% HDFC Ltd. NCD 29 January 2014 (quoted)	10,00,000		–	*149.74*
9.62% HDFC Ltd. NCD 27 February 2014 (quoted)	10,00,000		–	*100.34*
9.62% HDFC Ltd. NCD 26 February 2014 (quoted)	10,00,000		–	*75.29*
9.18% HDFC Ltd. NCD 22 October 2014 (quoted)	10,00,000		–	*14.99*
6.86% IIFCL Tax Free Bonds 26 March 2023 (quoted)	1,000	2,50,000	25.00	*25.00*
7.18% IRFC Ltd. Tax Free Bonds 19 February 2023 (quoted)	1,000	30,00,000	300.00	*300.00*
10.75% The Tata Power Co. Ltd. NCD 21 August 2072 (quoted)	10,00,000	5	0.51	*101.05*
8.00% Indian Overseas Bank 2016 Bonds (quoted)	10,00,000		–	*4.90*
8.20% Power Finance Corporation 2022 (quoted)	1,000		–	*89.23*
9.32% National Bank for Agricultural and Rural Developement 2015 (quoted)	10,00,000		–	*10.00*
9.46% Power Finance Corporation 2026 (quoted)	10,00,000		–	*19.99*
9.61% Power Finance Corporation 2021 (quoted)	10,00,000		–	*1.60*
9.70% Power Finance Corporation 2021 (quoted)	10,00,000		–	*10.03*
9.75% Rural Electrification Corporation Limited 2021 (quoted)	10,00,000		–	*5.18*
8.20% National Highway Authority of India 2022 (quoted)	1,000		–	*76.91*
8.00% Indian Overseas Bank Bonds 13 Mar 2016 (quoted)	10,00,000	50	4.90	–
8.20% NHAI Tax Free Bonds 25 Jan 2022 (quoted)	1,000	741,713	76.92	–
8.20% PFC Ltd. Tax Free Bonds 01 Feb 2022 (quoted)	1,000	854,355	89.22	–
8.46% PFC Ltd. Tax Free Bonds 30 Aug 2028 (quoted)	10,00,000	17	1.70	–
9.18% HDFC Ltd. NCD 22 Oct 2014 (quoted)	10,00,000	150	14.99	–
9.32% NABARD Bonds 23 Feb 2015 (quoted)	10,00,000	100	10.00	–
1.44% Inflation Indexed Bonds 05 Jun 2023 (quoted)	100	5,000,000	41.79	–
10.05% HDB Financial Services Ltd. Bonds SR-I/1/5 20 Dec 2023 (quoted)	10,00,000	260	25.99	–
10.20% HDB Financial Services Ltd. Bonds 09 Aug 2022 (quoted)	10,00,000	21	2.12	–
8.41% NTPC Ltd. Tax Free Bonds SR-1A 16 Dec 2023 (quoted)	1,000	79,162	7.92	–
9.80% BOI Bonds SR-XI 30 Sep 2023 (quoted)	10,00,000	98	9.80	–
Citicorp Finance India Ltd. SR-515 NCD 12 Apr 2016 (quoted)	1,00,000	2,505	26.11	–
ECL Finance Ltd. NCD SR-C5C401 11 Mar 2015 (quoted)	1,00,00,000	25	25.00	–
ECL Finance Ltd. NCD SR-C5C403 19 Mar 2015 (quoted)	1,00,00,000	25	25.00	–
			686.97	*989.25*
Less: Provision for diminution in value			0.06	*0.26*
Other Debentures & Bonds -Total			686.91	*988.99*
Debentures & Bonds -Total			723.87	*1100.52*

Notes forming part of the Accounts (contd.)

NOTE [H(I)]
Current investments *(contd.)*

Particulars	Face value per unit	Number of Units As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
	₹		₹ crore	*₹ crore*
(3) Mutual funds:				
DWS Short Maturity Fund - Direct Plan - Annual Bonus	10	6,92,69,027	105.71	*–*
Baroda Pioneer Liquid Fund - Plan A - Growth	1,000	3,40,584	50.00	*100.00*
JM Money Manager Fund - Super Plus Plan - Bonus -Bonus Units	10	30,26,25,946	330.88	*–*
DSP Blackrock Liquidity Fund - IP - Growth	1,000	–	–	*50.00*
DWS Insta Cash Plus Fund - Super Institutional Plan - Bonus	100	–	–	*13.92*
L&T FMP - Series VIII - Plan J (368 Days) - Growth (quoted)	10	1,50,00,000	15.85	*–*
DWS Money Plus Fund - Regular Plan - Bonus	10	–	–	*55.79*
DWS Treasury Fund - Cash - Regular - Bonus	10	–	–	*14.79*
DWS Treasury Fund - Investment Plan - Direct Plan - Bonus	10	1,84,64,465	19.66	*–*
HDFC Liquid Fund - Growth	10	1,97,85,995	50.00	*50.00*
IDBI Liquid Fund - Growth	1,000	–	–	*25.00*
IDFC Cash Fund - Regular - Growth	1,000	3,21,198	50.00	*50.00*
JM High Liquidity Fund - Bonus Option - Bonus Units	10	–	–	*446.91*
JP Morgan India Liquid Fund - Super IP - Growth	10	–	–	*50.00*
JP Morgan India Treasury Fund - Direct Plan - Bonus	10	3,28,65,547	36.82	*100.00*
L&T Cash Fund - Growth	1,000	–	–	*450.00*
L&T FMP - VII (January 507D A) - Growth (quoted)	10	2,00,00,000	22.08	*20.00*
L&T FMP - VII (March 13M A) - Growth (quoted)	10	1,00,00,000	10.99	*10.00*
L&T FMP - VII (March 367D A) - Growth (quoted)	10	–	–	*10.00*
L&T FMP - VII (March 367D B) - Growth (quoted)	10	–	–	*5.00*
L&T FMP - VII (March 381D A) - Growth (quoted)	10	1,00,00,000	10.90	*10.00*
L&T FMP - Series VIII - Plan A - Growth (quoted)	10	2,00,00,000	21.25	*–*
L&T Floating Rate Fund Direct Plan - Growth	10	2,88,45,876	35.99	*–*
L&T Liquid Fund - Growth	1,000	34,15,678	600.00	*350.00*
L&T Short Term Opportunities Fund - Growth	10	–	–	*25.09*
Principal Cash Management Fund - Growth - Bonus	1,000	–	–	*37.50*
Religare Invesco Liquid Fund - Growth	1,000	2,83,862	50.00	*100.00*
SBI Premier Liquid Fund - Growth	1,000	7,45,019	150.00	*100.00*
UTI Treasury Advantage Fund IP - Bonus	1,000	–	–	*28.56*
Birla Sun Life Infrastructure Fund - Regular Plan - Dividend	10	2,46,49,603	28.37	*–*
DSP BlackRock India Tiger Fund - Regular Plan - Dividend	10	1,70,26,445	22.35	*–*
DWS Ultra Short Term Fund - Direct Plan - Annual Bonus	10	3,34,97,695	33.34	*–*
Franklin India Prima Fund - Dividend	10	59,46,165	23.31	*–*
HDFC Infrastructure Fund - Dividend	10	6,25,36,675	64.29	*–*
HDFC Mid-Cap Opportunities Fund - Dividend	10	98,47,678	16.47	*–*
ICICI Prudential Discovery Fund - Regular Plan - Dividend	10	1,16,37,212	24.44	*–*
ICICI Prudential Infrastructure Fund - Regular Plan-Dividend	10	2,48,37,121	27.84	*–*
IDFC Sterling Equity Fund - Regular Plan - Dividend	10	4,23,09,745	57.76	*–*
L&T FMP - Series X - Plan A (368 days) - Growth (quoted)	10	1,00,00,000	10.22	*–*
Principal Cash Mgmt Fund - Regular Plan - Growth	1,000	4,01,716	50.00	*–*
Birla Sun Life Cash Plus - Regular Plan - Growth	100	24,34,384	50.00	*–*
DWS Insta Cash Plus Fund - Super Institutional Plan - Growth	100	30,07,980	50.00	*–*
ICICI Prudential Liquid - Regular Plan - Growth	100	26,37,828	50.00	*–*
L&T FMP SR X - Plan D (367 Days) - Direct Plan - Growth (quoted)	10	50,00,000	5.08	*–*
L&T FMP SR X - Plan D (367 Days) - Growth (quoted)	10	50,00,000	5.08	*–*
Pramerica Liquid Fund - Growth	1,000	1,46,406	20.00	*–*
Templeton India TMA - Super IP - Growth	1,000	1,04,728	20.00	*–*
Mutual funds-Total			2118.68	*2102.56*

Notes forming part of the Accounts (contd.)

NOTE [H(I)]

Current investments *(contd.)*

Particulars	Face value per unit	Number of Units As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
	₹		₹ crore	*₹ crore*
(4) Other Current investments:				
(i) Certificate of deposits:				
Allahabad Bank 10 June 2013	1,00,000	–	–	*220.86*
Axis Bank 06 June 2013	1,00,000	–	–	*196.61*
Bank of Baroda 06 December 2013	1,00,000	–	–	*23.55*
Canara Bank 24 February 2014	1,00,000	–	–	*46.20*
Corporation Bank 05 December 2013	1,00,000	–	–	*70.67*
Corporation Bank 06 March 2014	1,00,000	–	–	*92.17*
Corporation Bank 10 December 2013	1,00,000	–	–	*47.06*
Corporation Bank 17 February 2014	1,00,000	–	–	*138.79*
Corporation Bank 22 November 2013	1,00,000	–	–	*47.25*
IDBI Bank 05 December 2013	1,00,000	–	–	*23.54*
IDBI Bank 10 February 2014	1,00,000	–	–	*23.18*
Indian Overseas Bank 14 March 2014	1,00,000	–	–	*46.04*
Oriental Bank of Commerce 03 January 2014	1,00,000	–	–	*46.76*
Oriental Bank of Commerce 05 March 2014	1,00,000	–	–	*23.08*
Oriental Bank of Commerce 30 May 2013	1,00,000	–	–	*98.48*
Punjab National Bank 05 March 2014	1,00,000	–	–	*230.86*
Punjab National Bank 10 March 2014	1,00,000	–	–	*184.48*
Punjab National Bank 25 March 2014	1,00,000	–	–	*91.60*
State Bank of Hyderabad 06 September 2013	1,00,000	–	–	*48.12*
State Bank of Hyderabad 13 March 2014	1,00,000	–	–	*46.08*
State Bank of Mysore 29 November 2013	1,00,000	–	–	*235.79*
State Bank of Patiala 03 June 2013	1,00,000	–	–	*23.66*
State Bank of Travancore 22 November 2013	1,00,000	–	–	*47.25*
UCO Bank 05 March 2014	1,00,000	–	–	*23.08*
UCO Bank 10 March 2014	1,00,000	–	–	*46.08*
UCO Bank 14 March 2014	1,00,000	–	–	*46.08*
United Bank of India 24 May 2013	1,00,000	–	–	*98.51*
			–	*2265.83*
Less: Provision for diminution in value			–	*0.23*
Certificate of deposits-Total			–	*2265.60*
(ii) **Investment in collateralised borrowing and lending obligation**	NA	NA	274.63	*–*
Other Current investments-Total (4) (i+ii)			274.63	*2265.60*
Total Current Investments			4046.23	*5580.69*

Details of quoted/unquoted investments:

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted current investments and market value thereof;		
Book Value	1754.39	*1268.94*
Market Value	1798.22	*1324.54*
(b) Aggregate amount of unquoted current investments;		
Book Value	2291.84	*4311.75*
(c) Aggregate provision for diminution in value of current investments is ₹ 15.29 crore *(previous year ₹ 1.65 crore)*		

Notes forming part of the Accounts (contd.)

NOTE [H(II)]

Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
Raw Materials [Includes goods-in-transit ₹ 17.17 crore *(previous year: ₹ 34.75 crore)*]	416.09	*451.07*
Components [Includes goods-in-transit ₹ 15.38 crore *(previous year: ₹ 77.64 crore)*]	310.04	*348.08*
Construction material [Includes goods-in-transit ₹ 85.22 crore *(previous year: ₹ 0.31crore)*]	88.74	*0.74*
Manufacturing work-in-progress [Note Q(25)(d)]	547.59	*646.59*
Finished goods	203.17	*209.11*
Stock-in-trade (in respect of goods acquired for trading) [Includes goods-in-transit ₹ 6.07 crore *(previous year: ₹ 31.82 crore)*]	117.21	*169.19*
Stores and spares [Includes goods-in-transit ₹ 8.15 crore *(previous year: ₹ 4.14 crore)*]	135.09	*84.62*
Loose tools	5.33	*5.02*
Property development related work-in-progress [Note Q(6)(b)]	159.27	*149.76*
	1982.53	*2064.18*

NOTE [H(III)]

Trade receivables

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured:				
Debts outstanding for more than 6 months:				
Considered good		18.23		–
Other debts (Debts outstanding for less than 6 months)				
Considered good	–		*0.77*	
		–		*0.77*
Unsecured:				
Debts outstanding for more than 6 months				
Considered good	1959.71		*1845.58*	
Considered doubtful	473.54		*514.40*	
	2433.25		*2359.98*	
Other debts: [Note H(III)(a)]				
Considered good	19560.82		*20766.66*	
Considered doubtful	0.19		*0.34*	
	21994.26		*23126.98*	
Less: Allowance for doubtful debts	473.73		*514.74*	
		21520.53		*22612.24*
		21538.76		*22613.01*

H(III) (a) Other debts includes ₹ 14846.62 crore *(previous year: ₹ 13917.82 crore excluding ₹ 1769.84 crore in respect of discontinued operations)* contractually not due.

Notes forming part of the Accounts (contd.)

Note [H(IV)]

Cash and bank balances

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Cash and cash equivalents				
Balance with banks	1174.94		*708.93*	
Cheques and drafts on hand	195.51		*337.20*	
Cash on hand	2.31		*3.23*	
Fixed deposits with banks (maturity less than 3 months)	250.20		*230.16*	
		1622.96		*1279.52*
Other bank balances				
Fixed deposits with banks including interest accrued thereon [including ₹ Nil of bank deposits with more than 12 months maturity *(previous year: ₹ Nil)*]	2.88		*2.58*	
Earmarked balances with banks-unclaimed dividend	28.01		*23.85*	
Margin money deposits	10.34		*5.07*	
Cash and bank balances not available for immediate use [Note G(II)(a)]	118.67		*135.70*	
Bank balances subject to restriction on repatriation [Note H(IV)(a)]	–		*8.94*	
		159.90		*176.14*
		1782.86		*1455.66*

Note [H(IV)(a)]

Particulars	31-3-2014	*31-3-2013*
	₹ crore	*₹ crore*
Rafidian Bank	–	8.25
Mashreq Bank	–	0.69
Total	–	8.94

Note [H(V)]

Short term loans and advances

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
Secured considered good:		
Loans against mortgage of house property	1.06	*1.72*
Rent deposit (KMP's)	0.01	–
Inter-corporate deposits including interest accrued-Others	100.00	–
Unsecured considered good:		
Loans and advances to related parties:		
Subsidiary companies:		
Loans [Note Q(2)(a)]	–	*200.00*
Intercorporate deposit including interest accrued [Note Q(2)(a)]	995.69	*605.35*
Others	934.76	*840.99*
Carried forward	2031.52	*1648.06*

Notes forming part of the Accounts (contd.)

NOTE [H(V)]

Short term loans and advances *(contd.)*

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
Brought forward	2031.52	*1648.06*
Associate Companies:		
Advance recoverable	2.37	*6.69*
Joint Ventures:		
Others	25.46	*20.52*
Others considered good:		
Security deposits	198.64	*167.54*
Earnest money deposits	64.49	*72.40*
Advances recoverable in cash or in kind	3761.20	*3773.67*
Income tax receivable of current year [Net of provision ₹ 1684.53 crore]	209.16	*–*
Balances with customs, port trust etc.	52.73	*54.44*
Lease receivable [Note Q(11)(i)(b)]	0.08	*0.44*
Considered doubtful:		
Deferred credit against sale of ships	24.92	*22.58*
Security deposits	1.39	*1.40*
Other loans and advances	141.14	*131.79*
	6513.10	*5899.53*
Less: Allowance for doubtful loans and advances	167.45	*155.77*
	6345.65	*5743.76*

NOTE [H(VI)]

Other current asset

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Due from customers (construction and project related activity)	15203.35		*11692.89*	
Due from customers (property development activity) [Note Q(6)(b)]	84.85		*1.83*	
Interest accrued on investments	39.23		*35.66*	
Unbilled revenue	71.78		*48.63*	
Unamortised expenses	19.37		*11.65*	
		15418.58		*11790.66*
		15418.58		*11790.66*

Notes forming part of the Accounts (contd.)

NOTE [I]
Contingent liabilities

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
(a) Claims against the Company not acknowledged as debts	184.75	*177.97*
(b) Sales-tax liability that may arise in respect of matters in appeal	122.11	*112.60*
(c) Excise duty/Service Tax liability that may arise in respect of matters in appeal/challenged by the Company in WRIT	41.80	*41.21*
(d) Income-tax liability (including penalty) that may arise in respect of which the Company is in appeal	463.58	*390.39*
(e) Corporate guarantees for debt given on behalf of Subsidiary companies	3772.85	*3491.72*
(f) Corporate guarantees for performance given on behalf of Subsidiary companies	5627.07	*930.60*

Notes:

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
2. 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.
3. In respect of matters at (e), the cash outflows, if any, could generally occur up to thirteen 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.
4. 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.

NOTE [J]
Commitments

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
(a) Estimated amount of contracts remaining to be excuted on capital account (net of advances)	404.38	*390.48*
(b) Estimated amount of committed funding by way of equity/loans to subsidiary companies	4428.00	*7453.00*

NOTE [K]
Revenue from operations

Particulars	Note	2013-14 ₹ crore	2013-14 ₹ crore	*2012-13 ₹ crore*	*2012-13 ₹ crore*
Sales & service:					
Construction and project related activity	Q(6)(a),Q(25)(a)(iii)	47861.55		*43413.08*	
Manufacturing and trading activity	Q(25)(a)(i)	6176.82		*6406.51*	
Property development activity	Q(6)(b),Q(25)(a)(ii)	447.84		*73.79*	
Engineering and service fees	Q(25)(a)(vi)	1539.86		*1203.54*	
Servicing	Q(25)(a)(iv)	422.47		*406.08*	
Commission	Q(25)(a)(v)	118.64		*158.77*	
			56567.18		*51661.77*
Other operational revenue:					
Income from hire of plant and equipment		61.95		*7.43*	
Technical fees		–		*40.05*	
Company's share in profit of Integrated joint ventures	Q15(b)	20.86		*10.10*	
Lease rentals		61.98		*49.73*	
Income from services to the Group companies		89.35		*92.48*	
Premium earned (net) on related forward exchange contract		120.04		*204.37*	
Miscellaneous income		242.49		*129.77*	
			596.67		*533.93*
			57163.85		*52195.70*

Notes forming part of the Accounts (contd.)

NOTE [K(I)]

Revenue from sales & service include:

(a) ₹ 1558.70 crore *(previous year: ₹ 928.17 crore, excluding ₹ 236.54 crore (debit) in respect of discontinued operations)* for price variations net of liquidated damages in terms of contracts with the customers.

(b) Shipbuilding subsidy ₹ Nil crore *(previous year: ₹ 10.02 crore)* and reversal of shipbuilding subsidy of ₹ 31.54 crore *(previous year: ₹ 7.22 crore)*

NOTE [L]

Other Income

Particulars	2013-14		*2012-13*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest Income				
From long term investments	–		*0.40*	
From current investments				
Subsidiary companies	4.06		*10.83*	
Others	263.01		*300.09*	
From others				
Subsidiary and associate companies	196.36		*181.27*	
Others	31.49		*39.87*	
		494.92		*532.46*
Dividend income				
From long term investments:				
Subsidiary companies	863.06		*583.21*	
Associate companies	2.35		*1.80*	
Other trade investments	1.84		*1.20*	
	867.25		*586.21*	
From current investments	–		*3.45*	
		867.25		*589.66*
Net gain/(loss) on sale of investment				
Long term investments (net)	–		*24.71*	
Current investments (net)	197.55		*224.21*	
		197.55		*248.92*
Net gain/(loss) on sale of fixed assets (net)		25.06		*226.23*
Lease rental		45.94		*43.68*
Miscellaneous income (net of expeses) [Note L(I)]		250.17		*246.34*
		1880.89		*1887.29*

NOTE [L(I)]

Miscellaneous income includes recoveries from subsidiary, joint venture and associate companies towards directly attributable expenses incurred on employees deputed to these companies. Such expenses, the details of which are given hereunder, have been netted off from miscellaneous income.

Expenses	2013-14	*2012-13*
	₹ crore	*₹ crore*
Salaries	58.37	*81.06*
Contribution to Provident Fund	2.31	*1.94*
Compensation for Employee Stock Option Plan (ESOP)	3.26	*6.18*
Welfare expenses	2.13	*1.02*
Other expenses	2.46	*2.31*
Total	68.53	*92.51*

Notes forming part of the Accounts (contd.)

NOTE [M]

Manufacturing, construction and operating expenses

Particulars	2013-14		*2012-13*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Materials consumed:				
Raw materials and components [Note Q(25)(b)]	6110.42		*7670.51*	
Less: Scrap sales	107.62		*95.58*	
		6002.80		*7574.93*
Construction materials		15973.55		*13927.00*
Purchase of stock-in-trade [Note Q(25)(c)]	2025.59		*2078.47*	
Value of stock-in-trade transferred on sale of business	(103.43)		*(15.24)*	
		1922.16		*2063.23*
Stores, spares and tools consumed		2054.07		*2093.09*
Sub-contracting charges		13272.94		*12191.48*
Changes in inventories of finished goods, work-in-progress and stock-in-trade and property development :				
Closing stock:				
Finished goods	203.17		*209.11*	
Stock-in-trade	117.21		*169.19*	
Work-in-progress	3068.09		*3120.20*	
	3388.47		*3498.50*	
Less: Opening stock:				
Finished goods	209.11		*237.88*	
Stock-in-trade	169.19		*196.33*	
Work-in-progress	3120.20		*1973.42*	
	3498.50		*2407.63*	
		110.03		*(1090.87)*
Other manufacturing, construction and operating expenses:				
Excise duty	0.17		*(6.27)*	
Power and fuel [Note O(I)]	593.15		*555.02*	
Royalty and technical know-how fees	3.25		*7.07*	
Packing and forwarding [Note O(I)]	290.07		*231.66*	
Hire charges - plant & equipment and others	556.55		*557.91*	
Engineering, technical and consultancy fees	485.53		*384.61*	
Insurance [Note O(I)]	131.16		*104.23*	
Rent [Note O(I)]	278.82		*223.72*	
Rates and taxes [Note O(I)]	223.72		*156.25*	
Travelling and conveyance [Note O(I)]	659.10		*560.68*	
Repairs to plant and equipment	44.16		*41.62*	
Repairs to buildings [Note O(I)]	8.31		*6.71*	
General repairs and maintenance [Note O(I)]	191.09		*176.60*	
Bank guarantee charges	99.69		*67.45*	
Miscellaneous expenses [Note O(I)]	446.13		*378.71*	
		4010.90		*3445.97*
		43346.45		*40204.83*

Notes forming part of the Accounts (contd.)

NOTE [N]

Employee benefits expense

Particulars	2013-14		2012-13	
	₹ crore	₹ crore	₹ crore	₹ crore
Salaries, wages and bonus		3812.21		3098.77
Contribution to and provision for:				
Provident funds and pension fund	123.94		110.84	
Superannuation/employee pension schemes	29.06		39.32	
Gratuity funds [Note Q(8)(b)]	36.32		41.95	
		189.32		192.11
Expenses on Employee Stock Option Schemes [Note A(VIII)(e)(ii)]		55.88		76.65
Insurance expenses-Medical and others [Note O(I)]		68.23		43.62
Staff welfare expenses		536.73		449.78
		4662.37		3860.93

[Note L(I) for employee benefit expenses netted off]

NOTE [O]

Sales, administration and other expenses

Particulars	2013-14		2012-13	
	₹ crore	₹ crore	₹ crore	₹ crore
Power and fuel [Note O(I)]		63.58		60.12
Packing and forwarding [Note O(I)]		147.02		204.90
Professional fees		163.33		134.08
Audit fees [Note Q(18)]		3.63		3.31
Insurance [Note O(I)]		20.57		12.96
Rent [Note O(I)]		126.17		100.29
Rates and taxes [Note O(I)]		67.37		60.25
Travelling and conveyance [Note O(I)]		262.28		209.49
Repairs to buildings [Note O(I)]		23.47		19.29
General repairs and maintenance [Note O(I)]		218.03		214.64
Directors' fees		0.26		0.28
Telephone, postage and telegrams		104.55		86.79
Advertising and publicity		63.50		79.88
Stationery and printing		41.86		35.97
Commission:				
Distributors and agents	20.86		29.24	
Others	3.04		3.23	
		23.90		32.47
Bank charges		32.55		33.70
Carried Forward		1362.07		1288.42

Notes forming part of the Accounts (contd.)

NOTE [O]
Sales, administration and other expenses *(contd.)*

Particulars	2013-14		*2012-13*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought Forward		1362.07		*1288.42*
Miscellaneous expenses [Note O(I)] *		350.12		*293.30*
Bad debts and advances written off	43.56		*38.14*	
Less: Allowance for doubtful debts and advances written back	43.19		*37.00*	
		0.37		*1.14*
Company's share in loss of integrated joint ventures [Note O(15)(b)]		0.36		*22.62*
Discount on sales		74.40		*72.17*
Allowance for doubtful debts and advances (net)		85.13		*15.89*
Provision (reversal) for foreseeable losses on construction contracts		(60.99)		*36.68*
Provision (reversal) for diminution in value of investments (net)		13.64		*(17.24)*
Exchange (gain)/loss (net)		226.53		*457.10*
Other provisions [Note Q(16)(a)]		(119.60)		*(84.42)*
		1932.03		*2085.66*

* Miscellaneous expenses includes ₹ 0.02 crore pertaining to discontinued operations [Note Q(14)(e)]

NOTE [O(I)]
Aggregation of expenses disclosed vide notes M, N and O in respect of specific items as mentioned in the revised schedule VI to the Companies Act 1956, are as follows: ₹ crore

Sr. no.	Nature of expenses	2013-14				*2012-13@*			
		Note M	Note N	Note O	Total	*Note M*	*Note N*	*Note O*	*Total*
1	Power and fuel	593.15	–	63.58	656.73	*555.02*	*–*	*60.12*	*615.14*
2	Packing and forwarding	290.07	–	147.02	437.09	*231.66*	*–*	*204.90*	*436.56*
3	Insurance	131.16	68.23	20.57	219.96	*104.23*	*43.62*	*12.96*	*160.81*
4	Rent	278.82	–	126.17	404.99	*223.72*	*–*	*100.29*	*324.01*
5	Rates and taxes	223.72	–	67.37	291.09	*156.25*	*–*	*60.25*	*216.50*
6	Travelling and conveyance	659.10	–	262.28	921.38	*560.68*	*–*	*209.49*	*770.17*
7	Repairs to buildings	8.31	–	23.47	31.78	*6.71*	*–*	*19.29*	*26.00*
8	General repairs and maintenance	191.09	–	218.03	409.12	*176.60*	*–*	*214.64*	*391.24*
9	Miscellaneous expenses	446.13	–	350.12	796.25	*378.71*	*–*	*293.30*	*672.01*

@ excluding ₹ 579.82 crore pertaining to the discontinued operations, as under:

Sr. no.	Nature of expenses	*2012-13*			
		Note M	*Note N*	*Note O*	*Total*
1	Power and fuel	*200.25*	*–*	*3.04*	*203.29*
2	Packing and forwarding	*8.67*	*–*	*0.02*	*8.69*
3	Insurance	*33.06*	*9.39*	*2.44*	*44.89*
4	Rent	*59.04*	*–*	*8.72*	*67.76*
5	Rates and taxes	*18.49*	*–*	*1.54*	*20.03*
6	Travelling and conveyance	*151.34*	*–*	*20.96*	*172.30*
7	Repairs to buildings	*–*	*–*	*0.77*	*0.77*
8	General repairs and maintenance	*17.14*	*–*	*10.36*	*27.50*
9	Miscellaneous expenses	*20.64*	*–*	*13.95*	*34.59*
	Total	*508.63*	*9.39*	*61.80*	*579.82*

NOTE [P]
Finance costs

Particulars	2013-14	*2012-13*
	₹ crore	*₹ crore*
Interest expenses	1012.46	*890.29*
Other borrowing costs	18.00	*7.83*
Exchange loss (attributable to finance costs)	45.62	*56.63*
	1076.08	*954.75*

Notes forming part of the Accounts (contd.)

NOTE [Q]

Q(1) The Balance Sheet as on March 31, 2014 and the Statement of Profit and Loss for the year ended March 31, 2014 are drawn and presented as per the format prescribed under Revised Schedule VI to the Companies Act, 1956.

Q(2) Particulars in respect of loans and advances in the nature of loans as required by the listing agreement:

₹ *crore*

Name of the Company	Balance as at		Maximum outstanding during	
	31-3-2014	*31-3-2013*	2013-14	*2012-13*
(a) Loans and advances in the nature of loans given to subsidiaries:				
1 Larsen & Toubro Infotech Limited	–	–	40.14	*5.00*
2 L&T Cutting Tools Limited (formerly known as Tractor Engineers Limited)	–	–	–	*24.37*
3 L&T Capital Company Limited	–	–	–	*103.50*
4 L&T Seawoods Private Limited	–	–	–	*265.20*
5 L&T Infrastructure Development Projects Limited	314.54	–	324.55	–
6 L&T Realty Limited (post merger of L&T Urban Infrastructure Limited)	841.20	*788.30*	998.52	*1148.74*
7 L&T Chennai Projects Private Limited	–	*177.01*	179.31	*177.01*
8 L&T Commercial Projects Private Limited	–	–	–	*29.07*
9 L&T Finance Holdings Limited	200.61	–	200.61	–
10 L&T Shipbuilding Limited	–	–	–	*169.19*
11 L&T Special Steels & Heavy Forgings Private Limited	245.30	*46.09*	245.30	*46.09*
12 L&T Sapura Offshore Private Limited	–	*4.12*	4.21	*26.25*
13 PNG Tollway Limited	52.64	*47.84*	52.64	*47.84*
14 L&T Infocity Limited	–	*36.00*	36.77	*135.23*
15 Ewac Alloys Limited	5.51	–	10.50	*11.98*
16 L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)	603.10	–	603.10	–
17 L&T Technology Services Limited	15.02	–	15.02	–
18 L&T Valves Limited (formerly known as Audco India Limited)	60.04	–	60.05	–
Total	2337.96*	*1099.36**		
(b) Loans and advances in the nature of loans where repayment schedule is not specified/is beyond 7 years:				
1 L&T Shipbuilding Limited	–	–	–	*169.19*
2 PNG Tollway Limited	52.64	*47.84*	52.64	*47.84*
Total	52.64	*47.84*		
(c) Loans and advances in the nature of loans where interest is not charged or charged below bank rate:				
1 L&T Capital Company Limited	–	–	–	*103.50*
2 L&T Realty Limited (post merger of L&T Urban Infrastructure Limited)	–	*200.00*	200.00	*200.00*
3 L&T Seawoods Private Limited	–	–	–	*265.20*
4 L&T Cutting Tools Limited (formerly known as Tractor Engineers Limited)	–	–	–	*18.00*
Total	–	*200.00*		

* Long term loans and advances [Note G(I)] - ₹ 1342.27 crore *(previous year: ₹ 294.01 crore)* and Short term loans and advances [Note H(V)] - ₹ 995.69 crore *(previous year: ₹ 805.35 crore)*

Note: 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.

Q(3) Extraordinary and Exceptional Items [Note R(4)]:

(a) Exceptional items for the year ended March 31, 2014 includes gain of ₹ 588.50 crore on sale of the Company's part stake in L&T Finance Holdings Limited, a subsidiary company.

Exceptional items for the year ended March 31, 2013 included gain of ₹ 214.29 crore on sale of the Company's stake in L&T Plastics Machinery Private Limited, a subsidiary company and expenses incurred on voluntary retirement scheme amounting to ₹ 38.05 crore (excluding ₹ 0.29 crore pertaining to the discontinued operations).

(b) Extraordinary items during the year ended March 31, 2013 represent the following:

(i) Reversal of ₹ 52.89 crore being provision made in earlier years in respect of the Company's investment in shares of Satyam Computer Services Limited (SCSL)

(ii) Gain of ₹ 25.22 crore *(net of tax ₹ 18.72 crore)* on sale of the Company's Medical Equipment Business unit. Tax of ₹ 6.50 crore is included under current tax.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(4) The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 107.14 crore *(previous year: ₹ 86.67 crore excluding ₹ 11.50 crore pertaining to the discontinued operations)*. Further, the Company has incurred capital expenditure on research and development activities as follows:

(a) on tangible assets of ₹ 4.97 crore *(previous year:₹ 12.18 crore excluding ₹ 0.27 crore pertaining to the discontinued operations)*;

(b) on intangible assets being expenditure on new product development of ₹ 60.73 crore *(previous year: ₹ 43.76 crore)* [Note R5(b)]; and

(c) on other intangible assets of ₹ 1.20 crore *(previous year: ₹ 0.96 crore)*.

In addition, the Company has carried out work of a developmental nature of ₹ Nil *(previous year: ₹ 21.27 crore)* which is partially/fully paid for by the customers.

Q(5) (a) Provision for current tax includes ₹ 9.74 crore in respect of income tax payable outside India *(previous year: ₹ 20.25 crore)*

(b) Tax effect of ₹ 2.00 crore *(previous year: ₹ 0.17 crore)* on account of debenture issue expenses and premium on inflation linked debenture has been credited to securities premium account.

Q(6) (a) Disclosures pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts":

	Particulars	2013-14 ₹ crore	*2012-13@* *₹ crore*
i)	Contract revenue recognised for the financial year [Note (K)]	47861.55	*43413.08*
ii)	Aggregate amount of contract costs incurred and recognised profits (*less* recognised losses) as at end of the financial year for all contracts in progress as at that date	156833.52	*124855.67*
iii)	Amount of customer advances outstanding for contracts in progress as at end of the financial year	7695.87	*7664.56*
iv)	Retention amounts by customers for contracts in progress as at end of the financial year	6736.98	*6018.42*

@ Figures reported as comparatives for financial year 2012-13 exclude discontinued operations.

(b) Disclosures pursuant to Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India

	Particulars	2013-14 ₹ crore	*2012-13* *₹ crore*
i)	Amount of project revenue recognised for the financial year [Note (K)]	447.84	*73.79*
ii)	Aggregate amount of costs incurred and profits recognised as at the end of the financial year	518.02	*70.24*
iii)	Amount of advances received	39.65	*158.32*
iv)	Amount of work-in-progress and the value of inventories [Note (H(II)]	159.27	*149.76*
v)	Excess of revenue recognised over actual bills raised (unbilled revenue) [Note (H(VI)]	84.85	*1.83*

Q(7) Disclosures pursuant to Accounting Standard (AS) 13 "Accounting for Investments"

1. The Company has given, *inter alia*, the following undertakings in respect of its investments:

   a. Jointly with L&T Infrastructure Development Projects Limited (a subsidiary of the Company), to the term lenders of its subsidiary Company L&T Transportation Infrastructure Limited (LTTIL):

      i. not to reduce their joint shareholding in LTTIL below 51% until the financial assistance received from the term lenders is repaid in full by LTTIL; and

      ii. to jointly meet the shortfall in the working capital requirements of LTTIL until the financial assistance received from the term lenders is repaid in full by LTTIL.

   b. To the lenders of L&T Krishnagiri Thopur Toll Road Limited (KTTL), not to dilute Company's shareholding in L&T Infrastructure Development Projects Limited below 51% until the borrowings received from the lenders is repaid in full by KTTL.

   c. To Gujarat State Road Development Corporation Limited:

      i. to hold in L&T Ahmedabad-Maliya Tollway Limited, L&T Halol-Shamlaji Tollway Limited and L&T Rajkot-Vadinar Tollway Limited along with L&T Infrastructure Development Projects Limited:

         - 100% stake during the construction period;
         - 51% stake for 5 years from the date of commercial operation or end of construction of the project, whichever is later; and
         - 51% stake during operational period.

      ii. not to divest the stake in L&T Infrastructure Development Projects Limited until the aforesaid undertakings are valid.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

d. To National Highway Authority of India, to hold along with its associates minimum 51% stake in L&T Samakhiali Gandhidham Tollway Limited for a period of 2 years after the construction period.

e. To National Highway Authority of India, to hold minimum 26% stake in PNG Tollway Limited till the commercial operations date.

f. To National Highway Authority of India, to hold together with its associates in L&T Devihalli Hassan Tollway Limited, minimum 51% equity stake for a period of 2 years after construction period.

g. To National Highway Authority of India, to hold together with its associates in L&T Krishnagiri Walajahpet Tollway Limited:
   i. minimum 51% equity stake during the construction period
   ii. minimum 33% stake for 3 years from project completion date and
   iii. Minimum 26% or such lower stake as may be permitted by National Highway Authority of India during remaining concession period.

h. To the Security Trustee of the lenders of L&T Krishnagiri Walajahpet Tollway Limited, to hold along with L&T Infrastructure Development Projects Limited minimum 51% equity stake in L&T Krishnagiri Walajahpet Tollway Limited, until the financial assistance received from the term lenders is repaid in full. The aforesaid minimum stake can, however, be disposed off before final settlement date with prior approval of lenders.

i. To the Security Trustee of the lenders of L&T Metro Rail (Hyderabad) Limited, to hold along with L&T Infrastructure Development Projects Limited minimum 51% equity stake and retain management control in L&T Metro Rail (Hyderabad) Limited until the financial assistance received from the term lenders is repaid in full. The aforesaid minimum stake can, however, be disposed off before final settlement date with prior approval of lenders.

j. To the Security Trustee of
   (i) the lenders of PNG Tollway Limited, to hold along with L&T Infrastructure Development Projects Limited and Ashoka Buildcon Limited minimum 51% equity stake in PNG Tollway Limited, until the financial assistance received from the term lenders is repaid in full by PNG Tollway Limited. The aforesaid minimum stake can, however, be disposed off before final settlement date with prior approval of lenders;
   (ii) the lenders of L&T Samakhiali Gandhidham Tollway Limited, to hold along with L&T Infrastructure Development Projects Limited minimum 51% equity stake in L&T Samakhiali Gandhidham Tollway Limited, until the financial assistance received from the term lenders is repaid in full by L&T Samakhiali Gandhidham Tollway Limited. The aforesaid minimum stake can, however, be disposed off before final settlement date with prior approval of lenders;
   (iii) the lenders of L&T Sapura Shipping Private Limited, not to sell or transfer equity stake without prior approval;
   (iv) L&T Aviation Services Private Limited, to hold atleast 51% stake, directly or indirectly, in L&T Aviation Services Private Limited, until any amount is outstanding under the Credit Facility Agreement.

k. To the Government of Andhra Pradesh (GoA) with respect to shareholding in L&T Metro Rail (Hyderabad) Limited, to hold and maintain along with L&T Infrastructure Development Projects Limited –
   i. 51% stake till the second anniversary of the commercial operation date (COD) of the project;
   ii. 33% stake till the third anniversary of the commercial operation date of the project;
   iii. 26% stake (or such lower proportion as may be permitted by the GoA), till the remaining concession period.

l. To hold certain minimum stake in its subsidiary companies namely, L&T-MHI Boilers Private Limited and L&T-MHI Turbine Generators Private Limited. These undertakings have been given to the customers/potential customers of the Company and customers/potential customers of L&T-MHI Boilers Private Limited. The undertakings will remain valid till the end of defect liability period or till such period as prescribed in the related bid documents/contracts.

m. To hold 15,899 shares comprising 9.85% of the issued capital of International Seaport Dredging Limited till January 24, 2016.

n. To City and Industrial Development Corporation of Maharashtra Limited (CIDCO) that it shall continue to hold not less than 51% stake in L&T Seawoods Private Limited (LTSPL) until CIDCO executes the lease deed for land in favour of LTSPL.

o. To the lenders of L&T Seawoods Private Limited, to maintain a minimum 51% stake in L&T Seawoods Private Limited, until any amount is outstanding towards banking credit facilities.

p. To the debenture trustee of L&T Shipbuilding Limited, to maintain at least 26% stake in L&T Shipbuilding Limited, until any amount is outstanding towards the debentures.

q. To the lender of L&T Shipbuilding Limited, to maintain minimum 76% stake in L&T Shipbuilding Limited, until any amount is outstanding towards the working capital loan.

NOTE [Q] ***(contd.)***

2. Pursuant to the provisions of Clause 36 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, 34,29,46,958 equity shares of L&T Finance Holdings Limited, constituting minimum promoters' contribution equivalent to 20% of the post issue paid-up share capital, are mandatorily locked-in till August 12, 2014.

Q(8) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits".

i. Defined contribution plans: [Note R(6)(b)(i)] Amount of ₹ 74.85 crore *(previous year: ₹ 95.80 crore excluding ₹ 8.00 crore in respect of discontinued operation)* is recognised as an expense and included in "employee benefits expense" (Note N) in the Statement of Profit and Loss.

ii. Defined benefit plans: [Note R(6)(b)(ii)]

a) The amounts recognised in Balance Sheet are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
A) Present value of defined benefit obligation								
– Wholly funded	350.30	*363.34*	–	*–*	–	*–*	1745.52	*1665.13*
– Wholly unfunded	1.14	*1.11*	103.57	*106.56*	188.93	*198.89*	45.69	*10.81*
	351.44	*364.45*	103.57	*106.56*	188.93	*198.89*	1791.21	*1675.94*
Less: Fair value of plan assets	323.91	*311.80*	–	*–*	–	*–*	1784.96	*1648.23*
Less: Unrecognised past service costs	–	*–*	1.11	*1.25*	0.41	*0.53*	–	*–*
Amount to be recognised as liability or (asset)	27.53	*52.65*	102.46	*105.31*	188.52	*198.36*	6.25	*27.71*
B) Amounts reflected in the Balance Sheet								
Liabilities	27.53	*52.65*	102.46	*105.31*	188.52	*198.36*	7.60	*27.72*
Assets	–	*–*	–	*–*	–	*–*	–	*–*
Net liability/(asset)	27.53	*52.65*	102.46	*105.31*	188.52	*198.36*	7.60	*27.72*
Net liability/(asset) - Current	27.53	*52.65*	5.92	*5.77*	13.00	*11.98*	(19.95)#	*27.72 ##*
Net liability/(asset) - Non-current	–	*–*	96.54	*99.54*	175.52	*186.38*	27.55	*–*

b) The amounts recognised in Statement of Profit and Loss are as follows:

₹ crore

	Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
		2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*
1	Current service cost	27.58	*19.36*	7.00	*6.07*	1.83	*0.98*	107.66	*102.80*
2	Interest cost	28.13	28.57	8.39	*7.91*	15.69	*15.45*	128.28	*114.60*
3	Expected (return) on plan assets	(21.39)	(21.13)	–	*–*	–	*–*	(128.28)	*(114.60)*
4	Actuarial losses/(gains)	(7.94)	25.43	(5.80)	*9.33*	(14.38)	*9.14*	45.03	*(15.99)*
5	Past service cost	–	–	0.14	*0.18*	0.11	*0.11*	–	*–*
6	Losses/(Gains) on Divestiture	–	–	–	*–*	–	*–*	–	*–*
7	Actuarial gain/(loss) not recognised in books	–	–	–	*–*	–	*–*	(16.94)	*(0.08)*
	Total (1 to 7)	26.38	52.23	9.73	*23.49*	3.25	*25.68*	135.75	*86.73*
i	Amount included in "employee benefit expenses"	36.32	41.95	21.42	*7.45*	6.78	*0.82*	107.66	*102.80*
ii	Amount included as part of "finance cost"	(10.89)	6.61	(11.69)	*15.67*	(3.53)	*25.95*	28.09	*(16.07)*
iii	Amount capitalised on New Product Development	0.14	0.08	–	*–*	–	*–*	–	*–*
iv	Amount recovered from S&A companies	0.81	0.57	–	*–*	–	*(1.09)*	–	*–*
v	Transfer pursuant to scheme of arrangement	–	3.02	–	*0.37*	–	*–*	–	*–*
	Total (i+ii+iii+iv+v)	26.38	52.23	9.73	*23.49*	3.25	*25.68*	135.75	*86.73*
	Actual return on plan assets	10.44	34.55	–	*–*	–	*–*	116.85	*122.72*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(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 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
Opening balance of the present value of defined benefit obligation	364.45	*341.07*	106.56	*88.44*	198.89	*184.67*	1675.94	*1544.72*
Add: Current service cost	27.58	*19.36*	7.00	*6.07*	1.83	*0.98*	107.66$	*102.80$*
Add: Interest cost	28.13	*28.57*	8.39	*7.91*	15.69	*15.45*	128.28	*114.60*
Add: Contribution by plan participants								
i) Employer	–	–	–	–	–	–	–	–
ii) Employee	–	–	–	–	–	–	170.39	*175.46*
iii) Transfer in/(out) ~	(25.11)	–	(7.01)	–	–	–	(154.98)	–
Add/(less): Actuarial losses/(gains)	(18.89)	*38.85*	(5.80)	*9.33*	(14.38)	*9.14*	33.60	*(7.87)*
Less: Benefits paid	(24.72)	*(63.40)*	(5.57)	*(5.19)*	(13.10)	*(11.35)*	(169.68)	*(253.77)*
Add: Past service cost	–	–	–	–	–	–	–	–
Closing balance of the present value of defined benefit obligation	351.44	*364.45*	103.57	*106.56*	188.93	*198.89*	1791.21	*1675.94*

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 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
Opening balance of the fair value of the plan assets	311.80	*291.66*	1648.23	*1507.47*
Add: Expected Return on Plan Assets*	21.39	*21.13*	128.28	*114.60*
Add/(Less): Actuarial gains/(losses)	(10.95)	*13.42*	(11.43)	*8.12*
Add: Contribution by the employer	51.48	*48.99*	148.59	*97.12*
Add/(less): Transfer in/(out) ~	(25.11)	–	(154.98)	–
Add: Contribution by Plan participants	–	–	195.95	*174.69*
Less: Benefits paid	(24.70)	*(63.40)*	(169.68)	*(253.77)*
Closing balance of the plan assets	323.91	*311.80*	1784.96	*1648.23*

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.

* Basis used to determine the overall expected return:

The trust formed by the Company manages the investments of provident funds and gratuity funds. Expected return on plan assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year. [Note Q(8)(ii)(f)(7) *infra*]

The Company expects to fund ₹ 26.38 crore *(previous year: ₹ 51.53 crore)* towards its gratuity plan and ₹ 86.74 crore *(previous year: ₹ 108.96 crore)* towards its trust-managed provident fund plan during the year 2014-15.

\# Employer's and employees' contribution paid in advance

\## Employer's and employees' contribution (net) for March is paid in April

$ Employer's contribution to provident fund

~ Amount transferred out pursuant to scheme of arrangement [Note Q(14)].

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

e) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity plan		Trust-managed provident fund plan	
	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
Government of India securities	30%	*29%*	24%	*24%*
State government securities	11%	*15%*	15%	*13%*
Corporate bonds	29%	*26%*	8%	*7%*
Equity shares of listed companies	2%	*2%*	–	–
Fixed deposits under special deposit scheme framed by central government for provident funds	–	–	12%	*14%*
Insurer managed funds	1%	*1%*	–	–
Public sector unit bonds	20%	*20%*	41%	*42%*
Others	7%	*7%*	–	–

f) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	As at 31-3-2014	*As at 31-3-2013*
1 Discount rate:		
a) Gratuity plan	9.19%	*8.09%*
b) Company pension plan	9.19%	*8.09%*
c) Post-retirement medical benefit plan	9.19%	*8.09%*
2 Expected return on plan assets	7.50%	*7.50%*
3 Annual increase in healthcare costs (see note below)	5.00%	*5.00%*
4 Salary Growth rate:		
a) Gratuity plan	5.00%	*5.00%*
b) Company pension plan	6.00%	*6.00%*

5 Attrition rate:

a) For post-retirement medical benefit plan & Company pension plan, the attrition rate varies from 2% to 8% *(previous year: 2% to 8%)* for various age groups.

b) For gratuity plan, the attrition rate varies from 1% to 6% *(previous year: 1% to 6%)* for various age groups.

6 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.

7 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 as actuarial loss.

8 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 above, has been assumed to increase at 5% p.a.

9 A one percentage point change in assumed healthcare cost trend rates would have the following effects on the aggregate of the service cost and interest cost and defined benefit obligation:

₹ crore

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2013-14	*2012-13*	2013-14	*2012-13*
Effect on the aggregate of the service cost and interest cost	2.89	*2.73*	(2.24)	*(2.10)*
Effect on defined benefit obligation	11.70	*11.11*	(9.37)	*(8.84)*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

g) The amounts pertaining to defined benefit plans are as follows:

₹ crore

	Particulars	As at 31-3-2014	*As at 31-3-2013*	*As at 31-3-2012*	*As at 31-3-2011*	*As at 31-3-2010*
1	Post-retirement medical benefit plan (unfunded)					
	Defined benefit obligation	102.46	*105.31*	*87.01*	*91.31*	*78.99*
	Experience adjustment plan liabilities	14.10	*1.62*	*6.60*	*7.91*	*5.73*
2	Gratuity plan (funded/unfunded)					
	Defined benefit obligation	351.44	*364.45*	*341.07*	*336.33*	*320.41*
	Plan assets	323.91	*311.80*	*291.66*	*308.38*	*279.30*
	Surplus/(deficit)	(27.53)	*(52.65)*	*(49.41)*	*(27.95)*	*(41.11)*
	Experience adjustment plan liabilities	5.49	*26.26*	*30.52*	*30.00*	*30.67*
	Experience adjustment plan assets	(8.72)	*13.01*	*(0.45)*	*4.48*	*2.21*
3	Post-retirement pension plan (unfunded)					
	Defined benefit obligation	188.52	*198.36*	*184.03*	*162.14*	*135.61*
	Experience adjustment plan liabilities	(0.22)	*(2.79)*	*23.21*	*17.46*	*(4.11)*
4	Trust managed provident fund plan (funded/unfunded)					
	Defined benefit obligation	1791.21	*1675.94*	*1544.72*	*1396.21*	*1199.77*
	Plan assets	1784.96	*1648.23*	*1507.47*	*1369.08*	*1186.01*
	Surplus/(deficit)	(6.25)	*(27.71)*	*(37.25)*	*(27.13)*	*(13.76)*

h) General descriptions of defined benefit plans:

1. Gratuity plan:

   The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last 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 favourable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material, is unfunded and managed within the Company.

2. Post-retirement medical benefit 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.

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.

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 Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by employer and employees and 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 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 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. Further, an amount of ₹ 27.55 crore *(previous year: reversal of ₹ 18.68 crore)* has been provided based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(9) Disclosures pursuant to Accounting Standard (AS) 17 "Segment Reporting"

a) Primary segments (business segments):

₹ crore

Particulars	For the year ended 31-3-2014			*For the year ended 31-3-2013*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Revenue - including excise duty						
Infrastructure	34515.70	599.61	35115.31	*28131.44*	*687.57*	*28819.01*
Power	5131.83	8.23	5140.06	*8073.56*	*0.29*	*8073.85*
Metallurgical & Material Handling	5357.07	189.01	5546.08	*5909.30*	*521.14*	*6430.44*
Heavy Engineering	4290.63	31.14	4321.77	*2856.46*	*146.17*	*3002.63*
Electrical & Automation	3656.66	250.68	3907.34	*3416.31*	*227.64*	*3643.95*
Machinery & Industrial Products	1897.02	45.85	1942.87	*2304.27*	*90.92*	*2395.19*
Others	2314.94	32.02	2346.96	*1504.36*	*21.50*	*1525.86*
Elimination	–	(1156.54)	(1156.54)	*–*	*(1695.23)*	*(1695.23)*
Total	57163.85	–	57163.85	*52195.70*	*–*	*52195.70*
Result						
Infrastructure			3879.07			*2866.92*
Power			518.25			*590.12*
Metallurgical & Material Handling			821.40			*970.08*
Heavy Engineering			685.67			*507.07*
Electrical & Automation			433.87			*358.00*
Machinery & Industrial Products			209.01			*403.35*
Others			216.47			*222.80*
Total			6763.74			*5918.34*
Inter-segment margin on capital jobs			(5.56)			*(17.04)*
			6758.18			*5901.30*
Unallocated corporate income/(expenditure) (net)			1090.89			*375.17*
Operating Profit (PBIT)			7849.07			*6276.47*
Interest expense			(1076.08)			*(954.75)*
Interest income			494.92			*532.46*
Profit before tax (PBT)			7267.91			*5854.18*
Provision for current tax			(1686.53)			*(1405.51)*
Provision for deferred tax			(88.25)			*(135.79)*
Profit after tax (before extraordinary items)			5493.13			*4312.88*
Profit from extraordinary items			–			*71.61*
Profit after tax (after extraordinary items)			5493.13			*4384.49*

₹ crore

Other information	**Segment assets**		**Segment liabilities**	
	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
Infrastructure	27789.02	*22374.89*	16277.38	*14172.04*
Power	6561.67	*6093.07*	6273.85	*5418.69*
Metallurgical & Material Handling	5192.15	*5057.17*	2047.73	*2466.44*
Heavy Engineering	5316.25	*4356.71*	2674.95	*2295.18*
Electrical & Automation	2729.62	*2434.57*	1238.80	*1153.48*
Machinery & Industrial Products	1067.74	*1355.09*	539.34	*759.08*
Others	2386.05	*2035.70*	1088.32	*894.31*
Total	51042.50	*43707.20*	30140.37	*27159.22*
Unallocable corporate assets/liabilities	27262.08	*23023.68*	14502.38	*11518.94*
Segment assets/liabilities pertaining to discontinued operations	–	*5693.15*	–	*4603.15*
Total assets/liabilities	78304.58	*72424.03*	44642.75	*43281.31*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ *crore*

Other Information	Capital expenditure		Depreciation, Amortisation & Obsolescence (included in segment expense)		Non-cash expenses other than depreciation included in segment expense	
	For the year ended 31-3-2014	*For the year ended 31-3-2013*	For the year ended 31-3-2014	*For the year ended 31-3-2013*	For the year ended 31-3-2014	*For the year ended 31-3-2013*
Infrastructure	519.28	*448.63*	352.35	*315.33*	25.86	*33.54*
Power	24.16	*155.32*	47.92	*46.19*	4.54	*9.22*
Metallurgical & Material Handling	17.21	*11.33*	81.41	*76.02*	6.00	*6.76*
Heavy Engineering	70.22	*45.80*	83.27	*81.81*	5.46	*8.88*
Electrical & Automation	176.46	*187.55*	78.60	*74.68*	4.44	*5.63*
Machinery & Industrial Products	31.49	*39.61*	24.77	*27.73*	1.32	*1.96*
Others	97.20	*144.79*	54.98	*50.81*	6.84	*10.66*

b) Secondary segments (geographical segments):

₹ *crore*

Particulars	Domestic		Overseas		Total	
	For the year ended 31-3-2014	*For the year ended 31-3-2013*	For the year ended 31-3-2014	*For the year ended 31-3-2013*	For the year ended 31-3-2014	*For the year ended 31-3-2013*
External revenue by location of customers	48035.29	*44683.96*	9128.56	*7511.74*	57163.85	*52195.70*
Carrying amount of segment assets by location of assets	44547.59	*37422.33*	6494.91	*6284.87*	51042.50	*43707.20*
Cost incurred on acquisition of tangible and intangible fixed assets	915.88	*984.72*	20.14	*48.31*	936.02	*1033.03*

c) Segment reporting: segment identification, reportable segments and definition of each reportable segment:

i) Primary/secondary segment reporting format:

[a] The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.

[b] In respect of secondary segment information, the Company has identified its geographical segments as (i) domestic and (ii) overseas. The secondary segment information has been disclosed accordingly.

ii) Segment identification:

Business segments have been identified on the basis of the nature of products/services, the risk-return profile of individual businesses, the organisational structure and the internal reporting system of the Company.

The operations of the Engineering and Construction segment which were hitherto reported as part of one single segment till previous year have been reclassified into different segments based on internal restructuring and granular clarity of segment information.

iii) Reportable segments:

Reportable segments have been identified as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting".

iv) Segment composition:

- **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution and water & renewable energy projects.
- **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.
- **Metallurgical & Material Handling segment** comprises turnkey solutions for ferrous (iron & steel making) and non-ferrous (aluminium, copper, lead & zinc) metal industries, bulk material & ash handling systems in power, port, steel and mining sector including manufacture and sale of industrial machinery and equipment.
- **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, Thermal & Nuclear Power, Aerospace and Defence.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

- **Electrical & Automation segment** 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. Electrical & Automation also included medical equipment business in the previous year (upto the date of sale).
- **Machinery & Industrial Products segment** comprises manufacture and sale of rubber processing machinery & castings, manufacture and marketing of industrial valves (upto the date of transfer), construction equipment and industrial products (upto the date of transfer).
- **Others** segment include realty, shipbuilding and integrated engineering services.

v) Pursuant to the Scheme of Arrangement [Note Q(14)], the Hydrocarbon business undertaking of the Company, which was hitherto reported as part of Engineering and Construction segment, stands transferred to and vested in L&T Hydrocarbon Engineering Limited as a going concern with effect from April 1, 2013. Accordingly, figures reported as comparatives for financial year 2012-13 exclude the discontinued operations of Hydrocarbon business undertaking.

vi) The Company has transferred at book value to its wholly owned subsidiaries, the business of manufacturing and marketing of industrial valves effective July 1, 2013 and Cutting Tools business effective July 15, 2013. Both these businesses were hitherto reported as part of the Machinery and Industrial Products segment.

Q(10) Disclosure of related parties/related party transactions pursuant to Accounting Standard (AS) 18 "Related party disclosures"

i. List of related parties over which control exists and status of transactions entered during the year

Sr. No.	Name of the related party	Relationship	Transaction entered during the year (Yes/No)
1	L&T Cutting Tools Limited (formerly known as Tractor Engineers Limited)	Wholly owned Subsidiary	Yes
2	Bhilai Power Supply Company Limited	Subsidiary*	Yes
3	L&T-Sargent & Lundy Limited	Subsidiary*	Yes
4	Spectrum Infotech Private Limited	Wholly owned Subsidiary	Yes
5	L&T-Valdel Engineering Limited	Wholly owned Subsidiary	Yes
6	L&T Shipbuilding Limited	Subsidiary*	Yes
7	L&T Electricals and Automation Limited	Wholly owned Subsidiary	Yes
8	Hi Tech Rock Products & Aggregates Limited	Wholly owned Subsidiary	Yes
9	L&T Seawoods Private Limited	Wholly owned Subsidiary	Yes
10	L&T-Gulf Private Limited	Subsidiary*	Yes
11	L&T-MHI Boilers Private Limited	Subsidiary*	Yes
12	L&T-MHI Turbine Generators Private Limited	Subsidiary*	Yes
13	Raykal Aluminium Company Private Limited	Subsidiary*	Yes
14	L&T Natural Resources Limited	Wholly owned Subsidiary	Yes
15	L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)	Wholly owned Subsidiary	Yes
16	L&T Special Steels and Heavy Forgings Private Limited	Subsidiary*	Yes
17	PNG Tollway Limited	Subsidiary**	Yes
18	L&T Rajkot - Vadinar Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	Yes
19	Kesun Iron & Steel Company Private Limited	Subsidiary*	Yes
20	L&T Howden Private Limited	Subsidiary*	Yes
21	L&T Solar Limited	Wholly owned Subsidiary	Yes
22	L&T Sapura Shipping Private Limited	Subsidiary*	Yes
23	L&T Sapura Offshore Private Limited	Subsidiary*	Yes
24	L&T Powergen Limited	Wholly owned Subsidiary	Yes
25	Ewac Alloys Limited	Wholly owned Subsidiary	Yes
26	L&T Kobelco Machinery Private Limited	Subsidiary*	Yes
27	L&T Realty Limited	Wholly owned Subsidiary	Yes

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. No.	Name of the related party	Relationship	Transaction entered during the year (Yes/No)
28	L&T Asian Realty Project LLP	Subsidiary of L&T Realty Limited #	Yes
29	L&T Parel Project LLP	Subsidiary of L&T Realty Limited	Yes
30	Chennai Vision Developers Private Limited	Wholly owned Subsidiary of L&T Realty Limited	Yes
31	L&T Urban Infrastructure Limited ^^^	Wholly owned subsidiary	Yes
32	L&T South City Projects Limited	Subsidiary of L&T Realty Limited#	Yes
33	L&T Siruseri Property Developers Limited@@@	Wholly owned Subsidiary of L&T South City Projects Limited #	No
34	L&T Vision Ventures Limited	Subsidiary of L&T Realty Limited #	Yes
35	L&T Tech Park Limited	Subsidiary of L&T Realty Limited #	Yes
36	L&T Bangalore Airport Hotel Limited@	Subsidiary of L&T Realty Limited #	Yes
37	CSJ Infrastructure Private Limited	Subsidiary of L&T Realty Limited #	Yes
38	L&T Chennai Projects Private Limited @@	Subsidiary of L&T Realty Limited #	Yes
39	L&T Power Limited	Subsidiary*	Yes
40	L&T Cassidian Limited	Subsidiary*	Yes
41	L&T General Insurance Company Limited	Wholly owned Subsidiary	Yes
42	L&T Aviation Services Private Limited	Wholly owned Subsidiary	Yes
43	L&T Infocity Limited	Subsidiary*	Yes
44	L&T Hitech City Limited	Subsidiary of L&T Infocity Limited #	Yes
45	Hyderabad International Trade Expositions Limited	Subsidiary of L&T Infocity Limited #	Yes
46	Larsen & Toubro Infotech Limited	Wholly owned Subsidiary	Yes
47	GDA Technologies Limited	Wholly owned Subsidiary of Larsen & Toubro Infotech Limited	No
48	L&T Finance Holdings Limited	Subsidiary*	Yes
49	L&T Finance Limited	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
50	L&T Investment Management Limited	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
51	L&T Mutual Fund Trustee Limited	Wholly owned Subsidiary of L&T Finance Holdings Limited	No
52	L&T FinCorp Limited	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
53	L&T Infrastructure Finance Company Limited	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
54	L&T Infra Investment Partners Advisory Private Limited	Wholly owned Subsidiary of L&T Infrastructure Finance Company Limited	Yes
55	L&T Infra Investment Partners Trustee Private Limited	Wholly owned Subsidiary of L&T Infrastructure Finance Company Limited	Yes
56	L&T Vrindavan Properties Limited (formerly known as L&T Unnati Finance Limited)	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
57	L&T Access Distribution Services Limited (formerly known as L&T Access Financial Advisory Services Limited)	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
58	L&T Capital Company Limited	Wholly owned Subsidiary	Yes
59	L&T Trustee Company Private Limited	Wholly owned Subsidiary of L&T Capital Company Limited	No
60	L&T Power Development Limited	Wholly owned Subsidiary	Yes
61	L&T Uttaranchal Hydropower Limited	Wholly owned Subsidiary of L&T Power Development Limited	Yes
62	L&T Arunachal Hydropower Limited	Wholly owned Subsidiary of L&T Power Development Limited	Yes
63	L&T Himachal Hydropower Limited	Wholly owned Subsidiary of L&T Power Development Limited	Yes
64	Nabha Power Limited	Wholly owned Subsidiary of L&T Power Development Limited	Yes
65	L&T Infrastructure Development Projects Limited	Subsidiary*	Yes
66	L&T Panipat Elevated Corridor Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
67	Narmada Infrastructure Construction Enterprise Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
68	L&T Krishnagiri Thopur Toll Road Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
69	L&T Western Andhra Tollways Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
70	L&T Vadodara Bharuch Tollway Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
71	L&T Transportation Infrastructure Limited	Subsidiary of L&T Infrastructure Development Projects Limited	Yes
72	L&T Western India Tollbridge Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. No.	Name of the related party	Relationship	Transaction entered during the year (Yes/No)
73	L&T Interstate Road Corridor Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
74	International Seaports (India) Private Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
75	L&T Port Kachchigarh Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
76	L&T Ahmedabad - Maliya Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited	Yes
77	L&T Halol - Shamlaji Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited	Yes
78	L&T Krishnagiri Walajahpet Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited	Yes
79	L&T Devihalli Hassan Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited	Yes
80	L&T Metro Rail (Hyderabad) Limited	Subsidiary of L&T Infrastructure Development Projects Limited	Yes
81	L&T Transco Private Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	No
82	L&T Chennai – Tada Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited#	Yes
83	L&T BPP Tollway Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
84	L&T Deccan Tollways Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
85	L&T Samakhiali Gandhidham Tollway Limited	Subsidiary of L&T Infrastructure Development Projects Limited#	Yes
86	Larsen & Toubro LLC	Subsidiary*	Yes
87	Larsen & Toubro Infotech, GmbH	Wholly owned Subsidiary of Larsen & Toubro Infotech Limited	Yes
88	Larsen & Toubro Infotech Canada Limited	Wholly owned Subsidiary of Larsen & Toubro Infotech Limited	Yes
89	Larsen & Toubro Infotech LLC	Wholly owned Subsidiary of Larsen & Toubro Infotech Limited	No
90	L&T Infotech Financial Services Technologies Inc.	Wholly owned Subsidiary of Larsen & Toubro Infotech Limited	Yes
91	GDA Technologies Inc. ^	Wholly owned Subsidiary of Larsen & Toubro Infotech Limited	Yes
92	L&T Infrastructure Development Projects Lanka (Private) Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	No
93	Peacock Investments Limited$	Wholly owned Subsidiary of L&T Capital Company Limited	No
94	Mango Investments Limited$	Wholly owned Subsidiary of L&T Capital Company Limited	No
95	Lotus Infrastructure Investments Limited$	Wholly owned Subsidiary of L&T Capital Company Limited	No
96	L&T Diversified India Equity Fund	Wholly owned Subsidiary of L&T Capital Company Limited	No
97	L&T Asset Management Company Limited$	Wholly owned Subsidiary of L&T Capital Company Limited	No
98	L&T Realty FZE	Wholly owned Subsidiary of L&T Realty Limited	No
99	Larsen & Toubro International FZE	Wholly owned Subsidiary	Yes
100	Larsen & Toubro (Oman) LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
101	Larsen & Toubro Electromech LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
102	L&T Modular Fabrication Yard LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
103	Larsen & Toubro (East Asia) SDN.BHD	Subsidiary of Larsen & Toubro International FZE ##	Yes
104	Larsen & Toubro Qatar LLC	Subsidiary of Larsen & Toubro International FZE ##	No
105	L&T Overseas Projects Nigeria Limited	Subsidiary of Larsen & Toubro International FZE	Yes
106	L&T Electricals & Automation Saudi Arabia Company Limited, LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
107	Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L.	Subsidiary of Larsen & Toubro International FZE ##	Yes
108	Larsen & Toubro (Qingdao) Rubber Machinery Company Limited	Wholly owned Subsidiary of Larsen & Toubro International FZE	Yes
109	Qingdao Larsen & Toubro Trading Company Limited@@@	Wholly owned Subsidiary of Larsen &Toubro (Qingdao) Rubber Machinery Company Limited	No
110	Larsen & Toubro Readymix Concrete Industries LLC	Subsidiary of Larsen & Toubro International FZE ##	Yes
111	Larsen & Toubro Saudi Arabia LLC	Subsidiary of Larsen & Toubro International FZE	Yes
112	Larsen & Toubro ATCO Saudia LLC	Subsidiary of Larsen & Toubro International FZE	Yes
113	Tamco Switchgear (Malaysia) SDN. BHD	Wholly owned Subsidiary of Larsen & Toubro International FZE	Yes
114	Tamco Electrical Industries Australia Pty Limited	Wholly owned Subsidiary of Larsen & Toubro International FZE	Yes

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. No.	Name of the related party	Relationship	Transaction entered during the year (Yes/No)
115	PT Tamco Indonesia	Subsidiary of Larsen & Toubro International FZE	Yes
116	Larsen & Toubro Heavy Engineering LLC	Subsidiary of Larsen & Toubro International FZE #	Yes
117	L&T Electrical & Automation FZE	Wholly owned Subsidiary of Larsen & Toubro International FZE	Yes
118	Larsen & Toubro Consultoria E Projeto Ltda	Subsidiary of Larsen & Toubro International FZE	Yes
119	Larsen & Toubro T&D SA Proprietary Limited	Subsidiary of Larsen & Toubro International FZE #	Yes
120	L&T East-West Tollway Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
121	L&T Great Eastern Highway Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
122	Servowatch System Limited	Wholly owned Subsidiary of Larsen & Toubro International FZE	Yes
123	L&T Geostructure LLP	Subsidiary*	Yes
124	Larsen Toubro Arabia LLC	Subsidiary*	Yes
125	Henikwon Corporation SDN. BHD	Wholly owned Subsidiary of Tamco Switchgear (Malaysia) SDN. BHD	Yes
126	L&T Housing Finance Limited	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
127	L&T Tejomaya Limited	Subsidiary of L&T Realty Limited #	Yes
128	L&T Valves Limited (formerly known as Audco India Limited)	Wholly owned Subsidiary	Yes
129	L&T Technology Services Limited	Wholly owned Subsidiary	Yes
130	CSJ Hotels Private Limited	Wholly owned Subsidiary of CSJ Infrastructure Private Limited	Yes
131	L&T Consumer Finance Services Limited	Wholly owned Subsidiary of L&T Housing Finance Limited	No
132	Family Credit Limited	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
133	L&T Capital Markets Limited	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
134	L&T Infra Debt Fund Limited	Wholly owned Subsidiary of L&T Finance Holdings Limited	No
135	L&T Trustee Services Private Limited	Wholly owned Subsidiary of L&T Mutual Fund Trustee Limited	No
136	L&T Fund Management Private Limited$$	Wholly owned Subsidiary of L&T Finance Holdings Limited	No
137	Larsen & Toubro Infotech South Africa (PTY) Limited	Subsidiary of Larsen & Toubro Infotech Limited	No
138	Thalest Limited	Wholly owned Subsidiary of Larsen & Toubro International FZE	No
139	Bond Instrumentation & Process Control Limited%	Wholly owned Subsidiary of Thalest Limited	No
140	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited) ^^	Wholly owned Subsidiary	Yes
141	Kudgi Transmission Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
142	L&T Sambhalpur Rourkela Tollway limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
143	Larsen & Toubro Hydrocarbon International Limited LLC	Subsidiary*	Yes
144	L&T Information Technology Services (Shanghai) Co. Limited	Wholly owned Subsidiaryof Larsen & Toubro Infotech Limited	No
145	Kana Controls General Trading & Contracting Company W.L.L.	Subsidiaryof L&T Electrical & Automation FZE##	No
146	Mudit Cement Private Limited	Wholly owned subsidiary of L&T Vrindavan Properties Limited	No
147	L&T IDPL Trustee Manager Pte Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	No
148	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Subsidiary*	No

*	The Company holds more than one-half in nominal value of the equity share capital
**	The Company, together with its subsidiaries holds more than one-half in nominal value of the equity share capital
@	The Company has sold its shares on January 24, 2014
@@	The Company has sold its stake on October 3, 2013
@@@	The Company is in the process of being wound up
#	The Company's subsidiary/wholly owned subsidiary holds more than one-half in nominal value of the equity share capital
##	The Company, together with its subsidiaries controls the composition of the Board of Directors
%	The Company has been liquidated with effect from August 20, 2013
^	The Company has been dissolved with effect from March 28, 2014.
^^	Associate became a wholly owned subsidiary w.e.f. April 15, 2013
^^^	The Company has been merged with L&T Realty Limited w.e.f. April 1, 2012 pursuant to High Court order
$	The Company has been liquidated w. e. f. December 2, 2013
$$	The Company has been merged with L&T Investment Management Limited w.e.f. November 22, 2013

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

ii (a) Names of the associates and joint ventures with whom transactions were carried out during the year:

Associate companies:			
1	L&T-Chiyoda Limited	2	Salzer Electronics Limited
3	L&T Ramboll Consulting Engineers Limited	4	Magrtorq Private Limited
5	JSK Electricals Private Limited	6	Feedback Ventures Limited
Joint ventures (other than associates):			
1	Metro Tunneling Group	2	L&T Hochtief Seabird Joint Venture
3	Desbuild-L&T Joint Venture	4	Metro Tunneling Chennai L&T SUCG Joint Venture
5	L&T-AM Tapovan Joint Venture	6	HCC-L&T Purulia Joint Venture
7	The Dhamra Port Company Limited	8	L&T Shanghai Urban Construction (Group) Corporation Joint Venture
9	L&T-Shanghai Urban Construction (Group) CC27 Delhi	10	L&T-Eastern Joint Venture
11	L&T-Shapoorji Pallonji-TCS	12	Metro Tunneling Delhi L&T SUCG Joint venture
13	International Metro Civil Contractors		

ii (b) Names of the Key management personnel and their relatives with whom transactions were carried out during the year:

Key management personnel & their relatives:			
1	Mr. A.M. Naik (Group Executive Chairman)	2	Mr. K. Venkataramanan (CEO & Managing Director)
			Mrs. Jyothi Venkataramanan (wife)
3	Mr. M. V. Kotwal (Whole-time director)	4	Mr. R. Shankar Raman (CFO & Whole-time Director)
5	Mr. S. N. Subrahmanyan (Whole-time Director)	6	Mr. Shailendra Roy (Whole-time Director)

iii. Disclosure of related party transactions:

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
1	Purchase of goods & services (including commission paid)				
	Subsidiaries, including:	3040.06		*4961.52*	
	L&T-MHI Turbine Generators Private Limited		782.29		*1205.39*
	L&T Valves Limited (formerly known as Audco India Limited)		425.52		*–*
	L&T-MHI Boilers Private Limited		1042.90		*2023.78*
	Associates & joint ventures, including:	161.91		*830.56*	
	L&T Valves Limited (formerly known as Audco India Limited)		–		*587.68*
	Salzer Electronics Limited		120.11		*118.75*
	JSK Electricals Private Limited		26.73		*–*
	Total	3201.97		*5792.08*	
2	Sale of goods/contract revenue & services				
	Subsidiaries, including:	6355.55		*7112.83*	
	L&T BPP Tollway Limited		1072.01		*–*
	L&T Metro Rail (Hyderabad) Limited		1671.24		*–*
	Nabha Power Limited		1261.76		*2390.13*
	Associates & joint ventures, including:	5.07		*45.84*	
	The Dhamra Port Company Limited		5.06		*43.17*
	Total	6360.62		*7158.67*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
3	Purchase/lease of fixed assets				
	Subsidiaries, including:	20.33		*34.65*	
	L&T Shipbuilding Limited		–		*14.83*
	Larsen & Toubro International FZE		–		*11.55*
	EWAC Alloys Limited		–		*7.57*
	L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)		7.46		*–*
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		5.22		*–*
	Associates & joint ventures:	–		*3.76*	
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		–		*3.76*
	Total	20.33		*38.41*	
4	Sale of fixed assets				
	Subsidiaries, including:	20.36		*0.54*	
	L&T Vrindavan Properties Limited (formerly known as L&T Unnati Finance Limited)		16.01		*–*
	L&T-MHI Boilers Private Limited		3.33		*–*
	PT Tamco Indonesia		–		*0.40*
	L&T Plastics Machinery Limited		–		*0.13*
	Total	20.36		*0.54*	
5	Sale of Receivables				
	Subsidiary:	98.96		*–*	
	L&T Finance Limited		98.96		*–*
	Total	98.96		*–*	
6	Subscription to equity and preference shares (including application money paid)				
	Subsidiaries, including:	4655.77		*1499.19*	
	L&T Seawoods Private Limited		1505.99		*–*
	L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)		1500.00		*–*
	L&T Power Development Limited		930.30		*437.00*
	L&T Shipbuilding Limited		–		*818.63*
	L&T Technology Services Limited		502.45		*–*
	Associates & joint ventures:	–		*0.03*	
	AIC Structural Steel Construction (India) Private Limited		–		*0.03*
	Total	4655.77		*1499.22*	
7	Investment in Integrated Joint Ventures (Note [R]21)				
	Increase in Investment, including:	104.29		*50.41*	
	L&T-AM Tapovan Joint Venture		–		*11.69*
	Metro Tunneling Chennai L&T SUCG Joint Venture		28.95		*28.41*
	L&T-Shapoorji Pallonji & Co. Ltd. Joint Venture -TCS		33.63		*5.18*
	Metro Tunneling Delhi-L&T SUCG Joint Venture		12.78		*–*
	Delhi Metro Railway Corporation-SUCG 27		12.66		*–*
	Total	104.29		*50.41*	
	Decrease in Investment, including:	0.03		*8.72*	
	L&T Eastern Joint Venture		–		*7.44*
	International Metro Civil Contactors Joint Venture		0.03		*–*
	Total	0.03		*8.72*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ *crore*

Sr. no.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
8	Purchase of investments from				
	Subsidiary:	1243.04		*61.56*	
	L&T Capital Company Limited		1243.04		*61.56*
	Total	1243.04		*61.56*	
9	Sale of investments to				
	Subsidiaries, including:	1255.10		–	
	L&T Capital Company Limited		1242.45		–
	Total	1255.10		–	
10	Buy back of shares by				
	Subsidiary:	–		*7.50*	
	L&T-Sargent & Lundy Limited		–		*7.50*
	Total	–		*7.50*	
11	Capital Reduction by				
	Subsidiary:	–		*153.42*	
	L&T Power Limited		–		*153.42*
	Total	–		*153.42*	
12	Charges paid for miscellaneous services				
	Subsidiaries, including:	80.14		*89.35*	
	Larsen & Toubro Infotech Limited		29.54		*33.10*
	L&T Aviation Services Private Limited		27.28		*27.14*
	Associates & joint ventures, including:	0.45		*6.65*	
	L&T-Chiyoda Limited		–		*6.48*
	L&T-Ramboll Consulting Engineers Limited		0.45		–
	Total	80.59		*96.00*	
13	Rent paid, including lease rentals under leasing/hire purchase arrangements:				
	Subsidiaries, including:	4.70		*2.48*	
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		1.08		–
	L&T Electrical & Automation FZE		0.50		–
	L&T Infocity Limited		1.59		*1.29*
	L&T Infotech Limited		–		*0.57*
	L&T Sargent and Lundy Limited		1.04		–
	Larsen and Toubro Kuwait Construction General Contracting Company, W.L.L.		–		*0.36*
	Associates & joint ventures:	–		*2.01*	
	L&T Valves Limited (formerly known as Audco India Limited #)		–		*0.66*
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		–		*1.35*
	Key management personnel	0.01		*0.01*	
	Total	4.71		*4.50*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
14	Charges for deputation of employees to related parties				
	Subsidiaries, including:	67.24		*52.39*	
	L&T Power Development Limited		11.36		*10.19*
	L&T-Valdel Engineering Limited		12.30		*11.66*
	L&T Parel Project LLP		15.82		*8.52*
	Associates & joint ventures, including:	25.65		*58.21*	
	L&T-Chiyoda Limited		25.22		*35.24*
	L&T Valves Limited (formerly known as Audco India Limited #)		–		*16.31*
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		–		*5.93*
	Total	92.89		*110.60*	
15	Dividend received				
	Subsidiaries, including:	863.06		*583.21*	
	Larsen & Toubro Infotech Limited		551.48		*303.15*
	L&T Infocity Limited		–		*134.57*
	EWAC Alloys Limited		–		*59.64*
	L&T Valves Limited (formerly known as Audco India Limited #)		–		*50.03*
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		96.00		*–*
	L&T Finance Holdings Limited		106.28		*–*
	Associates & joint ventures, including:	2.35		*1.80*	
	Salzer Electronics Limited		0.32		*–*
	L&T- Ramboll Consulting Engineers Limited		1.80		*1.80*
	Total	865.41		*585.01*	
	# Out of the total dividend of ₹ 100.05 crore declared, ₹ 50.02 crore has been credited to investment account, being in the nature of dividend out of pre-acquisition profits				
16	Commission received, including those under agency arrangements				
	Subsidiaries, including:	9.70		*0.96*	
	L&T (Qingdao) Rubber Machinery Company Limited		–		*0.38*
	L&T Kobelco Machinery Private Limited		–		*0.48*
	L&T Cutting Tools Limited (formerly known as Tractor Engineers Limited)		–		*0.10*
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		9.04		*–*
	Associates & joint ventures:	–		*138.68*	
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		–		*138.68*
	Total	9.70		*139.64*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
17	Rent received, overheads recovered and miscellaneous income				
	Subsidiaries, including:	431.11		*310.99*	
	Larsen & Toubro Infotech Limited		75.18		*80.31*
	Larsen & Toubro (Oman) LLC		–		*40.87*
	L&T-MHI Boilers Private Limited		–		*52.18*
	L&T Geostructure LLP		60.35		*–*
	L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)		129.58		*–*
	Associates & joint ventures, including:	1.67		*6.01*	
	L&T-Chiyoda Limited		1.66		*3.55*
	Total	432.78		*317.00*	
18	Interest received from				
	Subsidiaries, including:	159.42		*150.48*	
	L&T Chennai Projects Private Limited (formerly known as L&T Arun Excello IT SEZ Private Limited)		–		*18.99*
	L&T Realty Limited		116.88		*64.31*
	L&T Urban Infrastructure Limited		–		*25.40*
	Associates & joint ventures:	41.00		*41.62*	
	The Dhamra Port Company Limited		41.00		*41.62*
	Total	200.42		*192.10*	
19	Interest paid to				
	Subsidiaries, including:	31.88		*27.35*	
	L&T Finance Limited		3.49		*9.25*
	L&T Transportation Infrastructure Limited		–		*13.73*
	L&T Infrastructure Development Projects Limited		–		*3.20*
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		4.87		*–*
	Larsen and Toubro Infotech Limited		5.34		*–*
	L&T Shipbuilding Limited		6.41		*–*
	L&T Seawoods Private Limited		10.74		*–*
	Total	31.88		*27.35*	
20	Transfer of Business to				
	Subsidiaries:	1909.60		*–*	
	L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)		1760.00		*–*
	L&T Valves Limited (formerly known as Audco India Limited)		149.60		*–*
	Total	1909.60		*–*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. no.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
21	Payment of Salaries/Perquisites (Other than commission)	13.32		*21.72*	
	(Key management personnel)				
	A. M. Naik		3.92		*3.61*
	K. Venkataramanan		2.85		*2.58*
	V. K. Magapu *		–		*7.40*
	M. V. Kotwal		2.06		*1.89*
	Ravi Uppal **		–		*2.05*
	S. N. Subrahmanyan		1.63		*1.52*
	R. Shankar Raman		1.48		*1.37*
	Shailendra Roy		1.38		*1.30*
	Total	13.32		*21.72*	
22	Commission to directors @				
	(Key management personnel)	67.18		*51.82*	
	A. M. Naik		24.50		*17.45*
	K. Venkataramanan		9.18		*10.47*
	V. K. Magapu *		–		*2.82*
	M. V. Kotwal		6.65		*3.64*
	Ravi Uppal **		–		*1.71*
	S. N. Subrahmanyan		11.63		*7.01*
	R. Shankar Raman		9.31		*5.53*
	Shailendra Roy		5.91		*3.19*
	Total	67.18		*51.82*	

* Retired w.e.f. the close of working hours of September 30, 2012

** Ceased to be director w.e.f. the close of working hours of September 15, 2012

@ Commission to director comprises:

₹ crore

Sr. no.	Particulars	2013-14	*2012-13*
1	Commission	52.90	*40.80*
2	Contribution to provident fund on commission	6.35	*4.90*
3	Contribution to superannuation fund on commission	7.93	*6.12*
	Total	67.18	*51.82*

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

iv Amount due to/from related parties:

₹ *crore*

Sr. no.	Nature of transaction/relationship/major parties	As at 31-3-2014 Amount	As at 31-3-2014 Amounts for major parties	*As at 31-3-2013 Amount*	*As at 31-3-2013 Amounts for major parties*
1	Accounts receivable				
	Subsidiaries, including:	2082.90		*2563.66*	
	Nabha Power Limited		1028.70		*1345.20*
	L&T Metro Rail (Hyderabad) Limited		221.77		*–*
	Associates & joint ventures, including:	66.63		*70.81*	
	The Dhamra Port Company Limited		66.61		*70.81*
	Total	2149.53		*2634.47*	
2	Accounts payable (including acceptance & interest accrued)				
	Subsidiaries, including:	2540.89		*2970.87*	
	L&T-MHI Boilers Private Limited		1134.94		*1274.69*
	L&T-MHI Turbine Generators Private Limited		823.60		*974.45*
	Associates & joint ventures, including:	81.59		*74.71*	
	Metro Tunneling Chennai L&T SUCG Joint venture		39.21		*18.99*
	L&T-Chiyoda Limited		–		*15.23*
	Metro Tunneling Delhi - L&T SUCG Joint Venture		16.76		*–*
	Salzer Electronic Limited		13.37		*18.87*
	Total	2622.48		*3045.58*	
3	Investment in Debt Securities				
	Subsidiaries:	36.96		*111.83*	
	L&T Infrastructure Finance Company Limited		–		*74.85*
	L&T Finance Limited		36.96		*36.98*
	Total	36.96		*111.83*	
4	Loans & advances recoverable				
	Subsidiaries, including:	3292.70		*1980.01*	
	L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)		775.68		*–*
	L&T Realty Limited		841.04		*751.37*
	Associates & joint ventures, including:	518.10		*480.57*	
	The Dhamra Port Company Limited		490.30		*453.41*
	Key management personnel	0.01		*0.01*	
	Total	3810.81		*2460.59*	
5	Advances against equity contribution				
	Subsidiaries, including:	1208.37		*2264.85*	
	L&T Shipbuilding Limited		421.86		*421.86*
	L&T Seawoods Private Limited		–		*1143.99*
	L&T Realty Private Limited		699.00		*699.00*
	Total	1208.37		*2264.85*	

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ *crore*

Sr. no.	Nature of transaction/relationship/major parties	As at 31-3-2014 Amount	As at 31-3-2014 Amounts for major parties	*As at 31-3-2013 Amount*	*As at 31-3-2013 Amounts for major parties*
6	Unsecured loans (including lease finance)				
	Subsidiaries:	113.80		*39.17*	
	L&T Construction Equipment Limited		50.00		–
	Nabha Power Limited		13.00		–
	L&T Finance Limited		–		*39.17*
	L&T Seawoods Private Limited		28.30		–
	L&T Cutting Tools Limited (formerly known as Tractor Engineers Limited)		22.50		–
	Total	113.80		*39.17*	
7	Advances received in the capacity of supplier of goods/services classified as "advances from customers" in the Balance Sheet				
	Subsidiaries, including:	694.21		*1289.74*	
	Nabha Power Limited		110.83		*369.32*
	L&T Metro Rail (Hyderabad) Limited		346.79		*445.70*
	L&T Seawoods Private Limited		153.83		*151.70*
	L&T BPP Tollway Limited		–		*159.66*
	Total	694.21		*1289.74*	
8	Due to whole time directors				
	(Key management personnel)	52.90		*40.80*	
	A. M. Naik		19.29		*13.74*
	K. Venkataramanan		7.23		*8.24*
	V. K. Magapu *		–		*2.22*
	M. V. Kotwal		5.24		*2.87*
	Ravi Uppal **		–		*1.35*
	S. N. Subrahmanyan		9.16		*5.52*
	R. Shankar Raman		7.33		*4.35*
	Shailendra Roy		4.65		*2.51*
	Total	52.90		*40.80*	

* Retired w.e.f. the close of working hours of September 30, 2012

** Ceased to be director w.e.f. the close of working hours of September 15, 2012

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

v. Notes to related party transactions:

The Company has a marketing and selling arrangement with L&T-Construction Equipment Limited (formerly known as L&T-Komatsu Limited), a subsidiary company, valid for the period of 5 (Five) years from April 16, 2013. As per the terms of the arrangement, the Company is an agent of L&T-Construction Equipment Limited to market 300 CK Hydraulic Excavators and hydraulic equipment & parts manufactured by L&T-Construction Equipment Limited and to provide after sales product support for Excavators. Pursuant to the aforesaid arrangement, L&T-Construction Equipment Limited is required to pay commission to the Company at specified rates on the sales effected by the Company.

The financial impact of the aforesaid arrangement has been included in/disclosed vide Note Q(10)(iii) *supra*.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(11) Disclosure in respect of Leases pursuant to Accounting Standard (AS) 19 "Leases"

(i) Where the Company is a Lessor:

a. The Company has given on finance leases certain items of plant and equipment. The leases have a primary period that is fixed and non-cancellable. The leases are cancellable upon payment by the lessee of an additional amount such that, at inception, continuation of the lease is reasonably certain. There are no exceptional/restrictive covenants in the lease agreement.

b. The total gross investment in these leases as on March 31, 2014 and the present value of minimum lease payments receivable as on March 31, 2014 is as under:

₹ crore

Particulars	31-3-2014	*31-3-2013*
1. Receivable not later than 1 year	0.09	*0.51*
2. Receivable later than 1 year and not later than 5 years	–	*0.06*
3. Receivable later than 5 years	–	*–*
Gross investment in lease (1+2+3)	0.09	*0.57*
Less: Unearned finance income	0.01	*0.07*
Present value of minimum lease payments receivable	0.08*	*0.50**

* Long term loans and advances [Note G(I)] - ₹ Nil *(previous year: ₹ 0.06 crore)* and

Short term loans and advances [Note H(V)] - ₹ 0.08 crore *(previous year: ₹ 0.44 crore)*

(ii) Where the Company is a lessee:

a) Finance leases:

i. [a] Assets acquired on finance lease mainly comprise plant and equipment, vehicles and personal computers. The leases had a primary period, which was fixed and non-cancellable. In the case of vehicles, the Company had an option to renew the lease for a secondary period. The agreements provide for revision of lease rentals in the event of changes in (a) taxes, if any, leviable on the lease rentals (b) rates of depreciation under the Income Tax Act, 1961 and (c) change in the lessor's cost of borrowings. There were no exceptional/restrictive covenants in the lease agreements.

[b] The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

₹ crore

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
Payable not later than 1 year [Note (D) (II)]	–	*42.66*	–	*39.17*
Total	–	*42.66*	–	*39.17*
Less: Future finance charges	–	*3.49*		
Present value of minimum lease payments [Note (C) (I) (e)]	–	*39.17*		

ii. Contingent rent recognised/(adjusted) in the Statement of Profit and Loss in respect of finance leases: ₹ Nil *(previous year: ₹ Nil)*

Notes forming part of the Accounts (contd.)

NOTE [Q] *(contd.)*

b) Operating leases:

i. The Company has taken various commercial premises and plant and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry.

ii. [a] The Company has taken certain assets like cars, technology assets, etc. on non-cancellable operating leases, the future minimum lease payments in respect of which are as follows:

₹ crore

Particulars	Minimum lease payments	
	As at 31-3-2014	*As at 31-3-2013*
1. Payable not later than 1 year	0.15	*1.75*
2. Payable later than 1 year and not later than 5 years	–	*0.17*
Total	0.15	*1.92*

[b] The lease agreements provide for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements.

iii. Lease rental expense in respect of operating leases: ₹ 102.18 crore *(previous year: ₹ 84.06 crore excluding ₹ 2.77 crore pertaining to discontinued operations).*

iv. Contingent rent recognised in the Statement of Profit and Loss: ₹ Nil *(previous year: ₹ Nil).*

Q(12) Basic and diluted earnings per share [EPS] computed in accordance with pursuant to Accounting Standard (AS) 20 "Earnings per Share".

Particulars		Before extraordinary items		After extraordinary items	
		2013-14	*2012-13#*	2013-14	*2012-13#*
Basic					
Profit after tax as per accounts (₹ crore)	A	5493.13	*4839.04*	5493.13	*4910.65*
Weighted average number of shares outstanding	B	92,54,16,187	*92,08,89,827*	92,54,16,187	*92,08,89,827*
Basic EPS (₹)	A/B	59.36	*52.55*	59.36	*53.33*
Diluted					
Profit after tax as per accounts (₹ crore)	A	5493.13	*4839.04*	5493.13	*4910.65*
Weighted average number of shares outstanding	B	92,54,16,187	*92,08,89,827*	92,54,16,187	*92,08,89,827*
Add: Weighted average number of potential equity shares on account of employee stock options	C	56,56,640	*75,76,279*	56,56,640	*75,76,279*
Weighted average number of shares outstanding for diluted EPS	D=B+C	93,10,72,827	*92,84,66,106*	93,10,72,827	*92,84,66,106*
Diluted EPS (₹)	A/D	59.00	*52.12*	59.00	*52.89*
Face value per share (₹)		2	*2*	2	*2*

Note: Potential equity shares that could arise on conversion of FCCB's are not resulting into dilution of EPS. Hence, they have not been considered in working of diluted EPS in accordance with Accounting Standard (AS) 20 "Earning per share".

\# The basic and diluted EPS for the year 2012-13 have been restated pursuant to the issue of bonus equity shares in the ratio of 1:2 [one bonus equity share of ₹ 2 each for every two equity shares of ₹ 2 each held].

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(13) Major components of deferred tax liabilities and deferred tax assets: pursuant to Accounting Standard (AS) 22 "Accounting for Taxes on Income"

₹ crore

Particulars	*Deferred tax liabilities/ (assets) As at 31-3-2013*	*Less:* Transfer out*	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to Hedging reserve**	Deferred tax liabilities/ (assets) As at 31-3-2014
Deferred tax liabilities:					
Difference between book and tax depreciation	*642.97*	52.33	53.15	_	643.79
Gain on derivative transactions to be offered for tax purposes in the year of transfer to the Statement of Profit and Loss	*23.58*	_	_	6.83	30.41
Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to the Statement of Profit and Loss	*82.32*	_	11.42	_	93.74
Other items giving rise to timing differences	*94.09*	_	49.53	_	143.62
Total	*842.96*	52.33	114.10	6.83	911.56
Deferred tax (assets):					
Provision for doubtful debts and advances debited to the Statement of Profit and Loss	*(221.83)*	(8.06)	4.30	_	(209.47)
Loss on derivative transactions to be claimed for tax purposes in the year of transfer to the Statement of Profit and Loss	*(194.97)*	(76.34)	_	25.27	(93.36)
Unpaid statutory liabilities/provision for compensated absences debited to the Statement Profit and Loss	*(131.99)*	(15.28)	(26.25)	_	(142.96)
Other items giving rise to timing differences	*(51.95)*	_	(3.90)	_	(55.85)
Total	*(600.74)*	(99.68)	(25.85)	25.27	(501.64)
Net deferred tax liability/(assets)	***242.22***	**(47.35)**	**88.25**	**32.10**	**409.92**
Previous year	*133.01*	*–*	*135.79*	*(26.58)*	*242.22*

* In terms of the Scheme of Arrangement, net deferred tax asset of ₹ 47.35 crore as on 31-03-2013 pertaining to the discontinued operations have been transferred to L&T Hydrocarbon Engineering Limited.

** The amount of ₹ (122.25 crore) *[previous year: ₹ (332.87 crore)]* represents net gains/(losses) on effective hedges recognised in hedging reserve, applying the principles of hedge accounting set out in the Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement". The amount is after considering the net deferred tax liability of ₹ 32.10 crore *(previous year net deferred tax asset: ₹ 26.58 crore).*

Q(14) Disclosure for transfer of Hydrocarbon business undertaking pursuant to the Scheme of Arrangement:

a) A Scheme of Arrangement (referred to as "Scheme of Arrangement" in Notes forming part of Accounts) under Sections 391-394 of the Companies Act, 1956 was approved by the shareholders of the Company on August 12, 2013, for *inter alia* transfer of the Hydrocarbon business undertaking along with related assets and liabilities into L&T Hydrocarbon Engineering Limited.

b) The Scheme of Arrangement was sanctioned by the High Court of Judicature at Bombay vide its order dated December 20, 2013, and it came into effect on January 16, 2014 ("Effective Date").

c) Pursuant to the declaration of the effective date of the Scheme of Arrangement, the Hydrocarbon business undertaking of the Company stands transferred to and vested in L&T Hydrocarbon Engineering Limited as a going concern with effect from April 1, 2013 (the appointed date).

d) The Hydrocarbon business undertaking of the Company was engaged in executing engineering, procurement and construction contracts on turnkey basis in the hydrocarbon upstream and mid and down-stream sectors.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

e) The Scheme of Arrangement also provides for the transfer of the assets and liabilities of the Hydrocarbon business to L&T Hydrocarbon Engineering Limited. Accordingly, the following assets and liabilities have been transferred to L&T Hydrocarbon Engineering Limited for a lump sum cash consideration of ₹ 1760 crore:

₹ crore

Particulars		
ASSETS:		
Fixed Assets	923.38	
Long term loans and advances	86.95	
Deferred tax Asset (Net)	47.35	
Current assets	5512.91	6570.59
LIABILITIES:		
Non-current Liabilities	35.35	
Current Liabilities	4923.49	4958.84
Net Assets		1611.75
Specific identified reserves:		
Hedging Reserve (Debit balance)		148.27
Net Asset value & specific identified reserves of Hydrocarbon business undertaking		1760.02
Cash consideration received from L&T Hydrocarbon Engineering Limited		1760.00
Reported as part of "miscellaneous expenses" under Note O		0.02

f) The carrying amount of assets and liabilities pertaining to the discontinued operation of Hydrocarbon business undertaking as on March 31, 2013 are as under:

₹ crore

Particulars	
Fixed Assets	923.38
Current Assets	5512.91
Current Liabilities	4923.49
Long term loans and advances	86.95
Non-current Liabilities	35.35

g) The amount of revenue and expenses pertaining to the discontinued operation of Hydrocarbon business undertaking for the financial year 2012-13 are as under:

₹ crore

Particulars	
Revenue	9544.37
Expenses	8765.51
Pre-tax Profit	778.86
Tax	252.70
Profit after tax	526.16

Q(15) Disclosures in respect of joint ventures pursuant to Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"

a) List of Joint Ventures

Sr. no.	Name of joint venture	Description of interest/(description of job)	Proportion of Ownership Interest (%)	Country of residence
1	L&T-Hochtief Seabird Joint Venture	Jointly Controlled Entity (Construction of breakwater, Karwar)	90	India
2	International Metro Civil Contractors	Jointly Controlled Entity (Construction of Delhi Metro Corridor - Phase I Tunnel Project)	26	India
3	HCC-L&T Purulia Joint Venture	Jointly Controlled Entity (Construction of Pumped Storage Project)	43	India
4	Desbuild - L&T Joint Venture	Jointly Controlled Entity (Renovation of US Consulate, Chennai)	49	India
5	Metro Tunneling Group	Jointly Controlled Entity (Construction of Delhi Metro Corridor - Phase II Tunnel Project)	26	India

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. no.	Name of joint venture	Description of interest/(description of job)	Proportion of Ownership Interest (%)	Country of residence
6	L&T-AM Tapovan Joint Venture	Jointly Controlled Entity (Construction of Head Race Tunnel for Tapovan Vishnugad Hydro Electric project at Chamoli, Uttaranchal)	65	India
7	L&T-Shanghai Urban Corporation Group Joint Venture	Jointly Controlled Entity (Construction of Twin Tunnel between IGI Airport and Sector 21 for DMRC)	51	India
8	L&T-Eastern Joint Venture	Jointly Controlled Entity (Construction and maintenance of 295 Residential Units at Dubai)	65	UAE
9	Metro Tunneling Chennai-L&T SUCG Joint Venture	Jointly Controlled Entity (Construction of UG Stations at Nehru Park, KMC and Pachiyappas College and associated tunnels for CMRL)	75	India
10	Metro Tunneling Delhi-L&T SUCG Joint Venture	Jointly Controlled Entity (Construction of Delhi Metro Corridor - Tunnel Project - Phase CC5)	60	India
11	L&T-Shapoorji Pallonji & Co. Limited Joint Venture-TCS	Jointly Controlled Entity (Design & Build work for Construction of TCS SEZ at Kolkata, West Bengal)	50	India
12	L&T-Shanghai Urban Construction (Group) Joint Venture CC27 Delhi	Jointly Controlled Entity (Design and Construction of Tunnel for Delhi MRTS Project for Phase-III)	68	India
13	Civil Works Group-Riyadh Metro	Jointly Controlled Entity (Contract for Detail Design, Construction and Commissioning of Package 2 of The Riyadh Metro Project)	29	Saudi Arabia
14	Aktor-Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture	Jointly Controlled Entity (Design & Build Package 3,Gold Line underground,a part of the construction of the Qatar Integrated Railway Project)	22	Qatar
15	L&T-Delma Mafraq JV	Joint Controlled Entity (Improvement of Mafraq to Al Ghwaifat Border Post Highway Section No. 4A)	60	UAE
16	L&T-KBL (UJV) Hyderabad	Jointly Controlled Operations (Investigation, Design, Supply and Erection of necessary lift systems with all electrical and mechanical components including surge protection systems)	–	India
17	L&T-HCC Joint Venture	Jointly Controlled Operations (Four laning and strengthening of existing two lane sections from 240 km to 320 km NH-2)	–	India
18	Patel-L&T Consortium	Jointly Controlled Operations (Parbati Hydro Electric Project)	–	India
19	L&T-SVEC Joint Venture	Jointly Controlled Operations (Lift Irrigation Project at Hyderabad)	–	India
20	L&T-KBL-MAYTAS UJV	Jointly Controlled Operations (Transmission of 735 Mld treated water associated with all Civil, Electrical & Mechanical works at Hyderabad)	–	India
21	L&T-BRAPL Joint Venture (package II)	Jointly Controlled Operations (Design, Supply, Erection, Testing & Commissioning of 25 KV, 50HZ, Single Phase, Traction Over-head Equipment, Switching Stations, SCADA and other associated works, in the state of Karnataka and Andhra Pradesh, India)	–	India
22	L&T-BRAPL Joint Venture (package III)	Jointly Controlled Operations (Design, Supply, Erection, Testing & Commissioning of 25 KV, 50HZ, Single Phase, Traction Over-head Equipment, Switching Stations, and other associated works, in the state of Karnataka and Andhra Pradesh, India)	–	India
23	L&T and Scomi Engineering BHD.Joint Venture	Jointly controlled operations (Implementation of monorail system in Mumbai)	–	India

Note: The Consortium of Toyo Engineering Company and L&T, a jointly controlled operations for the execution of naptha cracker associated unit of IOCL, Panipat has been excluded from the above list of joint ventures since it pertains to discontinued operations.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

b) Financial interest in jointly controlled entities (to the extent of the Company's share)

₹ crore

Sr. no.	Name of Integrated joint ventures/jointly controlled entities	Company's share						
		As at March 31, 2014		For the Year 2013-14				
		Assets	Liabilities	Income	Expenses	Tax	Net profit (Note K)	Net loss (Note O)
1	L&T-Hochtief Seabird Joint Venture	71.02 *(66.09)*	47.21 *(46.89)*	0.12 *(–) **	0.01 *(0.01)*	0.43 *(–)*	– *(–)*	0.32 *(–) $*
2	International Metro Civil Contractors	12.21 *(12.23)*	3.85 *(3.84)*	– *(0.02)*	0.03 *(0.36)*	– *(–)*	– *(–)*	0.03 *(0.34)*
3	Metro Tunneling Group	22.37 *(21.68)*	7.23 *(7.03)*	1.17 *(3.00)*	-0.47 *(-1.63)*	0.22 *(0.69)*	0.48 *(1.48)*	– *(–)*
4	L&T-Shanghai Urban Corporation Group Joint Venture	17.97 *(17.82)*	4.81 *(5.08)*	0.63 *(0.77)*	0.02 *(0.47)*	0.19 *(0.09)*	0.42 *(0.21)*	– *(–)*
5	HCC-L&T Purulia Joint Venture	2.98 *(2.98)*	2.91 *(2.91)*	– *(–) €*	0.01 *(–) &*	– *(–) ^*	– *(–)*	0.01 *(–) @*
6	L&T-AM Tapovan Joint Venture	146.91 *(141.00)*	55.20 *(57.98)*	11.32 *(30.08)*	11.32 *(44.73)*	– *(–)*	– *(–)*	– *(14.65)*
7	Desbuild-L&T Joint Venture	0.34 *(0.04)*	0.28 *(-0.01)*	– *(–) ##*	– Ω *(–) @@*	– *(–)*	– *(–)*	– # *(–) %*
8	L&T-Eastern Joint Venture	24.72 *(36.63)*	18.60 *(32.57)*	0.46 *(0.41)*	-1.61 *(8.04)*	– *(–)*	2.07 *(–)*	– *(7.63)*
9	Metro Tunneling Chennai - L&T SUCG JV-CMRL	167.88 *(170.65)*	110.04 *(141.76)*	180.01 *(181.09)*	167.47 *(170.57)*	3.82 *(3.41)*	8.73 *(7.11)*	– *(–)*
10	Metro Tunneling Delhi - L&T SUCG Joint Venture	118.65 *(123.54)*	99.55 *(117.23)*	196.00 *(110.12)*	194.23 *(108.51)*	0.55 *(0.50)*	1.22 *(1.11)*	– *(–)*
11	L&T-Shapoorji Pallonji & Co. Ltd Joint Venture-TCS	104.97 *(57.43)*	66.15 *(52.24)*	166.22 *(92.51)*	160.27 *(92.24)*	1.84 *(0.08)*	4.11 *(0.19)*	– *(–)*
12	L&T-Shanghai Urban Construction (Group) Joint Venture-CC27 Delhi	263.53 *(103.65)*	250.88 *(103.65)*	279.39 *(18.57)*	273.87 *(18.57)*	1.71 *(–)*	3.81 *(–)*	– *(–)*
	Total	953.55 *(753.74)*	666.72 *(571.17)*	834.16 *(436.57)*	804.91 *(441.87)*	8.75 *(4.77)*	20.86 *(10.10)*	0.36 *(22.62)*
	Share of Net Assets in Jointly Controlled Entities	286.83 *(182.57)*						

Amounts less than ₹ 0.01 crore:
Current year: Ω ₹ 8258, # ₹ 8258
Previous year: * (₹ 39313), $ (₹ 11925), € (₹ 46549), & (₹ 47781), ^ (₹ 7326), @ (₹ 8558), ## (₹ 520), @@ (₹ 8289), % (₹ 7769)

Notes:

i. Figures in brackets( ) relate to previous year.

ii. Contingent liabilities, if any, incurred in relation to interest in joint ventures as at March 31, 2014: ₹ Nil *(previous year ₹ Nil)* and share in Contingent liabilities incurred jointly with other ventures as at March 31, 2014: ₹ Nil *(previous year ₹ Nil).*

iii. Share in contingent liabilities of joint ventures themselves for which the Company is contingently liable as on March 31, 2014: ₹ 65.86 crore *(previous year ₹ 65.95 crore).*

iv. Contingent liabilities in respect of liabilities of other ventures of joint ventures as on March 31, 2014: ₹ Nil *(previous year ₹ Nil).*

v. Capital commitments, if any, in relation to interest in joint ventures as at March 31, 2014: ₹ Nil *(previous year ₹ 37.18 crore).*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(16) Disclosures pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets":

a) Movement in provisions:

₹ crore

Sr. no.	Particulars	Class of Provisions				
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation related obligations	Contractual rectification cost-construction contracts	Total
1	*Balance as at 1-4-2013*	*9.36*	*77.53*	*9.05*	*313.61*	*409.55*
2	Provision transferred due to transfer of business@	–	(14.10)	(0.78)	(16.20)	(31.08)
3	Additional provision during the year	4.00	23.97	–	79.05	107.02
4	Provision used/reversed during the year #	(3.65)	(15.04)	–	(208.57)	(227.26)
5	Balance as at 31-3-2014 (5=1-2+3-4)	9.71	72.36	8.27	167.89	258.23

@ In terms of the scheme of arrangement, provisions as per Accounting Standard (AS) 29, "Provisions, Contingent Liabilities and Contingent Assets" as on 1-4-2013 pertaining to Hydrocarbon business undertaking have been transferred to L&T Hydrocarbon Engineering Limited [Note Q(14)].

includes provision used during the year ₹ 0.64 crore *(previous year: ₹ 0.64 crore excluding ₹ 47.00 crore pertaining to the discontinued operations being provision used/reversed during the financial year 2012-13).*

b) Nature of provisions:

i. Product warranties: The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2014 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 five years from the date of Balance Sheet.

ii. Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms.

iii. Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

iv. Contractual rectification cost represents the estimated cost the Company is likely to incur during defect liability period as per the contract obligations in respect of completed construction contracts accounted under Accounting Standard (AS) 7 (Revised) "Construction Contracts".

c) Disclosure in respect of contingent liabilities is given as part of Note (I) to the Balance Sheet.

Q(17) In line with the Company's risk management policy, the various financial risks mainly relating to changes in the exchange rates, interest rates and commodity prices are hedged by using a combination of forward contracts, swaps and other derivative contracts, besides the natural hedges.

a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2014 are as under :

₹ crore

Category of derivative instruments	Amount of exposures hedged	
	As at 31-3-2014	*As at 31-3-2013*
i) For hedging foreign currency risks		
a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	4727.46	*5658.50 **
b) Forward contracts for payables including firm commitments and highly probable forecasted transactions	8898.31	*8692.91 $*
c) Currency Swaps	2296.93	*4051.11*
d) Option Contracts	160.11	*21.99*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Category of derivative instruments	Amount of exposures hedged	
	As at 31-3-2014	*As at 31-3-2013*
ii) For hedging commodity price risks		
Commodity Futures	307.01	*242.59*

b) Unhedged foreign currency exposures as at March 31, 2014 are as under :

₹ crore

Unhedged Foreign Currency Exposures	As at 31-3-2014	*As at 31-3-2013*
i) Receivables, including firm commitments and highly probable forecasted transactions	39564.88	*20584.26 #*
ii) Payables, including firm commitments and highly probable forecasted transactions	34795.48	*15616.90%*

* excluding ₹ 2281.74 crore pertaining to discontinued operations.

$ excluding ₹ 1353.80 crore pertaining to discontinued operations.

excluding ₹ 6476.27 crore pertaining to discontinued operations.

% excluding ₹ 8606.34 crore pertaining to discontinued operations.

Note: As per the Royal Monetary Authority of Bhutan, Bhutan's national currency is pegged to the Indian rupee at parity. Accordingly, the unhedged foreign currency exposures reported above exclude exposures [Receivables amounting to ₹ 345.34 crore *(previous year ₹ 982.00 crore)* and payables amounting to ₹ 121.46 crore *(previous year ₹ 701.25 crore)*] with respect to Bhutan Ngultrum (BTN).

Q(18) Auditors' remuneration (excluding service tax) and expenses charged to the accounts:

₹ crore

Particulars	2013-14	*2012-13*
For Audit fees	1.08	*1.08*
For Taxation matters	0.26	*0.26*
For Other services	2.05	*1.86 @*
For reimbursement of expenses	0.24	*0.11 **

@ excluding ₹ 0.17 crore pertaining to the discontinued operations.

* excluding ₹ 0.02 crore pertaining to the discontinued operations.

Q(19) Value of imports (on C.I.F. basis):

₹ crore

Particulars	2013-14	*2012-13**
Raw materials	1954.36	*1937.00*
Components and spare parts	1701.93	*2450.27*
Capital goods	205.37	*270.43*

* The above excludes the value of imports (on C.I.F. basis) pertaining to the discontinued operations for the financial year 2012-13, as under:

₹ crore

Particulars	*2012-13*
Raw materials	*24.34*
Components and spare parts	*702.94*
Capital goods	*5.49*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(20) Expenditure in foreign currency:

₹ crore

Particulars	2013-14	*2012-13**
On overseas contracts	4948.13	*3912.95*
Royalty and technical know-how fees	5.59	*7.03*
Interest	147.40	*157.11*
Professional/consultation fees	183.12	*216.99*
Other matters	719.10	*510.59*

* The above excludes the expenditure in foreign currency pertaining to the discontinued operations for the financial year 2012-13, as under:

₹ crore

Particulars	*2012-13*
On overseas contracts	*4341.23*
Interest	*4.32*
Professional/consultation fees	*25.47*
Other matters	*614.27*

Q(21) Dividends remitted in foreign currency:

₹ crore

Particulars	2013-14	*2012-13*
Dividend for the year ended March 31, 2013 to:		
i. 11 non-resident shareholders on 20,826 shares held by them *(previous year: 12 non-residents on 15,700 shares)* on 26-8-2013	0.03	*0.03*
ii. Custodian of global depositary receipts on 2,93,92,990 shares *(previous year: 1,96,66,240 shares)* on 26-8-2013	36.24	*32.45*

Q(22) Earnings in foreign exchange:

₹ crore

Particulars	2013-14	*2012-13**
Export of goods [including ₹ 942.14 crore on FOB basis *(previous year: ₹ 978.53 crore)*]	1006.72	*1016.03*
Construction and project related activities	6728.40	*5254.47*
Export of services	1614.39	*1296.25*
Commission	6.73	*19.08*
Interest received	0.02	*0.05*
Other receipts	53.49	*63.43*

* The above excludes the earnings in foreign exchange pertaining to the discontinued operations for the financial year 2012-13, as under:

₹ crore

Particulars	*2012-13*
Construction and project related activities	*5439.42*
Export of services	*23.52*
Other receipts	*11.44*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(23) The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2014. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	2013-14	*2012-13*
Principal amount due to suppliers under MSMED Act, 2006	51.49	*52.74 @*
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.11	*0.05*
Payment made to suppliers (other than interest) beyond the appointed day during the year	19.89	*8.47 **
Interest paid to suppliers under MSMED Act (other than Section 16)	–	–
Interest paid to suppliers under MSMED Act (Section 16)	0.04	*0.02*
Interest due and payable towards suppliers under MSMED Act for payments already made	0.14	*0.08*
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.69	*0.32*

@ excluding ₹14.43 crore pertaining to the discontinued operations.

* excluding ₹ 0.18 crore pertaining to the discontinued operations.

Q(24) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2014.

Q(25) Details of sales, raw materials and components consumed, manufacturing work-in-progress and purchase of stock-in-trade:

a) Sales:

	Class of goods	2013-14 ₹ crore	*2012-13* *₹ crore*
(i)	**Manufacturing and trading activity:**		
	Switchgear, all types	2245.06	*1994.40*
	Earthmoving and agriculture machinery and spares	753.48	*656.97*
	Valves and accessories	539.92	*853.74*
	Industrial Machinery	431.54	*473.69*
	Electricity meters	413.12	*311.14*
	Rubber processing machinery and accessories	175.34	*293.05*
	Chemical plant & machinery, including pharmaceutical, dyestuff, distillery, brewery and solvent extraction plants, evaporator and crystallizer plants and pollution control equipment in aggregate	115.03	*48.73*
	Industrial electronic control panels	102.03	*97.15*
	Steel structural fabrication	53.62	*38.40*
	Plant & equipment and modules for nuclear power projects, heavy water projects, nuclear and space research and allied projects, including items for Chemical, Oil & Gas, etc. industries	53.28	*140.11*
	Defence equipment, all types	44.25	*35.99*
	Parts and accessories for Prime movers, Boilers, Steam Generating Plants and Nuclear reactors	38.75	*0.34*
	Transmission line tower	15.27	*39.06*
	Design, development and manufacturing of airborne assemblies, system and equipment for Aircrafts, Helicopters & unmanned aerial vehicles and equipment for the aviation sector	0.30	*1.67*
	Patient monitoring system and accessories	–	*38.42*
	Electro surgical unit and accessories	–	*2.61*
	Ship auxiliaries and components of mechanised sailing vessels	–	*0.71*
	Others	1195.83	*1380.33*
	Total	6176.82	*6406.51*
(ii)	**Property development activity:**	447.84	*73.79*

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

	Class of goods	2013-14	*2012-13*
		₹ crore	*₹ crore*
(iii)	**Construction and project related activity:**		
	Civil/Infrastructure/Mechanical/Electrical Construction	38810.68	*32884.98*
	Thermal/Hydro/Gas based power plants	5045.99	*8023.74*
	Plant & equipment and modules for nuclear power projects, heavy water projects, nuclear and space research and allied projects, including items for Chemical, Oil & Gas, etc. industries.	1883.39	*1003.41*
	Chemical plant & machinery, including pharmaceutical, dyestuff, distillery, brewery and solvent extraction plants, evaporator and crystallizer plants and pollution control equipment in aggregate	699.24	*395.07*
	Defence equipment, all types	488.07	*445.77*
	Nuclear purpose equipment, de-aerators, ultra high pressure vessels including multiwall vessels, high pressure heat exchangers and high pressure heaters in aggregate	101.47	*117.91*
	Design, development and manufacturing of airborne assemblies, system and equipment for Aircrafts, Helicopters & unmanned aerial vehicles and equipment for the aviation sector	57.41	*14.13*
	Parts and accessories for Prime movers, Boilers, Steam Generating Plants and Nuclear reactors	15.99	*9.34*
	Ship auxiliaries and components of mechanised sailing vessels	0.07	*1.65*
	Commercial ships	(150.21)	*(71.26)*
	Others	909.45	*588.34*
	Total	47861.55	*43413.08*
(iv)	**Servicing**	422.47	*406.08*
(v)	**Commission**	118.64	*158.77*
(vi)	**Engineering and service fees**	1539.86	*1203.54*
	Total Sales & service (i) to (vi)-[Note K]	56567.18	*51661.77*

Note: Figures reported as comparatives for financial year 2012-13 exclude the discontinued operations.

b) Raw materials and components consumed:

i) Class of goods:

Class of goods	2013-14	*2012-13*
	₹ crore	*₹ crore*
Power plant & machinery components	2266.26	*4431.24*
Chemical plant components	162.09	*152.26*
Nuclear equipment components, including items for oil & gas etc. industries, in aggregate	40.91	*11.74*
Steel	1322.34	*700.91*
Switchgear components	858.59	*857.39*
Electronic devices, test & measuring instruments and industrial electronic control panel components	31.41	*46.57*
Non-ferrous metals	163.24	*132.17*
Metering & protection systems and medical equipment and components	–	*35.16*
Industrial machinery components	20.17	*11.54*
Others	1245.41	*1291.53*
Sub-total	6110.42	*7670.51*
Less: Sale value of scrap	107.62	*95.58*
Total [Note M]	6002.80	*7574.93*

Note: Figures reported as comparatives for financial year 2012-13 exclude the discontinued operations.

Notes forming part of the Accounts (contd.)

NOTE [Q] ***(contd.)***

ii) Classification of goods:

Classification of goods	2013-14		*2012-13*	
	% to total consumption	₹ crore	*% to total consumption*	*₹ crore*
Imported (including through canalising agencies)	37	2200.97	*34*	*2560.07*
Indigenous	63	3801.83	66	5014.86
Total	100	6002.80	100	7574.93

Note: Figures reported as comparatives for financial year 2012-13 exclude the discontinued operations.

c) Purchases of stock-in-trade

Class of goods	2013-14	*2012-13*
	₹ crore	*₹ crore*
Electronic, medical & other instruments, accessories and spares	874.19	*772.62*
Valves and accessories	429.52	*519.80*
Earthmoving and agricultural machinery and spares	371.63	*302.13*
Industrial Machinery	59.13	*105.39*
Others	187.69	*363.29*
Total [Note M]	1922.16	*2063.23*

d) Details of Manufacturing work-in-progress:

Class of goods	2013-14	*2012-13*
	₹ crore	*₹ crore*
Industrial Machinery	44.34	*59.79*
Defence equipment, all types	36.47	*63.97*
Steel structural fabrication	27.39	*37.86*
Switchgear, all types	50.55	*49.13*
Transmission line tower	59.86	*60.64*
Chemical plant & machinery, including pharmaceutical, dyestuff, distillery, brewery and solvent extraction plants, evaporator and crystalliser plants and pollution control equipment in aggregate	11.22	*49.09*
Low voltage and Medium voltage switchboards and panels	71.61	*61.44*
Plant & equipment and modules for nuclear power projects, heavy water projects, nuclear and space research and allied projects, including items for Chemical, Oil & Gas, etc. industries.	17.66	*35.04*
Casting products	15.20	*20.38*
Rubber processing machinery and accessories	8.80	*19.34*
Nuclear purpose equipment, de-aerators, ultra high pressure vessels including multiwall vessels, high pressure heat exchangers and high pressure heaters in aggregate	5.13	*5.67*
Ship auxiliaries and components of mechanised sailing vessels	107.46	*93.39*
Valves and accessories	–	*1.89*
Servicing of construction machinery	5.41	*10.58*
AC drives, DC drives, programmable logic controllers	1.53	*2.06*
Meters and protection systems	0.54	*0.58*
Others	84.42	*75.74*
Total [Note H(II)]	547.59	*646.59*

Q(26) Figures for the previous year have been regrouped/reclassified wherever necessary.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of accounting**

   The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 1956 read with the General Circular No. 1/19/2013 dated April 4, 2014 of the Ministry of Corporate Affairs in respect of the relevant provisions/schedules/rules of the Companies Act, 2013. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines, override the same requiring a different treatment.

   The preparation of financial statements in conformity with GAAP 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. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2. **Presentation of financial statements**

   The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Revised Schedule VI to the Companies Act, 1956 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Revised Schedule VI to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

   Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places in line with the requirements of Schedule VI. Per share data are presented in Indian Rupees to two decimals places.

3. **Revenue recognition**

   Revenue is recognised based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

   A. **Revenue from operations**

      a. Sales & Service

         i. Sales and service include excise duty and adjustments made towards liquidated damages and price variation, wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.

         ii. Revenue from sale of manufactured and traded goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

         iii. Revenue from property development activity which are in substance similar to delivery of goods is recognised when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.

            Revenue from those property development activities which have the same economic substance as that of a construction contract is recognised based on the 'Percentage of Completion method' (POC) when the outcome of a real estate project can be estimated reliably upon fulfillment of all the following conditions:

            a. All critical approvals necessary for commencement of the project have been obtained;

            b. When the stage of completion of the project reaches a reasonable level of development i.e., contract costs for work performed bears a reasonable proportion to the estimated total contract costs. For this purpose, a reasonable level of development is treated as achieved only if the cost incurred (excluding cost of land/developmental rights and borrowing cost) is atleast 25% of the total of such cost;

            c. Atleast 25% of the saleable project area is secured by contracts or agreements with buyers;

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

d. Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

The costs incurred on property development activities are carried as "Inventories" till such time the outcome of the project cannot be estimated reliably and all the aforesaid conditions are fulfilled. When the outcome of the project can be ascertained reliably and all the aforesaid conditions are fulfilled, revenue from property development activity is recognised at cost incurred plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost.

Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

iv. Revenue from construction/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

a. Cost plus contracts: Contract revenue is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.

b. Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognised at 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.

Government grants in the nature of subsidy related to customer contracts is recognised as revenue from operations in the Statement of Profit and Loss, on a prudent basis, in proportion to work completed when there is reasonable assurance that the conditions for the grant of subsidy will be fulfilled.

Expected loss, if any, on the construction/project related activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration.

v. Revenue from contracts for the rendering of services which are directly related to the construction of an asset is recognised on similar basis as stated in (iv) *supra*.

vi. Revenues from construction/project related activity and contracts executed in joint ventures under work-sharing arrangement [being jointly controlled operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"], are recognised on the same basis as similar contracts independently executed by the Company.

vii. Revenue from service related activities is recognised using the proportionate completion method.

viii. Commission income is recognised as and when the terms of the contract are fulfilled.

ix. Revenue from engineering and service fees is recognised as per the terms of the contract

x. Profit/loss on contracts executed by Integrated Joint Ventures under profit-sharing arrangement [being Jointly Controlled Entities, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"] is accounted as and when the same is determined by the joint venture. Revenue from services rendered to such joint ventures is accounted on accrual basis.

b. Other operational revenue

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

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

B. Other Income

i. Interest income is accrued at applicable interest rate.

ii. Dividend income is accounted in the period in which the right to receive the same is established.

iii. Other Government grants, which are revenue in nature and are towards compensation for the related costs, are recognised as income in the Statement of Profit and Loss in the period in which the matching costs are incurred.

iv. Other items of income are accounted as and when the right to receive arises.

4. Extraordinary and exceptional Items

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

5. Research and development

a. Revenue expenditure on research is expensed under respective heads of account in the period in which it is incurred.

b. Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale

ii. The Company has intention to complete the intangible asset and use or sell it

iii. The Company has ability to use or sell the intangible asset

iv. 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

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

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

The development expenditure capitalised as intangible asset is amortised over its useful life.

Other development costs that do not meet above criteria are expensed in the period in which they are incurred.

6. Employee benefits

a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia. are recognised in the period in which the employee renders the related service.

b) Post-employment benefits:

i. 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 related service.

ii. Defined benefit plans: The employees' gratuity fund schemes, post-retirement medical care scheme, pension scheme and provident fund scheme managed by trust are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost and the impact of changes in discount rate, is classified under finance costs. The balance charge is recognised as employee benefit expenses in the Statement of Profit and Loss.

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.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

c) Long term employee benefits:

The obligation for long term employee benefits such as long term compensated absences, long service award etc. is recognised in the similar manner as in the case of defined benefit plans as mentioned in (b)(ii) supra.

d) Termination benefits:

Termination benefits such as compensation under Voluntary Retirement cum Pension Scheme are recognised as expense in the period in which they are incurred.

7. Tangible Fixed assets

Fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment and those which were revalued as on October 1,1984 are stated at the values determined by the valuers less accumulated depreciation and cumulative impairment. Assets acquired on hire purchase basis are stated at their cash values. Specific know-how fees paid, if any, relating to plant and equipment is treated as part of cost thereof.

Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of the cost of the fixed assets.

Own manufactured assets are capitalised at cost including an appropriate share of overheads.

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress”. (Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions infra.)

8. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

a. Lease transactions entered into prior to April 1, 2001:

Assets leased out are stated at original cost. Lease equalisation adjustment is the difference between capital recovery included in the lease rentals and depreciation provided in the books.

Lease rentals in respect of assets acquired under leases are charged to Statement of Profit and Loss.

b. Lease transactions entered into on or after April 1, 2001:

Finance leases:

i. Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

iii. Initial direct costs relating to assets given on finance leases are charged to Statement of Profit and Loss.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Operating leases:

i) Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

ii) Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

(Also refer to policy on depreciation, *infra*)

9. Depreciation

a. Owned assets

i. Revalued assets:

Depreciation is provided on straight line method on the values and at the rates given by the valuers. The difference between depreciation provided on revalued amount and on historical cost is transferred from revaluation reserve to Statement of Profit and Loss.

ii. Assets carried at historical cost:

Depreciation on assets carried at historical cost is provided on the written down value basis on assets acquired up to March 31, 1968 (at the rates prescribed under Schedule XIV to the Companies Act, 1956) and on straight line method on assets acquired subsequently (at the rates prevailing at the time of their acquisition on assets acquired up to September 30, 1987 and at the rates prescribed under Schedule XIV to the Companies Act, 1956 on assets acquired after that date). However, in respect of the following asset categories, the depreciation is provided at higher rates in line with their estimated useful life.

Category of asset	**Rate of Depreciation (% p.a.)**
i) Furniture and fixtures	10.00
ii) Office Equipment	
Multifunctional devices (fax machine/scanner/printers), desktop, inkjet/laserjet printers, switches (audio/video) and projectors	25.00
Others	6.67
iii) Computers	
Desktop, Server & related components	16.67
iv) Plant and Equipment general	
a) Cranes below 100 ton capacity used for construction activity	6.67
b) Minor plant & equipment of construction activity	20.00
c) Heavy lift equipment of construction activity	5.00
d) Equipment for tunnelling & laying electrical transmission lines (other than those employed in heavy construction work)	10.00
e) Equipment used in construction industry for concreting, road making, crushing, piling, pipeline laying, welding etc.	8.33
f) DG sets above 30 kva	8.33
g) Erection winches above 2 tons	8.33
h) Strand Jack system, theodolite, total station etc. used in construction industry	8.33
i) Specialised machine tools, dies, jigs, fixtures, gauges for electrical business	20.00
j) Desktops and laptops given to employees under the Company’s scheme	33.33
k) Other laptops	25.00
l) Tunnel Boring Machine	50.00
v) Air conditioning and refrigeration equipment	8.33
vi) Laboratory and canteen equipment	12.50
vii) Motor cars	14.14

iii. Depreciation for additions to/deductions from, owned assets is calculated pro rata. Extra shift depreciation is provided on a location basis.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

iv. 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.

b. Leased assets:

i. Lease transactions entered into prior to April 1, 2001:

Lease charge comprising statutory depreciation and lease equalisation charge is provided for assets given on lease over the primary period of the lease equal to recovery of net investment in the lease. Accordingly, while the statutory depreciation on such assets is provided for on straight line method as per Schedule XIV to the Companies Act, 1956, the difference is adjusted through lease equalisation and lease adjustment account.

ii. Lease transactions entered into on or after April 1, 2001:

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated at the rates prescribed under Schedule XIV to the Companies Act, 1956 or at the higher rates adopted by the Company for similar assets.

iii. Leasehold land

Land acquired under long term lease is classified under “tangible assets” and is depreciated over the period of lease.

10. Intangible assets and amortisation

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. 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 amortised over their useful life as follows:

a. Specialised software: over a period of six years.

b. Technical know-how: over a period of six years in case of foreign technology and three years in the case of indigenous technology.

c. Development costs for new products: over a period of five years.

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.

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

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

11. Impairment of assets

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

a. the provision for impairment loss, if any; and

b. the reversal of impairment loss recognised in previous periods, if any,

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

a. in the case of an individual asset, at the higher of the net selling price and the value in use;

b. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit’s net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

12. Investment

Trade investments comprise investments in subsidiary companies, joint ventures, associate companies and in the entities in which the Company has strategic business interest.

Investments, which are readily realisable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature. Investments in integrated joint ventures are carried at cost net of adjustments for Company's share in profits or losses as recognised.

Current investments are carried at lower of cost and fair value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Purchase and sale of investments are recognised based on the trade date accounting.

13. Inventories

Inventories are valued after providing for obsolescence, as under:

a) 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.

b) 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.

c) 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 related overheads and excise duty paid/ payable on such goods.

d) Completed property/Work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

14. Cash and bank balances

Cash and bank balances also 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 not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

15. Securities premium account

a) Securities premium includes:

   i. The difference between the market value and the consideration received in respect of shares issued pursuant to Stock Appreciation Rights Scheme.

   ii. The discount allowed, if any, in respect of shares allotted pursuant to Stock Options Scheme

b) The following expenses are written off against securities premium account:

   i. Expenses incurred on issue of shares

   ii. Expenses (net of tax effect) incurred on issue of debentures/bonds

   iii. Premium (net of tax effect) on redemption of debentures/bonds

16. Borrowing Costs

Borrowing costs include interest, commitment charges, amortisation of ancillary costs, amortisation of discounts/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventorised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

17. Employee stock ownership schemes

In respect of stock options granted pursuant to the Company's Stock Options Scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation cost over the vesting period.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

18. Foreign currency transactions, foreign operations, forward contracts and derivatives

a) The reporting currency of the Company is Indian rupee.

b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate.

Non-monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are:

i. adjusted in the cost of fixed assets specifically financed by the borrowings contracted up to March 31, 2004 to which the exchange differences relate

ii. adjusted in the cost of fixed assets specifically financed by borrowings contracted between the period April 1, 2004 to March 31, 2007 and to which the exchange differences relate, provided the assets are acquired from outside India

iii. recognised as income or expense in the period in which they arise, in cases other than (i) and (ii) above.

c) Financial statements of foreign operations comprising jobs contracted prior to April 1, 2004, are translated as follows:

i. Closing inventories at rates prevailing at the end of the year

ii. Fixed assets as at April 1, 1991 at rates prevailing at the end of the year in which the additions were made. Subsequent additions are at rates prevailing on the dates of the additions. Depreciation is accounted at the same rate at which the assets are translated.

iii. Other assets and liabilities at rates prevailing at the end of the year.

iv. Net revenues at the average rate for the year.

d) Financial statements of foreign operations comprising jobs contracted on or after April 1, 2004, are treated as integral operations and translated as in the same manner as foreign currency transactions, as described above. Exchange differences arising on such translation are recognised as income or expense of the period in which they arise.

e) Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 “The Effects of Changes in Foreign Exchange Rates”. Exchange differences arising on such contracts are recognised in the period in which they arise.

Gains and losses arising on account of roll over/cancellation of such forward contracts are recognised as income /expense of the period in which such roll over/cancellation takes place.

f) All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the Balance Sheet date, in pursuance of the announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008 on accounting of derivatives. In addition, the derivative arrangements embedded in the contracts entered in the course of business are accounted separately if the economic characteristics and risks of the embedded derivatives are not closely related to economic characteristics and risks of the host contract.

The Company has adopted Accounting Standard (AS) 30 “Financial Instruments: Recognition and Measurement” for accounting of such derivative contracts, not covered under Accounting Standard (AS) 11 “The Effects of Changes in Foreign Exchange Rates”, as mandated by the ICAI in the aforesaid announcement.

Accordingly, the resultant gains or losses on fair valuation/settlement of the derivative contracts (including embedded derivatives) covered under Accounting Standard (AS) 30 “Financial Instruments: Recognition and Measurement” are recognised in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the hedge in respect of off-balance sheet items is effective, the gains or losses are recognised in the “hedging reserve” which forms part of “reserves and surplus” in the Balance Sheet. The amount recognised in the “hedging reserve” is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss. Gains or losses in respect of ineffective hedges are recognised in the Statement of Profit and Loss in the period in which such gains or losses are incurred.

g) The premium paid/received on a foreign currency forward contract is accounted as expense/income over the life of the contract.

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

19. Segment accounting

a) Segment accounting policies

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 income 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. Expenses which relate to the Company as a whole and not allocable to segments are included under "unallocable corporate expenditure".

iii. Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income".

iv. Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.

v. 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 and not allocable to any segment.

vi. Segment non-cash expenses forming part of segment expenses includes employee stock option plan (ESOP) charges allocable to segment.

b) Inter-segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

20. 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 based on the expected outcome of assessments/appeals.

Deferred tax is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

21. Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	**Accounting treatment**
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
Jointly controlled assets	Share of the assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	(a) integrated joint ventures: (i) Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures. (ii) Investments in integrated joint ventures are carried at cost net of Company's share inrecognised profits or losses. (b) Incorporated jointly controlled entities: (i) Income on investments in incorporated jointly controlled entities is recognised when the right to receive the same is established. (ii) Investment in such joint ventures is carried at cost after providing for any diminution in value which is other than temporary in nature.

Joint venture interests accounted as above, other than investments in incorporated jointly controlled entities, are included in the segments to which they relate.

Notes forming part of the Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

22. Provisions, contingent liabilities and contingent assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

a) the Company has a present obligation as a result of a past event

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of the obligation can be reliably estimated.

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

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation

b) a present obligation arising from past events, when no reliable estimate is possible

c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

23. Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are 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 subsidiary, 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.

24. Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/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.

25. Cash Flow Statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i. transactions of a non-cash nature

ii. any deferrals or accruals of past or future operating cash receipts or payments and

iii. items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the cash flow statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

A. M. NAIK
Group Executive Chairman

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai, May 30, 2014

K. VENKATARAMANAN
Chief Executive Officer & Managing Director

R. SHANKAR RAMAN
Chief Financial Officer & Whole-time Director

S. RAJGOPAL

M. M. CHITALE

A. K. JAIN

M. DAMODARAN

VIKRAM SINGH MEHTA

Directors

N. HARIHARAN
Company Secretary

Mumbai, May 30, 2014

Consolidated Financial Statements 2013-14

Independent Auditors' Report

To the Board of Directors of Larsen & Toubro Limited

We have audited the accompanying consolidated financial statements of Larsen & Toubro Limited ("the Company") and its subsidiaries, associates and joint ventures ("the L&T Group") which comprise the consolidated balance sheet as at March 31,2014, and the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associates and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the consolidated balance sheet, of the state of affairs of the L&T Group as at March 31, 2014;

b) in the case of the consolidated statement of profit and loss, of the profit of the L&T Group for the year ended on that date; and

c) in the case of the consolidated cash flow statement, of the cash flows of the L&T Group for the year ended on that date.

Other matters

In respect of the financial statements of a subsidiary, we carried out the audit jointly with other auditor. The details of assets, revenues and net cash flows in respect of the subsidiary to the extent to which they are reflected in the consolidated financial statements are given below:

Jointly audited :

	₹ crore **Total assets**	₹ crore **Total revenues**	₹ crore **Net cash inflows / (outflows)**
Subsidiary	454.03	206.95	5.97

In respect of the financial statements of certain subsidiaries, associates and joint ventures, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, associates and joint ventures is based solely on the reports of the other auditors.The details of assets, revenues and net cash flows in respect of these subsidiaries and joint ventures and the net carrying cost of investment and current year share of net profit in respect of these associates, to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other auditors:

		₹ crore **Total assets**	₹ crore **Total revenues**	₹ crore **Net cash inflows / (outflows)**
A	Subsidiaries	47340.00	8983.61	113.89
B	Joint ventures	2268.12	865.98	(39.61)
			Net carryingcost of investment	**Current year share of net profit**
C	Associates		9.53	1.34

Our opinion is not qualified in respect of these matters.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai, May 30, 2014

Consolidated Balance Sheet as at March 31, 2014

	Note	As at 31-3-2014 ₹ crore	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*	*As at 31-3-2013 ₹ crore*
EQUITY AND LIABILITIES:					
Shareholders' funds					
Share capital	**A**	185.38		*123.08*	
Reserves and surplus	**B**	37526.23		*33736.61*	
			37711.61		*33859.69*
Minority interest			3179.18		*2652.87*
Non-current liabilities					
Long term borrowings	**C(I)**	55447.27		*47392.14*	
Deferred payment liabilities for acquisition of fixed assets	**Q(22)**	2966.75		*3481.45*	
Deferred tax liabilities (net)	**Q(15)**	617.85		*377.87*	
Other long term liabilities	**C(II)**	979.98		*1160.85*	
Long term provisions	**C(III)**	366.12		*346.67*	
			60377.97		*52758.98*
Current liabilities					
Short term borrowings	**D(I)**	13678.67		*7965.76*	
Current maturities of deferred payment liabilities for acquisition of fixed assets	**Q(22)**	515.13		*472.53*	
Current maturities of long term borrowings	**D(II)**	11026.97		*7313.73*	
Trade payables	**D(III)**	20870.58		*18053.65*	
Other current liabilties	**D(IV)**	19731.84		*17505.60*	
Short term provisions	**D(V)**	2930.78		*2539.42*	
			68753.97		*53850.69*
TOTAL			170022.73		*143122.23*
ASSETS:					
Non-current assets					
Fixed assets					
Tangible assets	**E(I)**	20767.46		*20816.18*	
Intangible assets	**E(II)**	9391.36		*7453.29*	
Capital work-in-progress	**E(I)**	4262.56		*4061.08*	
Intangible assets under development	**E(II)**	10018.43		*7289.44*	
Goodwill on consolidation	**E(III)**	2136.17		*2119.75*	
			46575.98		*41739.74*
Non-current investments	**F**		1432.80		*1224.19*
Deferred tax assets (net)	**Q(15)**		280.39		*194.20*
Long term loans and advances	**G(I)(a)**		2793.83		*2258.64*
Long term loans and advances towards financing activities	**G(I)(b)**		32598.87		*21840.73*
Cash and bank balances	**G(II)**		38.68		*65.05*
Other non-current assets	**G(III)**		184.94		*148.19*
Current assets					
Current investments	**H(I)**	6676.17		*7543.31*	
Inventories	**H(II)**	5527.46		*5169.46*	
Trade receivables	**H(III)**	26384.55		*23011.32*	
Cash and bank balances	**H(IV)**	4096.57		*3566.14*	
Short term loans and advances	**H(V)**	7327.16		*6171.50*	
Short term Loans and advances towards financing activities	**H(V)(a)**	10835.60		*10160.06*	
Other current assets	**H(VI)**	25269.73		*20029.70*	
			86117.24		*75651.49*
TOTAL			170022.73		*143122.23*
CONTINGENT LIABILITIES	**I**				
COMMITMENT (capital and others)	**J**				
OTHER NOTES FORMING PART OF THE ACCOUNTS	**Q**				
SIGNIFICANT ACCOUNTING POLICIES	**R**				

A. M. NAIK
Group Executive Chairman

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai, May 30, 2014

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S. RAJGOPAL

M. M. CHITALE

A. K. JAIN

M. DAMODARAN

VIKRAM SINGH MEHTA

Directors

Mumbai, May 30, 2014

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

	Note	2013-14 ₹ crore	2013-14 ₹ crore	2012-13 ₹ crore	2012-13 ₹ crore
REVENUE:					
Revenue from operations (gross)	K	85889.04		75195.31	
Less: Excise duty		760.64		697.31	
Revenue from operations (net)			85128.40		74498.00
Other income	L		981.91		1055.68
Total revenue			86110.31		75553.68
EXPENSES:					
Manufacturing, construction and operating expenses	M				
Cost of raw materials, components consumed		9629.08		10506.06	
Construction materials consumed		17957.92		15562.64	
Purchase of stock-in-trade		2057.16		2179.87	
Stores, spares and tools consumed		2699.52		2709.56	
Sub-contracting charges		16914.10		14516.43	
Value of stock transferred on disposal of subsidiary/business		–		(51.23)	
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(527.32)		(1960.89)	
Other manufacturing, construction and operating expenses		7399.61		6889.91	
Finance cost of financial services business		3135.46		2353.22	
Staff expenses for software development business		2429.23		1983.19	
			61694.76		54688.76
Employee benefits expense	N		8027.64		6244.64
Sales, administration and other expenses	O		4689.44		3686.43
Finance costs	P		3141.44		2124.29
Depreciation, amortisation, impairment and obsolescence		1446.77		1651.71	
Less: Transfer from revaluation reserve		0.95		14.64	
			1445.82		1637.07
			78999.10		68381.19
Less: Overheads charged to fixed assets			37.78		50.56
Total expenses			78961.32		68330.63
Profit before exceptional and extraordinary items and tax			7148.99		7223.05
Exceptional items	Q(5)		340.24		336.76
Profit before extraordinary items and tax			7489.23		7559.81
Extraordinary items	Q(6)		(6.25)		78.11
Profit before tax			7482.98		7637.92
Tax expense:					
Current tax	Q(8)	2501.64		2241.79	
Deferred tax (net)	Q(15)	105.94		143.75	
			2607.58		2385.54
Profit after tax			4875.40		5252.38
Less: Additional tax on dividend distributed/proposed by subsidiary companies			20.81		12.96
			4854.59		5239.42
Add: Share in profit/(loss) (net) of associate companies			9.25		38.43
			4863.84		5277.85
Add/(less): Minority interest in (income)/losses			38.16		(72.18)
Balance carried to Balance Sheet			4902.00		5205.67
Basic earnings per equity share before extraordinary items (₹)	Q(14)		53.04		55.75
Diluted earnings per equity share before extraordinary items (₹)	Q(14)		52.72		55.30
Basic earnings per equity share after extraordinary items (₹)	Q(14)		52.97		56.53
Diluted earnings per equity share after extraordinary items (₹)	Q(14)		52.65		56.07
Face value per equity share (₹)	Q(14)		2.00		2.00
OTHER NOTES FORMING PART OF ACCOUNTS	Q				
SIGNIFICANT ACCOUNTING POLICIES	R				

A. M. NAIK
Group Executive Chairman

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai, May 30, 2014

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VIKRAM SINGH MEHTA

Directors

Mumbai, May 30, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

		2013-14	2012-13
		₹ crore	*₹ crore*
A.	**Cash flow from operating activities:**		
	Profit before tax (excluding minority interest, exceptional and extraordinary items)	7148.99	*7223.05*
	Adjustments for:		
	Dividend received	(51.11)	*(68.65)*
	Depreciation, amortisation, obsolescence and impairment (net)	1445.82	*1637.07*
	Exchange difference on items grouped under financing/investing activities (net)	297.05	*302.87*
	Effect of exchange rate changes on cash and cash equivalents	(21.07)	*43.20*
	Expenditure on voluntary retirement scheme	–	*(38.34)*
	Interest expense	3141.44	*2124.29*
	Interest income	(488.29)	*(478.71)*
	(Profit)/loss on sale of fixed assets (net)	(90.74)	*(202.25)*
	(Profit)/loss on sale of investments (net)	(299.79)	*(292.54)*
	Employee stock option - discount forming part of staff expenses	75.69	*99.21*
	Provision/(reversal) for diminution in value of investments	24.15	*(9.85)*
	Operating profit before working capital changes	11182.14	*10339.35*
	Adjustments for:		
	(Increase)/decrease in trade and other receivables	(13684.53)	*(7284.76)*
	(Increase)/decrease in inventories	(209.08)	*(675.81)*
	Increase/(decrease) in trade payables and customer advances	5143.43	*1680.63*
	Cash generated from operations before financing activities	2431.96	*4059.41*
	(Increase)/decrease in loans and advances towards financing activities	(6448.22)	*(5882.45)*
	Cash generated from operations	(4016.26)	*(1823.04)*
	Direct taxes refund/(paid) (net)	(2947.06)	*(2531.72)*
	Net cash (used in)/from operating activities	(6963.32)	*(4354.76)*
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets	(6967.85)	*(7832.32)*
	Sale of fixed assets	289.18	*394.58*
	Purchase of long term investments	(674.27)	*(273.17)*
	Sale of long term investments	183.58	*984.04*
	Purchase/sale of current investments (net)	1269.41	*(263.06)*
	Loans/deposits made with associates companies and third parties (net)	(186.95)	*(84.82)*
	Interest received	498.73	*509.24*
	Dividend received from associates	10.13	*4.61*
	Dividend received from other investments	51.11	*68.65*
	Consideration received on disposal of subsidiaries	2.48	*292.98*
	Consideration paid on acquisition of subsidiaries	(32.73)	*(1116.27)*
	Cash & cash equivalents acquired pursuant to acquisition of subsidiaries	31.83	*355.24*
	Cash & cash equivalents discharged pursuant to disposal of subsidiaries	(11.49)	*(14.41)*
	Cash (used in)/from investing activities (before extraordinary item)	(5536.84)	*(6974.71)*
	Extraordinary item:		
	Insurance claim received against loss due to flood	25.00	*–*
	Cash received (net of expenses) on sale of medical business	–	*52.36*
	Net cash (used in)/from investing activities (after extraordinary item)	(5511.84)	*(6922.35)*
C.	**Cash flow from financing activities:**		
	Proceeds from issue of share capital	144.05	*163.14*
	Proceeds from long term borrowings	22277.70	*18760.13*
	Repayment of long term borrowings	(10992.53)	*(6829.16)*
	Proceeds from other borrowings (net)	5959.79	*2587.39*
	Payment (to)/from minority interest (net)	890.25	*803.27*
	Dividends paid	(1140.85)	*(1012.79)*
	Additional tax on dividend	(277.50)	*(187.98)*
	Interest paid (including cash flows on account of interest rate swaps)	(3902.76)	*(2854.64)*
	Net cash (used in)/from financing activities	12958.15	*11429.36*
Net (decrease)/increase in cash and cash equivalents (A + B + C)		482.99	*152.25*
Cash and cash equivalents at beginning of the year		3603.58	*3451.33*
Cash and cash equivalents at end of the year		4086.57	*3603.58*

Notes:
1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
2. Purchase of fixed assets includes movement of capital work-in-progress during the year.
3. For cash and cash equivalents not available for immediate use as on the Balance Sheet date, see Note G(II) and H(IV).
4. Cash and cash equivalents are reflected in the Balance Sheet as follows:

	2013-14	2012-13
	₹ crore	*₹ crore*
(a) Cash and cash equivalents disclosed under current assets [Note H(IV)]	4096.57	*3566.14*
(b) Cash and cash equivalents disclosed under non-current assets [Note G(II)]	38.68	*65.05*
Total cash and cash equivalents as per Balance Sheet	4135.25	*3631.19*
(c) Unrealised exchange loss/(gain) on cash and cash equivalents	(48.68)	*(27.61)*
Total cash and cash equivalents as per Cash Flow Statement	4086.57	*3603.58*

5. Previous year's figures have been regrouped/reclassified wherever applicable.

A. M. NAIK
Group Executive Chairman

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai, May 30, 2014

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Directors

N. HARIHARAN
Company Secretary

Mumbai, May 30, 2014

Notes forming part of the Consolidated Accounts

NOTE [A]

Share capital

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

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Authorised:				
Equity shares of ₹ 2 each	1,62,50,00,000	325.00	*1,62,50,00,000*	*325.00*
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	92,69,12,658	185.38	*61,53,85,981*	*123.08*

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

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	61,53,85,981	123.08	*61,23,98,899*	*122.48*
Add: Shares issued on exercise of employee stock options during the year	32,32,101	0.65	*29,87,082*	*0.60*
Add: Shares issued as bonus on July 15, 2013	30,82,94,576	61.65	*–*	*–*
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	92,69,12,658	185.38	*61,53,85,981*	*123.08*

A(III) 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.

A(IV) Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the shareholder	As at 31-3-2014		*As at 31-3-2013*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	15,75,56,473	17.00	*10,12,52,038*	*16.45*
L&T Employees Welfare Foundation	11,16,06,174	12.04	*7,44,04,116*	*12.09*
Administrator of the Specified Undertaking of the Unit Trust of India	7,59,25,962	8.19	*5,06,17,308*	*8.23*

A(V) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	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 #	98,66,116 @	1.97 *	*87,45,451 @*	*1.75 **
3.5% 5 years & 1 day US$ denominated foreign currency convertible bonds (FCCB)	73,60,864 @	1.47 **	*49,07,243*	*0.98 ***

* The equity shares will be issued at a premium of ₹ 367.43 crore *(previous year: ₹ 491.96 crore)*

** The equity shares will be issued at a premium of ₹ 934.93 crore *(previous year: ₹ 935.42 crore)* on the exercise of options by the bond holders

Refer Note A(VIII) for terms of employee stock option schemes

@ The number of options have been adjusted consequent to bonus issue wherever applicable

A(VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2014 are 30,82,94,576 *(previous period of five years ended March 31, 2013: 29,25,92,054 shares)*

Notes forming part of the Consolidated Accounts (contd.)

A(VII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended March 31,2014 – Nil *(previous period of five years ended March 31, 2013: Nil)*

A(VIII) Stock option schemes

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 [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 schemes under various series are summarized below:

Sr. No.	Series reference	2000		2002 (A)		2002 (B)		2003 (A)		2003 (B)		2006		2006 (A)	
		2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*
1	Grant price (₹)	2.30*	*3.50*	2.30*	*3.50*	2.30*	*3.50*	11.70*	*17.50*	11.70*	*17.50*	400.70*	*601.00*	400.70*	*601.00*
2	Grant dates	1-6-2000		19-4-2002		19-4-2002		23-5-2003 onwards		23-5-2003 onwards		1-9-2006 onwards		1-7-2007 onwards	
3	Vesting commences on	1-6-2001		19-4-2003		19-4-2003		23-5-2004 onwards		23-5-2004 onwards		1-9-2007 onwards		1-7-2008 onwards	
4	Options granted and outstanding at the beginning of the year	16800	*16800*	21500	*21500*	39700	*39700*	31452	*31452*	435202	*647302*	911468	*2026751*	7289329	*8645349*
5	Options lapsed prior to bonus	–	–	–	–	–	–	–	–	3400	*62150*	2746	*42513*	201054	*781908*
6	Options granted prior to bonus	–	–	–	–	–	–	–	–	4500	*118000*	–	–	1115	*1072250*
7	Options exercised prior to bonus	–	–	–	–	–	–	–	–	45750	*267950*	387135	*1072770*	770285	*1646362*
8	Options granted and outstanding as on July 13, 2013**	16800	–	21500	–	39700	–	31452	–	390552	–	521587	–	6319105	–
9	Adjusted options as on July 13,2013 * *consequent to bonus issue	25200	–	32250	–	59550	–	47178	–	585829	–	782390	–	9478918	–
10	Options lapsed post bonus issue	–	–	–	–	–	–	–	–	10950	–	21311	-	530097	–
11	Options granted post bonus issue	–	–	–	–	–	–	–	–	93300	–	–	–	1352790	–
12	Options exercised post bonus issue	–	–	–	–	–	–	–	–	168636	–	250898	-	1609397	–
13	Options granted and outstanding at the end of the year	25200	*16800*	32250	*21500*	59550	*39700*	47178	*31452*	499543	*435202*	510181	*911468*	8692214	*7289329*
	of which -														
14	Options vested	25200	*16800*	32250	*21500*	59550	*39700*	47178	*31452*	127015	*109802*	510181	*911468*	3096418	*2135578*
15	Options yet to vest	–	–	–	–	–	–	–	–	372528	*325400*	–	–	5595796	*5153751*
16	Weighted average remaining contractual life of options (in years)	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	Nil	*Nil*	4.87	*5.12*	0.08	*0.51*	4.17	*4.39*

*Current year grant price restated pursuant to the issue of bonus shares **Record date July13, 2013

c) The number and weighted average exercise price of stock options for the following group of options are as follows:

Particulars	2013-14		*2012-13*	
	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	87,45,451	564.54	*1,14,28,854*	*562.27*
(ii) Options granted pre bonus issue	5,615	133.37	*11,90,250*	*543.15*
(iii) Options allotted pre bonus issue	12,03,170	578.81	*29,87,082*	*548.66*
(iv) Options lapsed pre bonus issue	2,07,200	591.43	*8,86,571*	*560.10*
(v) Options granted and outstanding prior to bonus issue	73,40,696	561.11	–	–
(vi) Adjusted options consequent to bonus issue	1,10,11,315	374.10	–	–
(vii) Options granted post bonus issue	14,46,090	375.60	–	–
(viii) Options allotted post bonus issue	20,28,931	368.37	–	–
(ix) Options lapsed post bonus issue	5,62,358	393.13	–	–
(x) Options granted and outstanding at the end of the year	98,66,116	374.42	*87,45,451*	*564.54*
(xi) Options exercisable at the end of the year out of (x) *supra*	38,97,792	371.36	*32,66,300*	*561.50*

d) Weighted average share price at the date of exercise for stock options exercised during the period is ₹ 1120.61 *(previous year: ₹ 1452.14)* per share.

e) In respect of stock options granted pursuant to the Company's stock options schemes, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation over the vesting period.

Notes forming part of the Consolidated Accounts (contd.)

f) Had fair value method been adopted for expensing the compensation arising from employee share-based payment plans:

a. The employee compensation charge debited to the Statement of Profit and Loss for the year 2013-14 would have been higher by ₹ 26.75 crore *(previous year: ₹ 32.15 crore)*.

b. Basic EPS before extraordinary items would have decreased from ₹ 53.04 per share to ₹ 52.75 per share.

c. Basic EPS after extraordinary items would have decreased from ₹ 52.97per share to ₹ 52.68 per share.

d. Diluted EPS before extraordinary items would have decreased from ₹ 52.72 per share to ₹ 52.43 per share.

e. Diluted EPS after extraordinary items would have decreased from ₹ 52.65 per share to ₹ 52.36 per share.

g) Weighted average fair values of options granted during the year is ₹ 556.06 *(previous year: ₹ 606.23*)* per option.

h) 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	2013-14	*2012-13*
(i)	Weighted average risk-free interest rate	8.88%	*8.05%*
(ii)	Weighted average expected life of options	4.34 years	*4.26 years*
(iii)	Weighted average expected volatility	38.00%	*39.38%*
(iv)	Weighted average expected dividends over the life of the option	₹ 53.42 per option	*₹ 46.83* per option*
(v)	Weighted average share price	₹ 834.48 per option	*₹ 878.54* per option*
(vi)	Weighted average exercise price	₹ 379.45 per share	*₹ 362.10* per share*
(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.	

i) The balance in share option outstanding account as on March 31, 2014 is ₹ 323.70 crore (net) *(previous year: ₹ 393.96 crore)*, including ₹ 148.22 crore *(previous year: ₹ 154.32 crore)* for which the options have been vested to employees as on March 31, 2014.

*Previous year figures have been restated pursuant to the issue of bonus shares.

A(IX) The Directors recommend payment of final dividend of ₹ 14.25 per equity share of ₹ 2 each on the number of shares outstanding as on the record date.

Provision for final dividend has been made in the books of account for 92,69,12,658 equity shares outstanding as at March 31, 2014 amounting to ₹ 1320.85 crore.

A(X) Stock ownership schemes of subsidiary companies:

1. Larsen & Toubro Infotech Limited

a) Employee Stock Ownership Scheme ('ESOS Plan')

Under the Employee Stock Ownership Scheme (ESOS), 2,273,487 options are outstanding as at March 31, 2014. The grant of options to the employees under ESOS is on the basis of their performance and other eligibility criteria. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 5 each.

All vested options can be exercised on the First Exercise Date as may be determined by the Compensation Committee prior to date of IPO. The details of the grants under the aforesaid scheme are summarised below:

Sr. No.	**Series reference**	**I,II & III**		**IV – XXI**	
		2013-14	*2012-13*	2013-14	*2012-13*
1	Grant Price (₹)	25.00	*25.00*	10.00	*10.00*
2	Options granted and outstanding at the beginning of the year	393003	*393003*	2155197	*2179953*
3	Options granted during the year	–	–	–	–
4	Options cancelled/lapsed during the year	–	–	274713	*24756*
5	Options exercised and shares allotted during the year	–	–	–	–
6	Options granted and outstanding at the end of the year	393003	*393003*	1880484	*2155197*
	of which -				
	Options vested	393003	*393003*	970917	*970917*
	Options yet to vest	–	–	909567	*1184280*

b) Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan ('Sub-Plan')

The subsidiary had instituted the Employees Stock Ownership Scheme – 2006 U.S. Stock Option Sub-Plan ('Sub-Plan') for the employees and Directors of its subsidiary, GDA Technologies, Inc, USA. The grant of options to the employees under this Sub-Plan is on the basis of their performance and other eligibility criteria. The term of option shall be 5 years from the date of grant. The options are vested over a period of five years, subject to fulfillment of certain conditions specified in the respective Option agreement. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 5 each at an exercise price of USD 12 per share. Under the said plan, options granted and outstanding as at the end of the year are 90,100 options, all vested.

Employees Stock Options granted and outstanding as at the end of the year on unissued share capital represent options 23,63,587 *(previous year: 26,38,300)*

2. L&T Investment Management Limited

Employee Stock Option Plan 2008 (ESOP 2008)

The Employee Stock Option Plan 2008 of the subsidiary is designed to provide stock options to employees in a specific category. All grants under the Plan are to be issued and allotted by the Allotment Committee of the Board of the Company. The options are to be granted to the eligible employees based on certain criteria and approval of the Allotment Committee of the Board and as per the detailed and respective Employee Stock Option Agreements that the Company enters into with them.

The options have been granted on September 10, 2009. Options have been granted at an exercise price equal to the fair market value of the shares as determined by an independent valuer.

The Employees shall be allotted a pre-defined number of equity shares against each option and the options will vest over a period of five years from the date of grant at a pre-defined percentage of the total vesting, which shall each be subject to the condition that the employees will secure specific annual performance ratings for every allotment and Company achieving certain performance target and vesting of shares can be carried forward to maximum 2 years.

Options can be exercised anytime within a period of 5 years from the date of vesting. The employees also have the exit option which they can exercise under certain events.

Summary of Stock Options	2013-14		*2012-13*	
	No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
Options granted and outstanding at the beginning of the year	60,000	10.50	*3,20,000*	*10.50*
Options granted during the year	–	–	–	–
Options forfeited/lapsed during the year	60,000	–	*2,60,000*	–
Options exercised during the year	–	–	–	–
Options granted and outstanding at the end of the year of which -	–	–	*60,000*	*10.50*
- Options vested	–	–	–	–
- Options yet to vest	–	–	*60,000*	–
Weighted average remaining contractual life of options (comprising the vesting period and the exercise period)(in years)	Nil		6.33	

Since the options have been granted at an exercise price equal to the fair market value of the shares as determined by an independent valuer, there is no charge to the Statement of Profit and Loss.

Notes forming part of the Consolidated Accounts (contd.)

3. L&T Finance Holdings Limited

Stock Option Scheme(ESOP 2010)

The subsidiary has formulated Employee Stock Option Scheme 2010 (ESOP Scheme-2010) and 2010-A (ESOP Scheme 2010-A).The grant of options to the employee under the Stock Options Scheme is on the basis of their performance and other eligibility criteria. The options are vested over a period of 4 years in ratio of 15%, 20%, 30% and 35% respectively from the date of grant, subject to the discretion of the management and fulfillment of certain conditions. Options can be exercised within a period of 7 years from the date of grant and would be settled by way of equity. Management has discretion to modify the exercise period.

The details of the grant under the aforesaid scheme are summarised below:

Sr. No.	**Series reference**	**2010**	
		2013-14	*2012-13*
1	Grant price (₹)	44.20	
2	Grant date	November 30, 2010 onwards	
3	Vesting commence on	November 30, 2011 onwards	
4	Options granted and outstanding at the beginning of the year	1,11,25,955	*1,35,72,440*
5	Options granted during the year	9,83,000	*9,05,000*
6	Options cancelled/lapsed during the year	13,13,887	*13,52,565*
7	Options exercised during the year	16,88,443	*19,98,920*
8	Options granted and outstanding at the end of the year of which –		
	- Options vested	28,39,131	*14,98,419*
	- Options yet to vest	62,67,494	*96,27,536*
9	Weighted average remaining contractual life of options (in years)	4.33	*5.03*

Weighted average fair values of options granted during the year is ₹ 34.53 *(previous year: ₹ 15.37)* per option.

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	2013-14	*2012-13*
a)	Weighted average risk-free interest rate	8.43%	*8.17%*
b)	Weighted average expected life of options	2.85 years	*3.68 years*
c)	Weighted average expected volatility	35.46%	*33.82%*
d)	Weighted average expected dividends	₹ 2.14 per option	*₹ 1.84 per option*
e)	Weighted average share price	₹ 69.51 per option	*₹ 44.30 per option*
f)	Weighted average exercise price	₹ 44.20 per share	*₹ 44.20 per share*
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.	

Notes forming part of the Consolidated Accounts (contd.)

NOTE [B]

Reserves and surplus

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Capital reserve				
As per last Balance Sheet	943.59		*833.30*	
Addition during the year	21.30		*110.29*	
		964.89		*943.59*
Capital reserve on consolidation				
As per last Balance Sheet	145.78		*15.52*	
Addition during the year	124.79		*130.26*	
		270.57		*145.78*
Capital redemption reserve				
As per last Balance Sheet	3.27		*3.27*	
		3.27		*3.27*
Securities premium account [Note Q(8)(b)]				
As per last Balance Sheet	7512.11		*7206.36*	
Addition during the year	291.50		*309.04*	
	7803.61		*7515.40*	
Less: Share/bond issue expenses (net of tax)	0.63		*0.57*	
Premium on inflation linked debentures (net of tax)	3.53		*–*	
Issue of bonus shares	61.65		*–*	
Reversal of recoveries credited in previous years	–		*2.72*	
		7737.80		*7512.11*
Debenture redemption reserve				
As per last Balance Sheet	428.46		*651.00*	
Less: Transferred to retained earnings	68.75		*321.00*	
Add: Transferred from retained earnings	161.67		*98.46*	
		521.38		*428.46*
Revaluation reserve				
As per last Balance Sheet	20.20		*24.57*	
Addition during the year	–		*10.27*	
Less: Transferred to Statement of Profit and Loss	0.95		*14.64*	
		19.25		*20.20*
Share options outstanding account				
Employee share options outstanding account				
As per last Balance Sheet	641.61		*767.99*	
Addition during the year	69.20		*92.54*	
Deduction during the year	195.98		*218.92*	
		514.83		*641.61*
Deferred employee compensation expense				
As per last Balance Sheet	(194.69)		*(284.81)*	
Addition during the year	(69.20)		*(92.54)*	
Deduction during the year	125.85		*182.66*	
		(138.04)		*(194.69)*
Carried forward		9893.95		*9500.33*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [B]

Reserves and surplus *(contd.)*

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		9893.95		*9500.33*
Reserve u/s 45 IC of the RBI Act, 1934				
As per last Balance Sheet	557.68		*360.40*	
Add: Transferred from retained earnings	164.84		*197.28*	
		722.52		*557.68*
Reserve u/s 29C of National Housing Bank Act, 1987				
As per last Balance Sheet	0.04		*–*	
Add: Transferred from retained earnings	6.85		*0.04*	
		6.89		*0.04*
Tonnage tax reserve				
As per last Balance Sheet	4.50		*4.48*	
Add: Transferred from retained earnings	5.47		*0.02*	
		9.97		*4.50*
Foreign currency translation reserve				
As per last Balance Sheet	416.99		*296.35*	
Addition during the year (net)	154.63		*130.16*	
Less: Transferred to Statement of Profit and Loss on divestment of stake in subsidiaries	0.19		*9.52*	
		571.43		*416.99*
Reserve u/s 36(1)(viii) of Income Tax Act, 1961				
As per last Balance Sheet	139.12		*46.86*	
Add: Transferred from retained earnings	64.40		*92.26*	
		203.52		*139.12*
Hedging reserve (net of tax) [Note Q(15)]				
As per last Balance Sheet	(611.70)		*(581.79)*	
Addition/(deduction) during the year (net)	(19.40)		*(29.91)*	
		(631.10)		*(611.70)*
Retained earnings				
As per last Balance Sheet	23729.65		*19920.80*	
Profit for the year	4902.00		*5205.67*	
	28631.65		*25126.47*	
Add/(less): Transferred from/(to):				
Debenture redemption reserve	(92.92)		*222.54*	
Reserve u/s 45 IC of the RBI Act, 1934	(164.84)		*(197.28)*	
Reserve u/s 29C of National Housing Bank Act, 1987	(6.85)		*(0.04)*	
Tonnage tax reserve	(5.48)		*(0.02)*	
Reserve u/s 36(1)(viii) of Income Tax Act, 1961	(64.40)		*(92.26)*	
Less: Other appropriation:				
Dividend paid for previous year	2.38		*2.33*	
Additional tax on dividend paid for previous year	0.40		*0.38*	
Proposed dividend	1320.85		*1138.47*	
Additional dividend tax [Note Q(21)]	224.48		*188.58*	
		26749.05		*23729.65*
		37526.23		*33736.61*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [C(I)]

Long term borrowings

Particulars	As at 31-3-2014			*As at 31-3-2013*		
	Secured	Unsecured	Total *	*Secured*	*Unsecured*	*Total **
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	9262.56	4206.48	13469.04	*8215.42*	*3566.04*	*11781.46*
Redeemable non-convertible floating rate debentures	410.00	–	410.00	*400.00*	*–*	*400.00*
Redeemable non-convertible inflation indexed debentures	–	105.34	105.34	*–*	*–*	*–*
3.50% Foreign currency convertible bonds	–	–	–	*–*	*1085.70*	*1085.70*
Term loans from banks	31037.18	8376.00	39413.18	*23597.14*	*8772.59*	*32369.73*
Term loans from others	337.29	881.79	1219.08	*341.52*	*470.59*	*812.11*
Loans from financial institutions	626.71	–	626.71	*733.93*	*–*	*733.93*
Long term maturities of finance lease obligations [Note Q(13)(ii)(a)(ii)]	–	2.85	2.85	*–*	*0.25*	*0.25*
Sales tax deferment loan	–	1.07	1.07	*–*	*8.25*	*8.25*
Refinance from National Housing Bank	–	–	–	*0.71*	*–*	*0.71*
Perpetual debts	–	200.00	200.00	*–*	*200.00*	*200.00*
	41673.74	13773.53	55447.27	*33288.72*	*14103.42*	*47392.14*

* Loans guaranteed by Directors or others ₹ Nil *(previous year: ₹ Nil)*

NOTE [C(II)]

Other long term liabilities

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
Forward contract payable	162.14	*603.08*
Interest accrued but not due	547.50	*386.68*
Others [Note C(II)(a)]	270.34	*171.09*
	979.98	*1160.85*

C(II)(a) Other long term liabilities – others include

Advance received against sale of investments representing advance of ₹ 14.30 crore from M/s. Sical Logistics Limited against sale of 1,43,00,000 equity shares of ₹ 10 each in M/s. Sical Iron Ore Terminals Limited at cost to M/s. Sical Logistics Limited vide agreement for share sale and purchase dated December 17, 2008. The sale is subject to the condition that it can be completed only after three years from the date of commencement of commercial operations by M/s. Sical Iron Ore Terminals Limited as per clause 18.2.2 (i) (d) of the license agreement dated September 23, 2006 between M/s. Sical Iron Ore Terminals Limited and M/s. Ennore Port Limited.

As of March 31, 2014, M/s. Sical Iron Ore Terminals Limited is yet to commence commercial operations.

NOTE [C(III)]

Long term provisions

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
Provision for employee benefits:		
Employee pension schemes [Note Q(10)(ii)(a)]	175.52	*186.38*
Post-retirement medical benefit plan [Note Q(10)(ii)(a)]	110.13	*102.70*
Interest rate guaranteed-provident fund [Note Q(10)(ii)(a)]	39.97	*0.69*
Others:		
Periodic major maintenance [Note Q(18)]	40.50	*56.90*
	366.12	*346.67*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [D(I)]

Short term borrowings

Particulars	As at 31-3-2014			*As at 31-3-2013*		
	Secured	Unsecured	Total*	*Secured*	*Unsecured*	*Total**
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand:						
From banks	1723.68	567.23	2290.91	*1637.58*	*286.08*	*1923.66*
Loans from related parties	–	30.00	30.00	*–*	*30.00*	*30.00*
Other loans and advances:						
From banks	1397.13	5164.81	6561.94	*988.57*	*1593.59*	*2582.16*
Commercial paper	–	3968.48	3968.48	*–*	*3404.47*	*3404.47*
From others	698.86	128.48	827.34	*–*	*25.47*	*25.47*
	3819.67	9859.00	13678.67	*2626.15*	*5339.61*	*7965.76*

* Loans guaranteed by Directors or others ₹ Nil *(previous year: ₹ Nil)*

NOTE [D(II)]

Current maturities of long term borrowings

Particulars	As at 31-3-2014			*As at 31-3-2013*		
	Secured	Unsecured	Total*	*Secured*	*Unsecured*	*Total**
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	1866.60	100.00	1966.60	*1428.50*	*349.00*	*1777.50*
Redeemable non-convertible floating rate debentures	250.00	–	250.00	*–*	*–*	*–*
3.50% Foreign currency convertible bonds	–	1198.30	1198.30	*–*	*–*	*–*
Term loans from banks	6564.83	985.18	7550.01	*4614.79*	*854.61*	*5469.40*
Term loans from others	–	–	–	*–*	*–*	*–*
Loans from financial institutions	54.16	–	54.16	*58.35*	*–*	*58.35*
Finance lease obligation [Note Q(13)(ii)(a)(ii)]	–	0.33	0.33	*–*	*0.26*	*0.26*
Sales tax deferment loan	–	7.17	7.17	*–*	*7.29*	*7.29*
Refinance from National Housing Bank	0.40	–	0.40	*0.93*	*–*	*0.93*
	8735.99	2290.98	11026.97	*6102.57*	*1211.16*	*7313.73*

* Loans guaranteed by Directors or others ₹ Nil *(previous year: ₹ Nil)*

NOTE [D(III)]

Trade payables

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
Acceptances	564.04	*610.96*
Due to related parties:		
Associate Companies	31.86	*45.61*
Micro and small enterprises	94.71	*91.61*
Due to others	20179.97	*17305.47*
	20870.58	*18053.65*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [D(IV)]

Other current liabilities

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
Interest accrued but not due on borrowings	767.91	*573.94*
Interest accrued and due on borrowings	15.01	*16.27*
Unclaimed dividend	28.01	*23.85*
Unclaimed interest on debentures	8.19	*7.96*
Due to customers (construction and project related activity)	5461.19	*4500.87*
Due to customers (property development projects)	98.37	*–*
Advances from customers	9221.54	*8449.38*
Other payables (including sales tax,service tax,excise duty and others) [Note D(IV)(a)]	4131.62	*3933.33*
	19731.84	*17505.60*

D(IV)(a) Other current liabilities–other payables include

(i) Advance received against sale of investments representing advance from M/s. JRE Tank Terminals Private Limited (JRETTPL) under an agreement dated August 24, 2007 towards sale of 67,87,500 equity shares of ₹ 10 each at cost in M/s. Ennore Tank Terminals Private Limited (ETTPL) to be transferred on completion of three calendar years from the date of commencement of commercial operations. The said project has commenced commercial operations on January 15, 2009. The Company has already initiated the share transfer process and the approval is awaited from M/s. Ennore Port Limited.

(ii) Due to Directors ₹ 52.90 crore *(previous year: ₹ 40.80 crore)* on account of commission.

NOTE [D(V)]

Short term provisions

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits:				
Gratuity [Note Q(10)(ii)(a)]	78.36		*70.01*	
Compensated absences	654.52		*565.28*	
Employee pension schemes [Note Q(10)(ii)(a)]	13.00		*11.98*	
Post-retirement medical benefit plan [Note Q(10)(ii)(a)]	15.69		*15.00*	
Bonus provision	22.66		*22.17*	
		784.23		*684.44*
Others:				
Current taxes [net of payments made ₹ 511.86 crore *(previous year: ₹ 1822.78 crore)*]	116.28		*32.26*	
Proposed dividend [Note A(IX)]	1320.85		*1138.47*	
Additional tax on dividend	104.72		*136.52*	
Reserve for unexpired risks	105.78		*86.71*	
Other provisions [Note Q(18)]	498.92		*461.02*	
		2146.55		*1854.98*
		2930.78		*2539.42*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [E(I)]

Tangible assets

₹ crore

Particulars	Cost/valuation						Depreciation						Impairment	Book value	
	As at 1-4-2013	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2014	*Up to 31-3-2013*	Pursuant to acquisition of subsidiaries	For the year	Foreign currency fluctuation	Deductions	Up to 31-3-2014	As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
Land															
Freehold	*1094.04*	32.42	2.17	2.07	114.26	1016.44	–	–	–	–	–	–	6.11	1010.33	1088.13
Leasehold	*946.81*	–	38.98	3.24	7.48	981.55	*50.32*	–	21.38	1.13	0.08	72.75	–	908.80	896.49
Sub total - Land	*2040.85*	32.42	41.15	5.31	121.74	1997.99	*50.32*	–	21.38	1.13	0.08	72.75	6.11	1919.13	1984.62
Buildings															
Owned	*4989.74*	75.71	185.41	29.57	116.78	5163.65	*546.71*	19.89	140.48	8.15	18.85	696.38	–	4467.27	4421.90
Leased out	*887.93*	–	18.32	–	41.67	864.58	*34.86*	–	12.90	–	8.35	39.41	–	825.17	852.38
Sub total - Buildings	*5877.67*	75.71	203.73	29.57	158.45	6028.23	*581.57*	19.89	153.38	8.15	27.20	735.79	–	5292.44	5274.28
Plant & equipment															
Owned	*12041.58*	130.85	1137.27	69.50	154.27	13224.93	*3465.33*	94.61	1026.51	29.79	67.70	4548.54	–	8676.39	8573.28
Leased out	*544.59*	–	49.14	–	28.61	565.12	*224.37*	–	13.45	–	12.34	225.48	6.93	332.71	313.29
Sub total - Plant & equipment	*12586.17*	130.85	1186.41	69.50	182.88	13790.05	*3689.70*	94.61	1039.96	29.79	80.04	4774.02	6.93	9009.10	8886.57
Computers															
Owned	*899.61*	6.49	160.07	2.49	44.60	1024.06	*541.34*	5.32	140.81	1.52	41.54	647.45	–	376.61	358.27
Leased out	*46.88*	–	0.25	–	10.48	36.65	*30.90*	–	5.12	–	7.70	28.32	–	8.33	15.98
Taken on lease	*2.58*	–	–	–	–	2.58	*2.49*	–	0.03	–	–	2.52	–	0.06	0.09
Sub total - Computers	*949.07*	6.49	160.32	2.49	55.08	1063.29	*574.73*	5.32	145.96	1.52	49.24	678.29	–	385.00	374.34
Office equipment															
Owned	*399.27*	2.18	63.80	4.54	9.69	460.10	*210.66*	1.01	53.46	2.92	7.03	261.02	0.01	199.07	188.61
Leased out	*0.72*	–	1.50	–	0.13	2.09	*0.19*	–	0.19	–	0.07	0.31	–	1.78	0.53
Sub total - Office equipment	*399.99*	2.18	65.30	4.54	9.82	462.19	*210.85*	1.01	53.65	2.92	7.10	261.33	0.01	200.85	189.14
Furniture and fixtures															
Owned	*517.60*	3.48	82.25	7.63	22.52	588.44	*239.39*	2.25	54.36	3.27	16.50	282.77	–	305.67	278.14
Leased out	*18.30*	–	–	–	1.39	16.91	*4.48*	–	1.21	–	0.32	5.37	–	11.54	13.82
Sub total - Furniture & fixtures	*535.90*	3.48	82.25	7.63	23.91	605.35	*243.87*	2.25	55.57	3.27	16.82	288.14	–	317.21	291.96
Vehicles															
Owned	*420.57*	0.55	65.28	10.59	29.36	467.63	*199.36*	0.35	59.05	7.52	18.34	247.94	–	219.69	221.21
Leased out	*206.67*	–	56.58	–	37.00	226.25	*55.35*	–	32.88	–	16.85	71.38	–	154.87	151.32
Sub total - Vehicles	*627.24*	0.55	121.86	10.59	66.36	693.88	*254.71*	0.35	91.93	7.52	35.19	319.32	–	374.56	372.53
Other assets															
Owned															
Railway sidings	*292.33*	–	2.07	–	–	294.40	*28.84*	–	11.72	–	–	40.56	–	253.84	263.49
Aircraft	*119.08*	–	–	–	–	119.08	*12.98*	–	6.67	–	–	19.65	–	99.43	106.10
Ships	*790.17*	–	–	–	1.92	788.25	*117.70*	–	39.93	–	1.11	156.52	–	631.73	672.47
Dredged channel	*2018.12*	–	2.03	–	–	2020.15	*49.85*	–	94.55	–	–	144.40	–	1875.75	1968.27
Breakwater structures	*637.24*	–	0.48	–	–	637.72	*8.34*	–	24.34	–	–	32.68	–	605.04	628.90
Sub total - Other assets	*3856.94*	–	4.58	–	1.92	3859.60	*217.71*	–	177.21	–	1.11	393.81	–	3465.79	3639.23
Lease adjustment														(239.36)	(239.36)
Total	*26873.83*	251.68	1865.60	129.63	620.16	28500.58	*5823.46*	123.43	1739.04	54.30	216.78	7523.45	13.05 #	20724.72	20773.31
Previous year	*18804.71*	*174.17*	*8399.32*	*76.36*	*580.73*	*26873.83*	*4500.73*	*112.37*	*1428.15*	*30.38*	*248.17*	*5823.46*	*37.70*		
Add : Asset held for sale														42.74	42.87
														20767.46	20816.18
Add : Capital work-in-progress														4262.56 ##	4061.08
														25030.02	24877.26

\# Impairment upto 31-3-2014 ₹ 13.05 crore, out of which ₹ 0.41 crore pertains to reversal of impairment loss during the year, ₹ 0.61 crore pertains to foreign currency translation adjustments during the year, ₹ 24.86 crore pertains to deductions in respect of a subsidiary sold during the year

\## Capital work-in-progress is net of impairment of ₹ Nil upto 31-3-2014, during the year ₹ Nil, deductions in respect of entity sold during the year ₹ 7.94 crore

Notes forming part of the Consolidated Accounts (contd.)

NOTE [E(II)]

Intangible assets

₹ crore

Particulars	Cost/valuation						Amortisation						Impairment	Book value	
	As at 1-4-2013	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2014	*Up to 31-3-2013*	Pursuant to acquisition of subsidiaries	For the year	Foreign currency fluctuation	Deductions	Up to 31-3-2014	As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
Specialised softwares	*804.05*	4.86	168.54	(4.45)	48.64	924.36	*376.70*	3.69	129.32	(1.29)	40.02	468.40	–	455.96	*427.35*
Technical knowhow	*85.54*	2.87	34.66	(0.13)	10.41	112.53	*36.78*	2.63	13.59	(0.13)	3.46	49.41	–	63.12	*48.76*
New product design and development	*18.05*	–	12.18	2.41	2.41	30.23	*5.75*	–	3.61	0.94	2.41	7.89	–	22.34	*12.30*
Customer contracts and relationship	*110.67*	–	–	1.73	–	112.40	*24.90*	–	11.24	0.39	–	36.53	–	75.87	*85.77*
Toll collection rights	*8079.12*	–	1431.20	–	2.20	9508.12	*1201.46*	–	(465.95)	–	0.16	735.35	–	8772.77	*6877.66*
Utility right to use	*1.53*	–	–	–	–	1.53	*0.08*	–	0.15	–	–	0.23	–	1.30	*1.45*
Total	*9098.96*	7.73	1646.58	(0.44)	63.66	10689.17	*1645.67*	6.32	(308.04)	(0.09)	46.05	1297.81	–	9391.36	*7453.29*
Previous year	*5453.05*	*25.24*	*3779.02*	*18.95*	*177.30*	*9098.96*	*1219.90*	*18.47*	*565.00*	*1.87*	*159.57*	*1645.67*	–		
Add: Intangible assets under development														10018.43	*7289.44*
														19409.79	*14742.73*

During the quarter and year ended March 31, 2014, the Company has revised its accounting policy of amortisation of Intangible assets [Toll based projects executed under Build-Operate-Transfer (BOT) mode] for more appropriate presentation of the financial statements [Note R (11)(f)] . Accordingly, toll collection rights will be subjected to Revenue based method of amortisation and will not be amortised based on straight line method. Consequently, the difference between the accumulated amortisation computed as per the straight line method and the accumulated amortisation as per revenue based method has been credited to Statement of Profit and Loss in the Consolidated Financial Statements.

Had the Company continued to follow the accounting policy of amortisation based on straight line method for such assets, the profit for the year in the Consolidated Financial Statements would have been lower by ₹ 954.97 crore as follows:

₹ crore

Particulars	Amount
The difference between the accumulated amortisation computed as per the straight line method and the accumulated amortisation as per revenue based method as on April 1, 2013 credited to the Consolidated Statement of Profit and Loss.	664.11
Additional amortisation charge for the year 2013-14 had the company continued to follow straight line method of amortization.	290.86
Impact of change in accounting policy of amortisation	954.97

NOTE [E(III)]

Goodwill on consolidation

₹ crore

Particulars	Cost/valuation					Amortisation					Impairment	Book value	
	As at 1-4-2013	Additions*	Foreign currency fluctuation	Deductions	As at 31-3-2014	*Up to 31-3-2013*	For the year	Foreign currency fluctuation	Deductions	Up to 31-3-2014	As at 31-3-2014	As at 31-3-2014	*As at 31-3-2013*
Goodwill on consolidation	*2187.49*	6.26	16.23	25.71	2184.27	–	–	–	–	–	48.10 #	2136.17	*2119.75*
Previous year	*1454.53*	*727.92*	*17.28*	*12.24*	*2187.49*	*359.35*	*(341.64)*	*(12.85)*	*4.86*	–	*67.74*	*2119.75*	*1047.08*

Impairment upto 31-3-2014 ₹ 48.10 crore, after deduction of ₹ 19.64 crore on account of sale of a subsidiary.

*Additions in goodwill represents consideration paid in excess of share in net worth of subsidiaries acquired during the year.

Notes:

1 Cost/valuation of:

(i) Freehold land includes ₹ 1.17 crore *(previous year: ₹ 0.14 crore)* for which conveyance is yet to be completed.

(ii) Leasehold land includes:

(a) ₹ 15.25 crore for land taken at Nagpur on lease from Maharashtra Airport Development Company Limited for a period of 99 years with effect from June 1,2008 vide agreement dated June 20,2008 for developing IT Infrastructure facilities.

(b) ₹ 76.86 crore *(previous year: ₹ Nil)* added during the year in respect of which lease agreements are yet to be executed.

Notes forming part of the Consolidated Accounts (contd.)

2 Cost/valuation of buildings includes ownership accommodation:

(i) (a) in various co-operative societies and apartments and shop-owners' associations: ₹ 110.35 crore, including 2440 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250.

(b) in proposed co-operative societies ₹ 12.36 crore.

(c) in various co-operative societies and apartments and shop-owners' associations: ₹ 20.78 crore, for which share certificates are yet to be issued.

(ii) of ₹ 4.39 crore in respect of which the deed of conveyance is yet to be executed.

(iii) of ₹ 8.48 crore representing undivided share in a property at a certain location.

3 Cost/valuation of buildings includes ₹ 50.52 crore for building constructed on leasehold land of 52.79 acres (out of 90.36 acres of leasehold land, 37.57 acres have been taken back by the lessor) on a 66 years lease agreement entered with National Academy of Construction (NAC) dated October 1, 2001 yet to be registered with appropriate authority.

4 Depreciation, amortisation, impairment and obsolescence for the year includes ₹ 24.64 crore *(previous year: ₹ 16.38 crore)* on account of obsolescence and reversal of impairment ₹ 0.41 crore *(previous year impairment loss: ₹ 5.54 crore).*

5 Owned assets given on operating lease have been presented separately under tangible assets [Note E(I)] as per Accounting Standard (AS) 19 "Leases".

6 Cost/valuation as at April 1, 2013 of individual assets has been reclassified, wherever necessary.

7 Additions during the year and capital work-in-progress/intangible assets under development include ₹ 914.00 crore *(previous year: ₹ 903.57 crore)* being borrowing cost capitalised in accordance with Accounting Standard (AS) 16 "Borrowing Costs" as specified in the Companies (Accounting Standards) Rules, 2006. Asset wise break-up of borrowing costs capitalised is as follows:

₹ crore

Asset Class	2013-14	*2012-13*
Tangible		
Leasehold land	–	*0.60*
Dredged channel	0.21	*1.20*
Breakwater structures	–	*2.79*
Building owned	2.08	*29.68*
Leased out building	–	*3.17*
Plant & equipment owned	0.15	*26.54*
Computer owned	–	*1.09*
Office equipment owned	–	*0.05*
Furniture and fixture owned	0.01	*0.86*
Vehicle owned	–	*0.01*
Railway sidings	–	*0.17*
Intangible		
Specialised softwares	–	*0.04*
Lumpsum fees for technical knowhow	–	*0.14*
Toll collection rights	94.08	*0.49*
Capital work-in-progress	284.71	*483.39*
Intangible assets under development	532.76	*353.35*
Total	914.00	*903.57*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [F]

Non-current investments (at cost unless otherwise specified)

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Long term investment				
Trade investments:				
Investments in equity instruments				
Fully paid equity shares	43.00		*42.90*	
Less: Provision for diminution in value	15.90		*15.90*	
		27.10		*27.00*
Investment in associates: [Note F(I)]				
Fully paid equity shares of associate companies	91.17		*150.81*	
Add/(deduct):				
Accumulated share in profit/(loss) of the associate companies at the beginning of the year	218.82		*363.77*	
Adjustment pursuant to an associate becoming subsidiary	(143.40)		*(175.84)*	
Adjustment pursuant to dilution/divestment of stake in associates	0.03		*(2.93)*	
	166.62		*335.81*	
Add/(deduct):				
Share in profit/(loss) (net) of associate companies-during the period	9.25		*38.43*	
Commitment to fresh infusion of equity	2.73		*2.75*	
Dividend received from associate companies during the period	(10.13)		*(4.61)*	
Unrealised profits in respect of transactions with associate companies	(1.35)		*(48.57)*	
Provision for diminution in value	(0.55)		*(0.55)*	
		166.57		*323.26*
Other investments:				
Other fully paid equity shares	189.13		*205.63*	
Less: Provision for diminution in value	10.06		*0.54*	
		179.07		*205.09*
Fully paid preference shares		159.00		*210.00*
Government and trust securities		81.57		*86.96*
Debentures and bonds		582.67		*312.84*
Mutual funds		0.20		*44.00*
Security receipt		121.97		*8.67*
Investment in units of fund		114.65		*2.00*
Share application money pending allotment		–		*4.37*
		1432.80		*1224.19*

F(I) Investments in associates include goodwill of ₹ 23.95 crore *(previous year: ₹ 23.95 crore)* and is further net of capital reserve of ₹ 0.25 crore *(previous year: ₹ 0.25 crore).*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [G(I)(a)]

Long term loans and advances

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured considered good:				
Loans against mortgage of house property		3.77		*5.62*
Capital advances		32.10		*34.38*
Rent deposit (KMP's)		–		*0.01*
Unsecured considered good:				
Capital advances		93.96		*138.47*
Loans and advances to related parties:				
Associate companies				
Advances recoverable	0.01		*12.11*	
Joint ventures				
Inter-corporate loans	490.27		*453.37*	
Advance recoverable	–		*0.29*	
		490.28		*465.77*
Other loans and advances:				
Security deposits	253.63		*213.32*	
Earnest money deposits	7.79		*6.09*	
Advances recoverable in cash or in kind	1866.05		*1375.24*	
Income tax receivable of current year [net of provision for tax of ₹ 128.07 crore *(previous year: ₹ 159.50 crore)*]	45.17		*18.26*	
Balance with customs, port trust, etc.	0.04		*0.32*	
Lease receivables	1.04		*1.16*	
Considered doubtful:				
Capital advances	–		*1.86*	
Other loans and advances	0.45		*0.45*	
	2174.17		*1616.70*	
Less: Allowance for doubtful loans and advances	0.45		*2.31*	
		2173.72		*1614.39*
		2793.83		*2258.64*

NOTE [G(I)(b)]

Long term loans and advances towards financing activities

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured loans:				
Considered good:				
Term loans	25087.14		*20442.28*	
Finance lease	83.72		*91.68*	
Debentures	1812.38		*768.33*	
Considered doubtful:				
Term loans [Note G(I)(b)(i)]	324.27		*168.44*	
	27307.51		*21470.73*	
Less: Allowance for non-performing assets	324.27		*168.44*	
Less: Contingent provisions against standard assets	90.28		*72.26*	
Less: Provision for standard assets	201.58		*87.50*	
		26691.38		*21142.53*
Carried forward		26691.38		*21142.53*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [G(I)(b)]

Long term loans and advances towards financing activities *(contd.)*

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		26691.38		*21142.53*
Unsecured loans:				
Considered good:				
Term loans	854.64		*661.18*	
Finance lease	4956.70		*–*	
Debentures	100.00		*40.00*	
Considered doubtful:				
Term loans [Note G(I)(b)(i)]	29.19		*83.57*	
	5940.53		*784.75*	
Less: Allowance for non-performing assets	29.19		*83.57*	
Less: Contingent provisions against standard assets	3.85		*2.98*	
		5907.49		*698.20*
		32598.87		*21840.73*

G(I)(b)(i) Loans and advances towards financing activities are classified as doubtful to the extent of provision made following prudential norms for provisioning of assets prescribed by the Reserve Bank of India.

NOTE [G(II)]

Cash and bank balances

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
Cash and bank balances not available for immediate use	38.68	*65.05*
	38.68	*65.05*

NOTE [G(III)]

Other non-current assets

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
Interest accrued on investments and others	85.19	*55.51*
Unamortised expenses	98.52	*92.68*
Others	1.23	*–*
	184.94	*148.19*

NOTE [H(I)]

Current investments

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
(a) Current investments:				
Fully paid equity shares	24.09		*11.05*	
Less: Provision for diminution in value	2.64		*2.00*	
		21.45		*9.05*
Carried forward		21.45		*9.05*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [H(I)]

Current investments *(contd.)*

Particulars	As at 31-3-2014 ₹ crore	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*	*As at 31-3-2013 ₹ crore*
Brought forward		21.45		*9.05*
Government and trust securities	949.78		*113.89*	
Less: Provision for diminution in value	15.34		*0.92*	
		934.44		*112.97*
Debentures and bonds	687.07		*989.35*	
Less: Provision for diminution in value	0.06		*0.26*	
		687.01		*989.09*
Mutual funds		4552.02		*4080.21*
Other investments	14.77		*2294.22*	
Less: Provision for diminution in value	–		*0.23*	
		14.77		*2293.99*
Collateral Borrowing and Lending Obligation (CBLO)		274.63		*–*
(b) Current portion of long term investments:				
Preference shares	33.00		*33.00*	
Mutual funds	144.00		*25.00*	
Investment property	14.85		*–*	
		191.85		*58.00*
		6676.17		*7543.31*

NOTE [H(II)]

Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
Raw materials [including goods-in-transit ₹ 44.97 crore *(previous year: ₹ 43.42 crore)*]	1116.93	*810.92*
Components [including goods-in-transit ₹ 23.57 crore *(previous year: ₹ 77.64 crore)*]	501.13	*542.54*
Construction materials [including goods-in-transit ₹ 89.60 crore *(previous year: ₹ 0.33 crore)*]	336.15	*397.96*
Manufacturing work-in-progress	726.87	*811.56*
Finished goods [including goods-in-transit ₹ 0.98 crore *(previous year: ₹ Nil)*]	349.18	*282.20*
Stock-in-trade (in respect of goods acquired for trading) [including goods-in-transit ₹ 6.07 crore *(previous year: ₹ 32.98 crore)*]	126.67	*189.54*
Stores and spares [including goods-in-transit ₹ 8.46 crore *(previous year: ₹ 4.19 crore)*]	294.01	*157.18*
Loose tools [including goods-in-transit ₹ 0.03 crore *(previous year: ₹ Nil)*]	13.16	*6.47*
Property development projects (including land) [Note Q(9)(b)]	1943.25	*1801.84*
Completed property [Note Q(9)(b)]	120.11	*169.25*
	5527.46	*5169.46*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [H(III)]

Trade receivables

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Trade receivables				
Secured				
Debts outstanding for more than 6 months				
Considered good	18.24		*0.12*	
Considered doubtful	10.21		*3.59*	
	28.45		*3.71*	
Other debts				
Considered good	7.31		*4.71*	
	35.76		*8.42*	
Less: Allowance for doubtful debts	10.21		*3.59*	
		25.55		*4.83*
Unsecured				
Debts outstanding for more than 6 months				
Considered good	2919.08		*1857.95*	
Considered doubtful	537.27		*548.15*	
	3456.35		*2406.10*	
Other debts				
Considered good	23439.92		*21148.54*	
	26896.27		*23554.64*	
Less: Allowance for doubtful debts	537.27		*548.15*	
		26359.00		*23006.49*
		26384.55		*23011.32*

NOTE [H(IV)]

Cash and bank balances

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Cash and cash equivalents:				
Balance with banks	2092.19		*1272.31*	
Cheques and drafts on hand	429.83		*424.11*	
Cash on hand	22.80		*19.59*	
Fixed deposits with banks (maturity less than 3 months)	1057.38		*645.25*	
		3602.20		*2361.26*
Other bank balances:				
Fixed deposits with banks including interest accured thereon [includes ₹ 3.40 crore *(previous year: ₹ 80.14 crore)* of bank deposit with more than 12 months maturity]	320.48		*1002.52*	
Earmarked balances with banks-unclaimed dividend	28.00		*23.85*	
Earmarked balances with banks-others	8.88		*14.82*	
Cash and bank balances not available for immediate use including margin money deposits	137.01		*154.75*	
Bank balances subject to restriction on repatriation	–		*8.94*	
		494.37		*1204.88*
		4096.57		*3566.14*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [H(V)]

Short term loans and advances

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured considered good:				
Loans against mortgage of house property				
Key management personnel	1.09		*1.80*	
Rent deposit KMP's	0.01		–	
Inter corporate deposits including interest accrued	100.00		–	
		101.10		*1.80*
Unsecured:				
Loans and advances to related parties				
Considered good:				
Associates:				
Advance recoverable	19.40		*6.69*	
Joint ventures:				
Inter corporate deposits including interest accrued	50.06		–	
Advance recoverable	0.35		*0.04*	
		69.81		*6.73*
Others				
Considered good:				
Security deposits	377.31		*477.48*	
Earnest money deposit	65.89		*72.57*	
Advances recoverable in cash or in kind	6212.06		*5445.48*	
Income tax receivable of current year [net of provision for tax of ₹ 1786.00 crore *(previous year: ₹ 288.74 crore)*]	348.22		*62.22*	
Balance with customs,port trust etc.	152.69		*104.73*	
Lease receivables	0.08		*0.49*	
Unamortised expenses				
Considered doubtful:				
Deferred credit against sale of ships	24.92		*22.58*	
Security deposits	1.49		*1.50*	
Other loans and advances	183.83		*131.79*	
	7366.49		*6318.84*	
Less: Allowance for doubtful loans and advances	210.24		*155.87*	
		7156.25		*6162.97*
		7327.16		*6171.50*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [H(V)(a)]

Short term Loans and advances towards financing activities

Particulars	As at 31-3-2014		*As at 31-3-2013*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Secured loans:				
Considered good:				
Term loans	8362.69		*7978.81*	
Finance lease	54.59		*55.76*	
Debentures	136.90		*182.99*	
	8554.18		*8217.56*	
Less: Contingent provision against standard assets	26.55		*25.77*	
		8527.63		*8191.79*
Unsecured loans:				
Considered good:				
Term loans	2278.78		*1973.61*	
Finance lease	35.70		*–*	
	2314.48		*1973.61*	
Less: Contingent provision against standard assets	6.51		*5.34*	
		2307.97		*1968.27*
		10835.60		*10160.06*

NOTE [H(VI)]

Other current assets

Particulars	As at 31-3-2014	*As at 31-3-2013*
	₹ crore	*₹ crore*
Due from customers (construction and project related activity)	24139.60	*19351.80*
Due from customers (property development activity) [Note Q(9)(b)]	156.63	*1.83*
Interest accrued on investments and others	539.82	*395.70*
Unbilled revenue	209.93	*161.64*
Unamortised expenses	52.30	*29.82*
Accrual of fee income	2.88	*4.35*
Billed interest and other receivable	128.06	*62.64*
Others	40.51	*21.92*
	25269.73	*20029.70*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [I]

Contingent liabilities

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
(a) Claims against the Company not acknowledged as debts	354.69	*319.49*
(b) Sales-tax liability that may arise in respect of matters in appeal	163.82	124.96
(c) Excise duty/Service Tax/Customs/Entry Tax/Municipal Cess liability that may arise in respect of matters in appeal/challenged by the Company in WRIT	209.81	54.43
(d) Custom duty demands against the Group has filed appeals before Appellate Autorities which are pending disposal	3.51	0.21
(e) Income-Tax liability (including penalty) that may arise in respect of which the Company is in appeal	758.78	535.63
(f) Corporate Guarantee for debt given on behalf of an associate company	3.68	–

Notes:

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
2. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (e) above pending resolution of the arbitration/appellate proceedings.
3. In respect of matters at (f), the cash outflows if any could generally occur upto one year being the period over which the validity of the guarantee exists.
4. Particulars of contingent liabilities in respect of joint venture is given in Note Q(17)

NOTE [J]

Commitments:

Particulars	As at 31-3-2014 ₹ crore	*As at 31-3-2013 ₹ crore*
Estimated amount of contracts remaining to be executed on capital account (net of advances) *	26537.35	*26611.46*

* Particulars of capital commitments in respect of joint ventures is given in Note Q(17)

NOTE [K]

Revenue from operations

Particulars	2013-14		*2012-13*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Sales & service:				
Construction and project related activity [Note Q(9)(a)]	61617.69		*55880.96*	
Manufacturing and trading activity	8809.46		*7629.29*	
Engineering and service fees	1677.42		*1293.81*	
Software development products and services	4730.72		*3760.20*	
Income from financing activity/annuity based projects and finance income from lease of power plant	4990.58		*3971.62*	
Property development activity [Note Q(9)(b)]	970.83		*228.92*	
Toll collection and related activity	788.31		*720.32*	
Servicing	726.12		*570.96*	
Commission	129.55		*158.84*	
Income from port services	280.46		*198.14*	
Charter hire income	176.00		*137.37*	
Investment/portfolio management and trusteeship fees	94.82		*33.11*	
Fees for operation and maintenance of power plant	85.38		–	
Premium earned (net)	176.91		*111.70*	
		85254.25		*74695.24*
Carried forward		85254.25		*74695.24*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [K]

Revenue from operations *(contd.)*

Particulars	2013-14		*2012-13*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward		85254.25		*74695.24*
Other operational revenue:				
Income from hire of plant and equipment	4.64		*7.75*	
Technical fees	–		*0.24*	
Lease rentals	232.22		*107.31*	
Property maintenance recoveries	17.46		*15.16*	
Facility management income	8.68		*14.17*	
Premium earned (net) on related forward exchange contract	24.80		*165.82*	
Miscellaneous income	346.99		*189.62*	
		634.79		*500.07*
		85889.04		*75195.31*

K(I) Revenue from sales and service includes:

(a) ₹ 1431.48 crore *(previous year: ₹ 691.51 crore)* for price variations net of liquidated damages in terms of contracts with the customers.

(b) Shipbuilding subsidy ₹ Nil *(previous year: ₹ 10.02 crore)* and reversal of shipbuilding subsidy of ₹ 31.54 crore *(previous year: ₹ 7.22 crore)*.

NOTE [L]

Other income

Particulars	2013-14		*2012-13*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income				
Interest Income on long term investments	28.45		*25.51*	
Interest Income on current investments	268.67		*305.49*	
Interest Income on others				
Joint venture & associate companies	48.63		*41.62*	
Others	142.54		*106.09*	
		488.29		*478.71*
Dividend income				
From long term investments				
Trade investments	2.03		*2.22*	
Others	47.47		*54.82*	
	49.50		*57.04*	
From current investments	1.61		*11.61*	
		51.11		*68.65*
Net gain/(loss) on sale of investments				
Long term investments (net)	16.74		*22.46*	
Current investments (net)	283.05		*270.08*	
		299.79		*292.54*
Net gain/(loss) on sale of fixed assets (net)		90.74		*202.25*
Lease rental		1.46		*2.55*
Miscellaneous income (net of expenses)		50.52		*10.98*
		981.91		*1055.68*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [M]

Manufacturing, construction and operating expenses

Particulars	2013-14		*2012-13*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Materials consumed:				
Raw materials and components	9773.42		*10661.42*	
Less: Scrap sales	144.34		*155.36*	
		9629.08		*10506.06*
Construction materials		17957.92		*15562.64*
Purchase of stock-in-trade		2057.16		*2179.87*
Stores, spares and tools consumed		2699.52		*2709.56*
Sub-contracting charges		16914.10		*14516.43*
Value of stock transferred on disposal of subsidiary/business		–		*(51.23)*
Change in inventories of finished goods, work-in-progress and stock-in-trade:				
Closing stock:				
Finished goods	349.18		*256.42*	
Stock-in-trade	126.67		*189.54*	
Work-in-progress	4171.35		*3674.58*	
Cost of built up space and property development land:				
Work-in-progress	1658.63		*1556.78*	
Completed property	120.11		*169.25*	
Property development land	284.62		*245.06*	
	6710.56		*6091.63*	
Less: Opening stock:				
Finished goods (includes ₹ 48.61 crore on associate becoming a subsidiary)	305.03		*304.83*	
Stock-in-trade	189.54		*220.48*	
Work-in-progress (includes ₹ 43.00 crore on associate becoming a subsidiary)	3717.58		*2080.90*	
Cost of built up space and property development land:				
Work-in-progress	1556.78		*1279.55*	
Completed property	169.25		*26.65*	
Property development land	245.06		*218.33*	
	6183.24		*4130.74*	
		(527.32)		*(1960.89)*
Other manufacturing, construction and operating expenses:				
Excise duty	11.63		*(6.52)*	
Power and fuel [Note O(I)]	1054.49		*890.49*	
Royalty and technical know-how fees	26.12		*49.36*	
Packing and forwarding [Note O(I)]	342.82		*283.67*	
Hire charges-plant and equipment and others	1104.31		*1303.45*	
Bank guarantee charges	111.31		*78.60*	
Insurance claim incurred (net)	151.13		*109.17*	
Engineering, professional, technical and consultancy fees	1061.79		*863.51*	
Carried forward	3863.60	48730.46	*3571.73*	*43462.44*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [M]

Manufacturing, construction and operating expenses *(contd.)*

Particulars	2013-14		*2012-13*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward	3863.60	48730.46	*3571.73*	*43462.44*
Insurance [Note O(I)]	169.14		*163.93*	
Rent [Note O(I)]	364.18		*319.41*	
Rates and taxes [Note O(I)]	272.23		*264.30*	
Travelling and conveyance [Note O(I)]	866.40		*743.49*	
Repairs to plant and equipment	79.53		*69.24*	
Repairs to buildings [Note O(I)]	25.09		*10.65*	
General repairs and maintenance [Note O(I)]	334.08		*321.32*	
Port operation expenses	121.41		*67.28*	
Operating cost of shipping business	52.36		*54.04*	
Miscellaneous expenses [Note O(I)]	1251.59		*1304.52*	
		7399.61		*6889.91*
Finance cost of financial services business and finance lease activity:				
Interest and other financing charges		3135.46		*2353.22*
Staff expenses for software development business:				
Salaries, wages and bonus	2299.36		*1872.99*	
Contribution to and provision for				
Provident fund and pension fund	27.80		*25.79*	
Superannuation/employee pension schemes	3.87		*5.63*	
Gratuity funds [Note Q(10)(ii)(b)]	5.19		*9.41*	
Expenses on employee stock option scheme	0.12		*0.50*	
Staff welfare expenses	92.89		*68.87*	
		2429.23		*1983.19*
		61694.76		*54688.76*

M(I) Other manufacturing, construction and operating expenses include ₹ 2350.74 crore *(previous year: ₹ 2964.62 crore)* towards construction of 1400 MW power plant at Rajpura, Punjab.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [N]

Employee benefits expense

Particulars	2013-14		2012-13	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Salaries, wages and bonus		6719.39		*5162.45*
Contribution to and provision for				
Provident fund and pension fund	176.55		*146.07*	
Superannuation/employee pension schemes	45.84		*54.92*	
Gratuity funds [Note Q(10)(ii)(b)]	46.21		*73.07*	
		268.60		*274.06*
Expenses on employee stock option scheme		75.57		*98.71*
Employee medical & other insurance premium expenses [Note O(I)]		85.79		*62.44*
Staff welfare expenses		878.29		*646.98*
		8027.64		*6244.64*

NOTE [O]

Sales, administration and other expenses

Particulars	2013-14		2012-13	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Power and fuel [Note O(I)]		103.20		*100.04*
Packing and forwarding [Note O(I)]		202.13		*234.85*
Insurance [Note O(I)]		89.99		*37.29*
Rent [Note O(I)]		345.24		*275.11*
Rates and taxes [Note O(I)]		159.05		*143.55*
Travelling and conveyance [Note O(I)]		547.28		*439.85*
Repairs to buildings [Note O(I)]		28.09		*20.83*
General repairs and maintenance [Note O(I)]		359.82		*338.38*
Professional fees		526.52		*363.84*
Directors' fees		1.47		*1.99*
Telephone, postage and telegrams		211.75		*176.03*
Advertising and publicity		129.64		*140.10*
Stationery and printing		71.55		*62.36*
Commission:				
Distributors and agents	75.93		*40.96*	
Employees and others	18.01		*9.38*	
		93.94		*50.34*
Bank charges		84.94		*86.17*
Discount on sales		74.41		*72.17*
Miscellaneous expenses [Note O(I)]		691.15		*427.45*
Bad debts and advances written off	183.49		*353.69*	
Less: Allowances for doubtful debts and advances written back	57.96		*116.58*	
		125.53		*237.11*
Receivable discounting charges - non-recourse		0.20		*0.08*
Allowances for doubtful debts,advances and non-performing assets (net)		276.95		*5.64*
Provision/(reversal) for foreseeable losses on construction contracts		29.34		*14.77*
Provision/(reversal) for diminution in value of investments(net)		24.15		*(9.85)*
Exchange (gain)/loss		378.57		*485.27*
Provision for standard assets		72.85		*58.68*
Other provisions [Note Q(18)(a)]		61.68		*(75.62)*
		4689.44		*3686.43*

Notes forming part of the Consolidated Accounts (contd.)

NOTE O(I) Aggregation of expenses disclosed vide notes M, N and O in respect of specific items are as follows:

₹ crore

Sr. No.	Nature of expenses	2013-14				*2012-13*			
		Note M	Note N	Note O	Total	*Note M*	*Note N*	*Note O*	*Total*
1	Power and fuel	1054.49	–	103.20	1157.69	*890.49*	*–*	*100.04*	*990.53*
2	Packing and forwarding	342.82	–	202.13	544.95	*283.67*	*–*	*234.85*	*518.52*
3	Insurance	169.14	85.79	89.99	344.92	*163.93*	*62.44*	*37.29*	*263.66*
4	Rent	364.18	–	345.24	709.42	*319.41*	*–*	*275.11*	*594.52*
5	Rates and taxes	272.23	–	159.05	431.28	*264.30*	*–*	*143.55*	*407.85*
6	Travelling and conveyance	866.40	–	547.28	1413.68	*743.49*	*–*	*439.85*	*1183.34*
7	Repairs to buildings	25.09	–	28.09	53.18	*10.65*	*–*	*20.83*	*31.48*
8	General repairs and maintenance	334.08	–	359.82	693.90	*321.32*	*–*	*338.38*	*659.70*
9	Miscellaneous expenses	1251.59	–	691.15	1942.74	*1304.52*	*–*	*427.45*	*1731.97*

NOTE [P]

Finance costs

Particulars	2013-14 ₹ crore	*2012-13* *₹ crore*
Interest expenses	3005.01	*2000.24*
Other borrowing costs	27.18	*18.22*
Exchange loss (attributable to finance costs)	109.25	*105.83*
	3141.44	*2124.29*

NOTE [Q]

Q(1) The Balance Sheet as on March 31, 2014 and the Statement of Profit and Loss for the year ended March 31, 2014 are drawn and presented as per the revised Schedule VI to the Companies Act, 1956.

Q(2) Basis of preparation

a) The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures", as specified in the Companies (Accounting Standards) Rules, 2006 [Note R(1)]. The CFS comprises the financial statements of Larsen & Toubro Limited (L&T), its subsidiaries, associates and joint ventures. Reference in these notes to L&T, Company, Parent Company, Companies or Group shall mean to include Larsen & Toubro Limited or any of its subsidiaries, associates and joint ventures, unless otherwise stated.

b) The notes including significant policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(3) The list of subsidiaries, associates and joint ventures included in the Consolidated Financial Statements are as under:

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2014 Proportion of ownership interest (%)	As at 31-3-2014 Proportion of voting power held (%)	*As at 31-3-2013 Proportion of ownership interest (%)*	*As at 31-3-2013 Proportion of voting power held (%)*
	Indian Subsidiaries					
1	L&T Cutting Tools Limited (formerly known as Tractor Engineers Limited)	India	100.00	100.00	*100.00*	*100.00*
2	Bhilai Power Supply Company Limited	India	99.90	99.90	*99.90*	*99.90*
3	L&T-Sargent & Lundy Limited	India	50.0001	50.0001	*50.0001*	*50.0001*
4	Spectrum Infotech Private Limited	India	100.00	100.00	*100.00*	*100.00*
5	L&T-Valdel Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
6	L&T Shipbuilding Limited	India	97.00	97.00	*97.00*	*97.00*
7	L&T Electricals and Automation Limited	India	100.00	100.00	*100.00*	*100.00*
8	Hi-Tech Rock Products & Aggregates Limited	India	100.00	100.00	*100.00*	*100.00*
9	L&T Seawoods Private Limited	India	100.00	100.00	*100.00*	*100.00*
10	L&T-Gulf Private Limited	India	50.0002	50.0002	*50.0002*	*50.0002*
11	L&T - MHI Boilers Private Limited	India	51.00	51.00	*51.00*	*51.00*
12	L&T - MHI Turbine Generators Private Limited	India	51.00	51.00	*51.00*	*51.00*
13	Raykal Aluminium Company Private Limited	India	75.50	75.50	*75.50*	*75.50*
14	L&T Natural Resources Limited	India	100.00	100.00	*100.00*	*100.00*
15	L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)	India	100.00	100.00	*100.00*	*100.00*
16	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	74.00	*74.00*	*74.00*
17	PNG Tollway Limited	India	72.11	72.11	*72.11*	*72.11*
18	Kesun Iron & Steel Company Private Limited	India	95.00	95.00	*95.00*	*95.00*
19	L&T Howden Private Limited	India	50.10	50.10	*50.10*	*50.10*
20	L&T Solar Limited	India	100.00	100.00	*100.00*	*100.00*
21	L&T Sapura Shipping Private Limited	India	60.00	60.00	*60.00*	*60.00*
22	L&T Sapura Offshore Private Limited	India	60.00	60.00	*60.00*	*60.00*
23	L&T Powergen Limited	India	100.00	100.00	*100.00*	*100.00*
24	Ewac Alloys Limited	India	100.00	100.00	*100.00*	*100.00*
25	L&T Kobelco Machinery Private Limited	India	51.00	51.00	*51.00*	*51.00*
26	L&T Geostructure LLP	India	74.00	74.00	*74.00*	*74.00*
27	L&T Valves Limited (formerly known as Audco India Limited)	India	100.00	100.00	*100.00*	*100.00*
28	L&T Realty Limited	India	100.00	100.00	*100.00*	*100.00*
29	L&T Asian Realty Project LLP	India	50.00	55.00	*50.00*	*55.00*
30	L&T Parel Project LLP	India	100.00	100.00	*100.00*	*100.00*
31	Chennai Vision Developers Private Limited	India	100.00	100.00	*100.00*	*100.00*
32	L&T Urban Infrastructure Limited ^	India	–	–	*100.00*	*100.00*
33	L&T South City Projects Limited	India	51.00	51.00	*51.00*	*51.00*
34	L&T Siruseri Property Developers Limited^^	India	51.00	51.00	*51.00*	*51.00*
35	L&T Vision Ventures Limited	India	68.00	68.00	*68.00*	*68.00*
36	L&T Tech Park Limited	India	51.00	51.00	*51.00*	*51.00*
37	L&T Bangalore Airport Hotel Limited*	India	–	–	*74.00*	*74.00*
38	CSJ Infrastructure Private Limited	India	82.00	82.00	*82.00*	*82.00*
39	CSJ Hotels Private Limited	India	82.00	82.00	*82.00*	*82.00*
40	L&T Chennai Projects Private Limited **	India	–	–	*100.00*	*100.00*
41	L&T Power Limited	India	99.99	99.99	*99.99*	*99.99*
42	L&T Cassidian Limited	India	74.00	74.00	*74.00*	*74.00*
43	L&T General Insurance Company Limited	India	100.00	100.00	*100.00*	*100.00*
44	L&T Aviation Services Private Limited	India	100.00	100.00	*100.00*	*100.00*
45	L&T Infocity Limited	India	89.00	89.00	*89.00*	*89.00*
46	L&T Hitech City Limited	India	65.86	65.86	*65.86*	*65.86*
47	Hyderabad International Trade Expositions Limited	India	51.72	51.72	*51.72*	*51.72*

NOTE [Q] ***(contd.)***

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2014		*As at 31-3-2013*	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	*Proportion of ownership interest (%)*	*Proportion of voting power held (%)*
48	Larsen & Toubro Infotech Limited	India	100.00	100.00	*100.00*	*100.00*
49	GDA Technologies Limited	India	100.00	100.00	*100.00*	*100.00*
50	L&T Finance Holdings Limited	India	76.61	76.61	*82.54*	*82.54*
51	L&T Housing Finance Limited	India	76.61	76.61	*82.54*	*82.54*
52	Consumer Financial Services Limited	India	76.61	76.61	*82.54*	*82.54*
53	Family Credit Limited	India	76.61	76.61	*82.54*	*82.54*
54	L&T Finance Limited	India	76.61	76.61	*82.54*	*82.54*
55	L&T Capital Markets Limited	India	76.61	76.61	*82.54*	*82.54*
56	L&T Investment Management Limited	India	76.61	76.61	*82.54*	*82.54*
57	L&T Mutual Fund Trustee Limited	India	76.61	76.61	*82.54*	*82.54*
58	L&T Trustee Services Private Limited	India	76.61	76.61	*82.54*	*82.54*
59	L&T Fund Management Private Limited ***	India	–	–	*82.54*	*82.54*
60	L&T FinCorp Limited	India	76.61	76.61	*82.54*	*82.54*
61	L&T Infrastructure Finance Company Limited	India	76.61	76.61	*82.54*	*82.54*
62	L&T Infra Debt Fund Limited	India	76.61	76.61	*82.54*	*82.54*
63	L&T Infra Investment Partners Advisory Private Limited	India	76.61	76.61	*82.54*	*82.54*
64	L&T Infra Investment Partners Trustee Private Limited	India	76.61	76.61	*82.54*	*82.54*
65	L&T Vrindavan Properties Limited (formerly known as L&T Unnati Finance Limited)	India	76.61	76.61	*82.54*	*82.54*
66	L&T Access Distribution Services Limited (formerly known as L&T Access Financial Advisory Services Limited)	India	76.61	76.61	*82.54*	*82.54*
67	Mudit Cement Private Limited	India	76.61	76.61	*–*	*–*
68	L&T Capital Company Limited	India	100.00	100.00	*100.00*	*100.00*
69	L&T Trustee Company Private Limited	India	100.00	100.00	*100.00*	*100.00*
70	L&T Power Development Limited	India	100.00	100.00	*100.00*	*100.00*
71	L&T Uttaranchal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
72	L&T Arunachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
73	L&T Himachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
74	Nabha Power Limited	India	100.00	100.00	*100.00*	*100.00*
75	L&T Infrastructure Development Projects Limited	India	97.45	97.45	*97.45*	*97.45*
76	L&T Panipat Elevated Corridor Limited	India	97.45	97.45	*97.45*	*97.45*
77	Narmada Infrastructure Construction Enterprise Limited	India	97.45	97.45	*97.45*	*97.45*
78	L&T Krishnagiri Thopur Toll Road Limited	India	97.45	97.45	*97.45*	*97.45*
79	L&T Western Andhra Tollways Limited	India	97.45	97.45	*97.45*	*97.45*
80	L&T Vadodara Bharuch Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
81	L&T East-West Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
82	L&T Great Eastern Highway Limited	India	97.45	97.45	*97.45*	*97.45*
83	L&T Transportation Infrastructure Limited	India	97.45	97.45	*97.45*	*97.45*
84	L&T Western India Tollbridge Limited	India	97.45	97.45	*97.45*	*97.45*
85	L&T Interstate Road Corridor Limited	India	97.45	97.45	*97.45*	*97.45*
86	International Seaports (India) Private Limited	India	97.45	97.45	*97.45*	*97.45*
87	L&T Port Kachchigarh Limited	India	97.45	97.45	*97.45*	*97.45*
88	L&T Ahmedabad-Maliya Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
89	L&T Halol-Shamlaji Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
90	L&T Krishnagiri Walajahpet Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
91	L&T Devihalli Hassan Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
92	L&T Metro Rail (Hyderabad) Limited	India	97.48	97.48	*97.48*	*97.48*
93	L&T Transco Private Limited	India	97.45	97.45	*97.45*	*97.45*
94	L&T Chennai-Tada Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
95	L&T BPP Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
96	L&T Rajkot-Vadinar Tollway Limited	India	97.45	97.45	*97.45*	*97.45*
97	L&T Deccan Tollways Limited	India	97.45	97.45	*97.45*	*97.45*
98	L&T Samakhiali Gandhidham Tollway Private Limited	India	97.45	97.45	*97.45*	*97.45*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2014 Proportion of ownership interest (%)	As at 31-3-2014 Proportion of voting power held (%)	*As at 31-3-2013 Proportion of ownership interest (%)*	*As at 31-3-2013 Proportion of voting power held (%)*
99	Kudgi Transmission Limited	India	97.45	97.45	–	–
100	L&T Sambalpur Rourkela Tollway Limited	India	97.45	97.45	–	–
101	L&T Technology Services Limited	India	100.00	100.00	100.00	100.00
102	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited) @	India	100.00	100.00	50.00	50.00
103	L&T Tejomaya Limited	India	51.00	51.00	51.00	51.00

^ The Company has been merged with L&T Realty Limited w.e.f. April 1, 2012 pursuant to High Court order

^^The Company is in the process of being wound up

*The Group has sold its stake on January 24, 2014

** The Group has sold its stake on October 3, 2013

*** The company has been merged with L&T Investment Management Limited w.e.f. November 22, 2013

@ Associate became wholly owned subsidiary w.e.f. April 15, 2013

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2014 Proportion of ownership interest (%)	As at 31-3-2014 Proportion of voting power held (%)	*As at 31-3-2013 Proportion of ownership interest (%)*	*As at 31-3-2013 Proportion of voting power held (%)*
	Foreign Subsidiaries					
1	Larsen & Toubro LLC	USA	100.00	100.00	100.00	100.00
2	Larsen & Toubro Infotech, GmbH	Germany	100.00	100.00	100.00	100.00
3	Larsen & Toubro Infotech Canada Limited	Canada	100.00	100.00	100.00	100.00
4	Larsen & Toubro Infotech LLC	USA	100.00	100.00	100.00	100.00
5	L&T Infotech Financial Services Technologies Inc.	Canada	100.00	100.00	100.00	100.00
6	GDA Technologies Inc ^	USA	–	–	100.00	100.00
7	Larsen & Toubro Infotech South Africa (PTY) Limited	South Africa	74.90	74.90	74.90	74.90
8	L&T Information Technology Services (Shanghai) Co., Ltd.	China	100.00	100.00	–	–
9	L&T Infrastructure Development Projects Lanka (Private) Limited	Sri Lanka	93.44	93.44	93.44	93.44
10	L&T IDPL Trustee Manager Pte. Ltd.	Singapore	97.45	97.45	–	–
11	Peacock Investments Limited*	Mauritius	–	–	100.00	100.00
12	Mango Investments Limited*	Mauritius	–	–	100.00	100.00
13	Lotus Infrastructure Investments Limited*	Mauritius	–	–	100.00	100.00
14	L&T Diversified India Equity Fund	Mauritius	100.00	100.00	100.00	100.00
15	L&T Asset Management Company Limited*	Mauritius	–	–	100.00	100.00
16	L&T Realty FZE	UAE	100.00	100.00	100.00	100.00
17	Larsen & Toubro International FZE	UAE	100.00	100.00	100.00	100.00
18	Larsen & Toubro Hydrocarbon International Limited LLC	Kindgom of Saudi Arabia	95.00	95.00	–	–
19	Thalest Limited	UK	100.00	100.00	100.00	100.00
20	Bond Instrumentation & Process Control Limited **	UK	–	–	100.00	100.00
21	Servowatch Systems Limited	UK	100.00	100.00	100.00	100.00
22	Larsen & Toubro (Oman) LLC	Sultanate of Oman	65.00	65.00	65.00	65.00
23	Larsen & Toubro Electromech LLC	Sultanate of Oman	65.00	65.00	65.00	65.00
24	L&T Modular Fabrication Yard LLC	Sultanate of Oman	65.00	65.00	65.00	65.00
25	Larsen & Toubro (East Asia) SDN.BHD ##	Malaysia	30.00	100.00	30.00	100.00
26	Larsen & Toubro Qatar LLC ##	Qatar	49.00	100.00	49.00	100.00
27	L&T Overseas Projects Nigeria Limited	Nigeria	100.00	100.00	100.00	100.00
28	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Indonesia	95.00	95.00	–	–
29	L&T Electricals & Automation Saudi Arabia Company LLC	Kingdom of Saudi Arabia	75.00	75.00	75.00	75.00
30	Larsen & Toubro Kuwait Construction General Contracting Company, W.L.L. ##	Kuwait	49.00	75.00	49.00	75.00
31	Larsen & Toubro (Qingdao) Rubber Machinery Company Limited	Peoples Republic of China	100.00	100.00	100.00	100.00

NOTE [Q] ***(contd.)***

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2014 Proportion of ownership interest (%)	As at 31-3-2014 Proportion of voting power held (%)	*As at 31-3-2013 Proportion of ownership interest (%)*	*As at 31-3-2013 Proportion of voting power held (%)*
32	Qingdao Larsen & Toubro Trading Company Limited @	Peoples Republic of China	100.00	100.00	*100.00*	*100.00*
33	Larsen & Toubro Readymix Concrete Industries LLC ##	UAE	49.00	100.00	*49.00*	*100.00*
34	Larsen & Toubro Saudi Arabia LLC	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
35	Larsen Toubro Arabia LLC	Kingdom of Saudi Arabia	75.00	75.00	*75.00*	*75.00*
36	Larsen & Toubro ATCO Saudi LLC	Kingdom of Saudi Arabia	75.00	75.00	*49.00*	*75.00*
37	Tamco Switchgear (Malaysia) SDN. BHD	Malaysia	100.00	100.00	*100.00*	*100.00*
38	Henikwon Corporation SDN. BHD	Malaysia	100.00	100.00	*100.00*	*100.00*
39	Tamco Electrical Industries Australia Pty Limited	Australia	100.00	100.00	*100.00*	*100.00*
40	PT Tamco Indonesia	Indonesia	100.00	100.00	*100.00*	*100.00*
41	Larsen & Toubro Heavy Engineering LLC	Sultanate of Oman	70.00	70.00	*70.00*	*70.00*
42	L&T Electrical & Automation FZE	UAE	100.00	100.00	*100.00*	*100.00*
43	Kana Controls General Trading and Contracting Company W.L.L. ##	Kuwait	49.00	100.00	–	–
44	Larsen & Toubro Consultoria E Projeto Ltda	Brazil	100.00	100.00	*100.00*	*100.00*
45	Larsen & Toubro T&D SA Proprietary Limited	South Africa	72.50	72.50	*72.50*	*72.50*

The Parent Company, together with its subsidiaries controls the composition of Board of Directors

^The Company has been liquidated w.e.f. March 28, 2014

* The Company has been liquidated w.e.f. December 2, 2013

** The Company has been liquidated w.e.f. August 20, 2013

@ The Company is in the process of being wound up

Sr. No.	Name of associate company	Country of incorporation	As at 31-3-2014 Proportion of ownership interest (%)	As at 31-3-2014 Proportion of voting power held (%)	*As at 31-3-2013 Proportion of ownership interest (%)*	*As at 31-3-2013 Proportion of voting power held (%)*
1	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited) *	India	–	–	*50.00*	*50.00*
2	L&T-Chiyoda Limited	India	50.00	50.00	*50.00*	*50.00*
3	L&T-Ramboll Consulting Engineers Limited	India	50.00	50.00	*50.00*	*50.00*
4	Gujarat Leather Industries Limited @	India	50.00	50.00	*50.00*	*50.00*
5	NAC Infrastructure Equipment Limited	India	22.98	22.98	*24.76*	*24.76*
6	International Seaport (Haldia) Private Limited	India	21.74	21.74	*21.74*	*21.74*
7	Vizag IT Park Limited	India	23.14	23.14	*23.14*	*23.14*
8	Larsen & Toubro Qatar & HBK Contracting LLC	Qatar	24.50	50.00	*24.50*	*50.00*
9	L&T Camp Facilities LLC	UAE	49.00	49.00	*49.00*	*49.00*
10	Feedback Infra Private Limited (formerly known as Feedback Infrastructure Services Private Limited)	India	17.74	17.74	*19.12*	*19.12*
11	JSK Electricals Private Limited	India	26.00	26.00	*26.00*	*26.00*
12	Salzer Electronics Limited #	India	26.06	26.06	*26.06*	*26.06*
13	Rishi Consfab Private Limited	India	26.00	26.00	*26.00*	*26.00*
14	Magtorq Private Limited	India	42.85	42.85	*42.85*	*42.85*
15	AIC Structural Steel Construction (India) Private Limited ^	India	–	–	*26.00*	*26.00*

*Associate became wholly owned subsidiary w.e.f. April 15, 2013

@ The Company is under liquidation

The Company's accounts have been consolidated for twelve months period ended December 31, 2013

^ The Company has sold its stake on May 27, 2013

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Sr. No.	Name of joint venture	Country of residence	As at 31-3-2014 Proportion of ownership interest (%)	*As at 31-3-2013 Proportion of ownership interest (%)*
	Jointly controlled entities-Indian joint ventures			
1	L&T-AM Tapovan Joint Venture	India	65.00	*65.00*
2	International Metro Civil Contractors	India	26.00	*26.00*
3	Desbuild L&T Joint Venture	India	49.00	*49.00*
4	HCC-L&T Purulia Joint Venture	India	43.00	*43.00*
5	Metro Tunneling Group	India	26.00	*26.00*
6	L&T-Hochtief Seabird Joint Venture	India	90.00	*90.00*
7	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	India	51.00	*51.00*
8	Metro Tunneling Chennai L&T SUCG Joint Venture	India	75.00	*75.00*
9	The Dhamra Port Company Limited	India	48.72	*48.72*
10	Metro Tunneling Delhi-L&T SUCG Joint Venture	India	60.00	*60.00*
11	L&T-Shapoorji Pallonji & Company Limited Joint Venture -TCS	India	50.00	*50.00*
12	L&T-Shanghai Urban Construction (Group) Joint Venture CC27 Delhi	India	68.00	*68.00*
	Jointly controlled entities-foreign joint ventures			
13	L&T-Eastern Joint Venture	UAE	65.00	*65.00*
14	Indiran Engineering Projects and Systems	Iran	50.00	*50.00*
15	Civil Works Group-Riyadh Metro*	Kingdom of Saudi Arabia	29.00	–
16	Aktor-Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering**	Qatar	22.00	–
17	L&T-Delma Mafraq JV***	UAE	60.00	–
	Jointly controlled operations-Indian joint ventures			
18	L&T-HCC Joint Venture	India		
19	Patel–L&T Consortium	India		
20	L&T-BRAPL Joint Venture – package II	India		
21	L&T-BRAPL Joint Venture – package III	India		
22	L&T-KBL (UJV) Hyderabad	India		
23	Consortium of Toyo Engineering Company and L&T Hydrocarbon Engineering Limited	India		
24	L&T-SVEC Joint Venture	India		
25	L&T-KBL-MAYTAS UJV	India		
26	L&T and Scomi Engineering BHD. Joint Venture	India		
27	Consortium of L&T Hydrocarbon Engineering Limited and Pipavav Defence & Offshore Engineering Company	India		

*The joint venture has been entered on October 1, 2013

**The joint venture has been entered on November 24, 2013

*** The joint venture has been entered on March 16, 2014

Q(4) Reserves and surplus shown in the Consolidated Balance Sheet includes the Group's share in the respective reserves of subsidiaries and proportionate reserves of joint ventures. Reserve attributable to minority stakeholders is reported as part of minority interest in the Consolidated Balance Sheet. Retained earnings comprise Group's share in general reserve and Statement of Profit and Loss.

Q(5) Exceptional items [Note R(5)]:

a. Profit on divestment of the Group's part stake in a subsidiary ₹ 361.47 crore *(previous year: profit on divestment of the Group's part stake in a subsidiary ₹ 1.89 crore).*

b. Loss on divestment of the Group's stake in two subsidiaries ₹ 21.26 crore (net) *[previous year: profit on divestment of Group's stake in three subsidiaries ₹ 181.16 crore (net)].*

c. Profit on divestment of the Group's stake in an associate company ₹ 0.03 crore *(previous year: profit on divestment of the Group's stake in associate company ₹ 6.56 crore).*

d. Exceptional items for the previous year ended March 31, 2013 also include:

   i. Profit on sale of shares held as equity investment by a subsidiary ₹ 237.93 crore.

   ii. Expenses incurred amounting to ₹ 38.34 crore on voluntary retirement scheme.

   iii. Loss on impairment of Group's share in net worth of a subsidiary ₹ 52.44 crore.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(6) a. Extraordinary item [Note R(5)] for the year ended March 31, 2014 represents loss due to unprecedented floods at project site on June 16, 2013 ₹ 6.25 crore (net of insurance claim).

b. Extraordinary items for the previous year ended March 31, 2013 include:

i. Reversal of ₹ 52.89 crore being provision made in earlier years in respect of the Company's investment in shares of Satyam Computer Services Limited (SCSL).

ii. Gain of ₹ 25.22 crore (net of tax ₹ 18.72 crore) on sale of the Company's medical equipment business unit. Tax of ₹ 6.50 crore included under current tax.

Q(7) The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 132.70 crore *(previous year: ₹ 106.96 crore)*. Further, the Company has incurred capital expenditure on research and development activities as follows:

a) on tangible assets ₹ 5.88 crore *(previous year: ₹ 19.26 crore)*

b) on intangible assets being expenditure on new product development ₹ 60.73 *(previous year: ₹ 43.76 crore)* [Note R(6)(b)] and

c) on other intangible assets ₹ 5.11 crore *(previous year: ₹ 13.64 crore)*

In addition, the Company has carried out work of a developmental nature of ₹ Nil *(previous year: ₹ 21.27 crore)* which is partially/ fully paid for by the customers.

Q(8) a) Provision for current tax includes:

i) Net reversal of provision for income tax in respect of earlier years ₹ 9.67 crore *(previous year: ₹ 8.23 crore)*

ii) Credit for Minimum Alternate Tax (MAT) entitlement ₹ 40.53 crore *(previous year: ₹ 34.49 crore)* under section 115JB of the Income Tax Act, 1961.

iii) Translation effect on account of non-integral foreign operation ₹ 0.36 crore (net loss) *[previous year: ₹ 0.01 crore (net gain)]*

b) Tax effect of ₹ 2.00 crore *(previous year: ₹ 0.17 crore)* on account of debenture issue expenses and premium on inflation linked debenture has been credited to securities premium account.

Q(9) (a) Disclosures pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts"

₹ crore

	Particulars	2013-14	*2012-13*
i)	Contract revenue recognised for the financial year [Note K]	61617.69	*55880.96*
ii)	Aggregate amount of contract costs incurred and recognised profits (*less* recognised losses) as at the end of the financial year for all contracts in progress as at that date	196608.59	*167087.08*
iii)	Amount of customer advances outstanding for contracts in progress as at the end of the financial year	7703.15	*7199.49*
iv)	Retention amounts due from customers for contracts in progress as at the end of the financial year	6811.22	*6597.60*

(b) Disclosures pursuant to Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India

₹ crore

	Particulars	2013-14	*2012-13*
i)	Amount of project revenue recognized for the financial year [Note K]	970.83	*228.92*
ii)	Aggregate amount of costs incurred and profits recognised as at the end of the financial year	589.79	*70.24*
iii)	Amount of customer advances received	76.77	*327.29*
iv)	Amount of work-in-progress and the value of inventories [Note H(II)]	2063.36	*1971.09*
v)	Excess of revenue recognised over actual bills raised (unbilled revenue) [Note H(VI)]	156.63	*1.83*

Q(10) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits"

i. Defined contribution plans: [Note R(7)(b)(i)] Amount of ₹ 94.45 crore *(previous year: ₹ 114.15 crore)* is recognised as an expense and included in "employee benefits expense" [Note N] in the Statement of Profit and Loss.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] *(contd.)*

ii. Defined benefit plans: [Note R(7)(b)(ii)]

a) The amounts recognised in Balance Sheet are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
A) Present value of defined benefit obligation								
Wholly funded	479.75	*442.48*	–	*–*	–	*–*	2403.95	*2047.41*
Wholly unfunded	78.36	*70.01*	126.93	*118.95*	188.93	*198.89*	61.76	*11.50*
	558.11	*512.49*	126.93	*118.95*	188.93	*198.89*	2465.71	*2058.91*
Less: Fair value of plan assets	456.76	*382.83*	–	*–*	–	*–*	2444.74	*2027.93*
Less: Unrecognised past service costs	–	*0.14*	1.11	*1.25*	0.41	*0.53*	–	*–*
Add: Amount not recognised as an asset (limit in para 59(b))	8.77	*4.11*	–	*–*	–	*–*	–	*–*
Amount to be recognised as liability or (asset)	110.12	*133.63*	125.82	*117.70*	188.52	*198.36*	20.97	*30.98*
B) Amounts reflected in the Balance Sheet								
Liabilities	110.12	*133.63*	125.82	*117.70*	188.52	*198.36*	24.08	*30.98*
Assets	–	*–*	–	*–*	–	*–*	–	*–*
Net liability/(asset)	110.12	*133.63*	125.82	*117.70*	188.52	*198.36*	24.08	*30.98*
Net liability/(asset)-current	110.12	*133.63*	15.69	*15.00*	13.00	*11.98*	(15.89)#	*30.29##*
Net liability/(asset)-non-current	–	*–*	110.13	*102.70*	175.52	*186.38*	39.97	*0.69*

b) The amounts recognised in Statement of Profit and Loss are as follows:

₹ crore

	Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
		2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*	2013-14	*2012-13*
1	Current service cost	55.85	*44.00*	10.25	*7.33*	1.83	*0.98*	160.21$	*138.23$*
2	Interest cost	39.36	*33.51*	10.35	*8.50*	15.69	*15.45*	173.42	*138.32*
3	Expected (return) on plan assets	(29.57)	*(23.31)*	–	*–*	–	*–*	(173.58)	*(138.54)*
4	Actuarial losses/(gains)	(26.67)	*30.36*	(8.35)	*9.13*	(14.38)	*9.14*	57.08	*(19.11)*
5	Past service cost	0.07	*0.33*	0.14	*3.77*	0.11	*0.11*	–	*–*
6	Effect of any curtailment or settlement	3.32	*–*	–	*–*	–	*–*	–	*–*
7	Adjustment for earlier years	–	*(0.06)*	–	*–*	–	*–*	–	*–*
8	Business Combination	–	*(0.03)*	–	*–*	–	*–*	–	*2.00*
9	Actuarial gain/(loss) not recognised in books	0.88	*–*	–	*–*	–	*–*	(17.03)	*–*
10	Translation adjustments	(2.18)	*5.71*	–	*–*	–	*–*	–	*–*
11	Amount capitalized out of the above	(0.39)	*(0.78)*	–	*–*	–	*–*	–	*–*
Total (1 to 11)		40.67	*89.73*	12.39	*28.73*	3.25	*25.68*	200.10	*120.90*
i	Amount included in employee benefits expense	46.21	*73.07*	24.08	*8.29*	6.78	*(0.27)*	160.21	*138.23*
ii	Amount included as part of "manufacturing construction and operating expenses"	5.19	*9.41*	–	*4.87*	–	*–*	–	*–*
iii	Amount included as part of "finance cost"	(10.87)	*7.18*	(11.69)	*15.57*	(3.53)	*25.95*	39.89	*(17.33)*
iv	Amount capitalised on new product development	0.14	*0.07*	–	*–*	–	*–*	–	*–*
Total (i+ii+iii+iv)		40.67	*89.73*	12.39	*28.73*	3.25	*25.68*	200.10	*120.90*
	Actual return on plan assets	19.39	*38.08*	–	*–*	–	*–*	165.48	*148.53*

NOTE [Q] ***(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 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
Opening balance of the present value of defined benefit obligation	512.49	*432.29*	118.95	*94.07*	198.89	*184.67*	2058.91	*1833.45*
Add: Current service cost	55.85	*44.00*	10.25	*7.33*	1.83	*0.98*	160.21$	*138.23$*
Add: Interest cost	39.36	*33.51*	10.35	*8.50*	15.69	*15.45*	173.42	*138.32*
Add: Contribution by plan participants								
i) Employer	–	*–*	–	*–*	–	*–*	–	*–*
ii) Employee	–	*–*	–	*–*	–	*–*	257.71	*232.13*
iii) Transfer-in/(out)	–	*0.26~*	–	*–*	–	*–*	–	*–*
Add/(less): Actuarial losses/(gains)	(36.84)	*45.13*	(8.35)	*9.13*	(14.38)	*9.14*	48.98	*(9.12)*
Less: Benefits paid	(33.86)	*(68.58)*	(6.85)	*(5.33)*	(13.10)	*(11.35)*	(233.52)	*(287.51)*
Add: Past service cost	0.02	*0.33*	–	*3.59*	–	*–*	–	*–*
Add: Liabilities assumed on transfer of employees	–	*–*	–	*–*	–	*–*	–	*–*
Add: Business combination/acquisition	15.37	*22.75*	2.58	*1.66*	–	*–*	–	*13.41*
Add: Adjustment for earlier years	–	*–*	–	*–*	–	*–*	–	*–*
Add/(less): Translation adjustments	5.72	*2.80*	–	*–*	–	*–*	–	*–*
Closing balance of the present value of defined benefit obligation	558.11	*512.49*	126.93	*118.95*	188.93	*198.89*	2465.71	*2058.91*

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 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
Opening balance of the fair value of the plan assets	382.83	*322.04*	2027.93	*1791.04*
Add: Expected return on plan assets*	29.57	*23.31*	173.58	*138.54*
Add/(less): Actuarial gains/(losses)	(10.17)	*14.77*	(8.10)	*9.99*
Add: Contribution by the employer	77.97	*68.47*	201.44	*131.92*
Add/(less): Transfer in/(out)	–	*(0.28)*	–	*–*
Add: Contribution by plan participants	–	*–*	283.41	*230.66*
Less: Benefits paid	(33.86)	*(68.58)*	(233.52)	*(287.51)*
Add: Business combination/disposal (net)	10.42	*23.09*	–	*13.29*
Add: Adjustment for earlier years	–	*0.01*	–	*–*
Closing balance of the plan assets	456.76	*382.83*	2444.74	*2027.93*

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.

* Basis used to determine the overall expected return:

The trust formed by the Company manages the investments of provident funds and gratuity fund. Expected return on plan assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year. [Note Q(10)(ii)(f)(7)] *infra*.

The Company expects to fund ₹ 25.10 crore *(previous year: ₹ 59.65 crore)* towards its gratuity plan and ₹ 149.93 crore *(previous year: ₹ 146.47 crore)* towards its trust-managed provident fund plan during the year 2014-15.

\# Employer's and employees' contribution paid in advance.

\## Employer's and employees' contribution (net) for March is paid in April.

$ Employer's contribution to provident fund

~ Amount transferred out on sale of business undertakings (net) ₹ Nil *(previous year: ₹ 0.26 crore)*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

e) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity plan		Trust-managed provident fund plan	
	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
Government of India securities	30%	*29%*	24%	*24%*
State government securities	11%	*15%*	15%	*13%*
Corporate bonds	29%	*26%*	8%	*7%*
Equity shares of listed companies	2%	*2%*	–	*–*
Fixed deposits under special deposit scheme framed by central government for provident funds	–	*–*	12%	*14%*
Insurer managed funds	1%	*1%*	–	*–*
Public sector unit bonds	20%	*20%*	41%	*42%*
Others	7%	*7%*	–	*–*

f) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

		As at 31-3-2014	*As at 31-3-2013*
1	Discount rate:		
	a) Gratuity plan	9.19%	*8.09%*
	b) Company pension plan	9.19%	*8.09%*
	c) Post-retirement medical benefit plan	9.19%	*8.09%*
2	Expected return on plan assets	7.50%	*7.50%*
3	Annual increase in healthcare costs (see note below)	5.00%	*5.00%*
4	Salary growth rate:		
	a) Gratuity plan	5.00%	*5.00%*
	b) Company pension plan	6.00%	*6.00%*

5. Attrition Rate:
   a) For post-retirement medical benefit plan and company pension plan, the attrition rate varies from 2% to 8% *(previous year: 2% to 8%)* for various age groups.
   b) For gratuity plan the attrition rate varies from 1% to 6% *(previous year: 1% to 6%)* for various age groups.
6. 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.
7. 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 as actuarial losses.
8. 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 above, has been assumed to increase at 5% p.a.
9. A one percentage point change in assumed healthcare cost trend rates would have the following effects on the aggregate of the service cost and interest cost and defined benefit obligation:

₹ crore

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2013-14	*2012-13*	2013-14	*2012-13*
Effect on the aggregate of the service cost and interest cost	3.77	*3.47*	(2.90)	*(2.66)*
Effect on defined benefit obligation	14.62	*13.02*	(11.64)	*(10.32)*

NOTE [Q] ***(contd.)***

g) The amounts pertaining to defined benefit plans are as follows:

₹ *crore*

Particulars	As at 31-3-2014	*As at 31-3-2013*	*As at 31-3-2012*	*As at 31-3-2011*	*As at 31-3-2010*
1 Post-retirement medical benefit plan (unfunded)					
Defined benefit obligation	125.82	*117.70*	*92.64*	*95.99*	*82.55*
Experience adjustment plan liabilities	14.76	*0.69*	*(6.62)*	*7.91*	*5.73*
2 Gratuity plan (funded/unfunded)					
Defined benefit obligation	558.11	*512.49*	*432.29*	*389.90*	*358.27*
Plan assets	456.76	*382.83*	*322.04*	*327.89*	*294.56*
Surplus/(deficit)	(101.35)	*(133.64)*	*(110.39)*	*(61.99)*	*(63.71)*
Experience adjustment plan liabilities	1.42	*26.18*	*30.18*	*30.37*	*30.67*
Experience adjustment plan assets	(8.11)	*(13.96)*	*(0.19)*	*4.38*	*2.29*
3 Post-retirement pension plan (unfunded)					
Defined benefit obligation	188.52	*198.36*	*184.03*	*162.14*	*135.61*
Experience adjustment plan liabilities	(0.22)	*(2.79)*	*23.21*	*17.46*	*(4.11)*
4 Trust managed provident fund plan (funded)					
Defined benefit obligation	2465.71	*2058.91*	*1833.45*	*1615.09*	*1364.97*
Plan assets	2444.74	*2027.93*	*1791.04*	*1583.61*	*1350.42*
Surplus/(deficit)	(20.97)	*(30.98)*	*(42.41)*	*(31.48)*	*(14.55)*

h) General descriptions of defined benefit plans:

1. Gratuity plan:

   The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last 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 favourable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material is unfunded and managed within the Company.

2. Post-retirement medical benefit 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.

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.

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 Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by employer and employees and 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 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. Further, an amount of ₹ 39.28 crore *(previous year: reversal of ₹ 20.61 crore)* has been provided based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(11) Disclosure pursuant to Accounting Standard (AS) 17 ''Segment Reporting''

a) Primary segments (business segments):

₹ crore

Particulars	For the year ended 31-3-2014			*For the year ended 31-3-2013*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
REVENUE						
Infrastructure	36652.34	1327.32	37979.66	*29527.11*	*1512.84*	*31039.95*
Power	5862.63	17.32	5879.95	*8892.40*	*2.76*	*8895.16*
Metallurgical & Material Handling	5523.44	208.70	5732.14	*5996.61*	*524.74*	*6521.35*
Heavy Engineering	4438.35	84.01	4522.36	*2883.07*	*145.35*	*3028.42*
Electrical & Automation	4804.89	327.80	5132.69	*4314.03*	*531.90*	*4845.93*
Machinery & Industrial Products	3412.24	114.61	3526.85	*2742.77*	*137.17*	*2879.94*
Hydrocarbon	10032.36	22.33	10054.69	*10246.85*	*3.43*	*10250.28*
IT & Technology Services	6353.21	63.63	6416.84	*4961.84*	*36.94*	*4998.78*
Financial Services	5170.87	9.98	5180.85	*4079.78*	*–*	*4079.78*
Developmental Projects	1704.49	9.00	1713.49	*1014.35*	*25.42*	*1039.77*
Others	1934.22	43.41	1977.63	*536.50*	*64.21*	*600.71*
Elimination		(2228.11)	(2228.11)		*(2984.76)*	*(2984.76)*
Total Revenue	85889.04	–	85889.04	*75195.31*	*–*	*75195.31*
RESULT						
Infrastructure			3663.33			*2855.19*
Power			1187.71			*1123.13*
Metallurgical & Material Handling			826.92			*975.92*
Heavy Engineering			499.80			*391.68*
Electrical & Automation			542.54			*546.53*
Machinery & Industrial Products			383.63			*457.75*
Hydrocarbon			99.54			*1005.43*
IT & Technology Services			1239.57			*1107.31*
Financial Services			646.45			*848.08*
Developmental Projects			1090.97			*247.14*
Others			133.24			*(51.10)*
Total Segment			10313.70			*9507.06*
Inter segment margin on capital jobs			(97.00)			*(104.87)*
			10216.70			*9402.19*
Unallocated corporate income/(expenditure) (net)			(74.32)			*(196.80)*
Operating Profit (PBIT)			10142.38			*9205.39*
Interest expense			(3141.44)			*(2124.29)*
Interest income			488.29			*478.71*
Profit before tax (PBT) (before extraordinary items)			7489.23			*7559.81*
Profit from extra ordinary items			(6.25)			*78.11*
Profit before tax (PBT) (after extraordinary items)			7482.98			*7637.92*
Provision for current tax			(2501.64)			*(2241.79)*
Provision for deferred tax			(105.94)			*(143.75)*
Profit after tax			4875.40			*5252.38*
Additional tax on dividend distributed/proposed by subsidiary companies			(20.81)			*(12.96)*
Share in profit/(loss) of associates			9.25			*38.43*
Minority interest in (income)/losses			38.16			*(72.18)*
Profit after tax, minority interests and share of profit of associates			4902.00			*5205.67*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ *crore*

Other information	Segment assets		Segment liabilities	
	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
Infrastructure	29954.65	*23795.44*	17044.84	*14228.02*
Power	7689.11	*7146.60*	5864.63	*5074.88*
Metallurgical & Material Handling	5108.56	*5077.15*	2065.46	*2475.07*
Heavy Engineering	7149.86	*6220.05*	2873.59	*2356.07*
Electrical & Automation	4149.25	*3669.52*	1748.43	*1539.90*
Machinery & Industrial Products	2580.62	*2145.19*	1292.57	*942.38*
Hydrocarbon	8850.92	*7139.08*	4947.69	*4877.77*
IT & Technology Services	3910.80	*3177.70*	1284.72	*870.18*
Financial Services	44698.42	*36593.69*	37708.33	*30142.67*
Developmental Projects	35030.16	*26949.28*	4443.59	*4343.60*
Others	10228.67	*10151.36*	2145.06	*2402.37*
Total	159351.02	*132065.06*	81418.91	*69252.91*
Unallocable corporate assets/liabilities	10671.71	*11057.17*	47713.03	*37356.76*
Total assets/liabilities	170022.73	*143122.23*	129131.94	*106609.67*

₹ *crore*

Other information	Capital expenditure		Depreciation, amortisation, impairment & obsolescence included in segment expense		Non-cash expenses other than depreciation included in segment expense	
	For the year ended 31-3-2014	*For the year ended 31-3-2013*	For the year ended 31-3-2014	*For the year ended 31-3-2013***	For the year ended 31-3-2014	*For the year ended 31-3-2013*
Infrastructure	717.39	*682.83*	435.02	*379.56*	25.86	*105.76*
Power	101.29	*508.84*	165.58	*139.82*	9.41	*8.40*
Metallurgical & Material Handling	19.39	*13.27*	81.80	*76.47*	6.00	*–*
Heavy Engineering	92.86	*310.67*	192.22	*138.59*	5.81	*0.44*
Electrical & Automation	215.44	*238.51*	101.59	*(2.30)*	4.44	*5.63*
Machinery & Industrial Products	38.12	*193.53*	56.20	*26.65*	1.62	*1.98*
Hydrocarbon	246.95	*265.14*	198.18	*178.42*	9.21	*1.30*
IT & Technology Services	185.67	*236.99*	169.36	*85.28*	4.48	*6.76*
Financial Services	250.66	*774.85*	96.29	*78.14*	1.45	*2.92*
Developmental Projects *	4026.31	*4523.21*	(280.88)	*451.29*	–	*–*
Others	336.33	*1417.33*	170.06	*49.44*	2.54	*1.79*

* Current year depreciation includes reversal of accumulated amortisation of Toll collection rights of ₹ 664.11 crore

** Previous year depreciation includes reversal of accumulated amortisation of Goodwill on consolidation of ₹ 341.64 crore under respective segments

b) Secondary segments (geographical segments):

₹ crore

Particulars	Domestic		Overseas		Total	
	For the year ended 31-3-2014	*For the year ended 31-3-2013*	For the year ended 31-3-2014	*For the year ended 31-3-2013*	For the year ended 31-3-2014	*For the year ended 31-3-2013*
External revenue by location of customers	61885.01	*55313.36*	24004.03	*19881.95*	85889.04	*75195.31*
Carrying amount of segment assets by location of assets	143610.84	*120566.97*	15740.18	*11498.09*	159351.02	*132065.06*
Cost incurred on acquisition of tangible and intangible fixed assets	6107.20	*8739.69*	237.82	*425.47*	6345.02	*9165.16*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

c) Segment reporting: segment identification, reportable segments and definition of each reportable segment:

i) Primary/secondary segment reporting format:

a] The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.

b] In respect of secondary segment information, the Company has identified its geographical segments as (i) domestic and (ii) overseas. The secondary segment information has been disclosed accordingly.

ii) Segment identification

Business segments have been identified on the basis of the nature of products/services, the risk-return profile of individual businesses, the organisational structure and the internal reporting system of the Company.

The operations of the Engineering and Construction segment which were hitherto reported as part of one single segment till previous year have been reclassified into different segments based on internal restructuring and granular clarity of segment information.

Further, the business of development of urban infrastructure which was hitherto reported as part of Developmental Projects segment has been included as part of Realty business and reported under "Others" segment.

iii) Reportable segments

Reportable segments have been identified as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting".

iv) Segment composition

- **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution and water & renewable energy projects.
- **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.
- **Metallurgical & Material Handling segment** comprises turnkey solutions for ferrous (iron & steel making) and non-ferrous (aluminium, copper, lead & zinc) metal industries, bulk material & ash handling systems in power, port, steel and mining sector including manufacture and sale of industrial machinery and equipment.
- **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, Thermal & Nuclear Power, Aerospace and Defence.
- **Electrical & Automation segment** 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. Electrical & Automation also included medical equipment business in the previous year (upto the date of sale).
- **Machinery & Industrial Products segment** comprises manufacture and sale of rubber processing machinery & castings, manufacture and marketing of industrial valves, construction equipment & industrial products and manufacture and sale of welding and cutting equipment. It also includes manufacture and sale of plastic processing machinery (upto date of sale of stake) and manufacture and sale of undercarriage assemblies in the previous year.
- **Hydrocarbon segment** comprises complete EPC solutions for the global Oil & Gas Industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning.
- **IT & Technology Services segment** comprises information technology and integrated engineering services.
- **Financial Services segment** comprises retail and corporate finance, housing finance, infrastructure finance, general insurance, asset management of mutual fund schemes and related advisory services.
- **Developmental projects segment** comprises development, operation and maintenance of basic infrastructure projects, toll collection including annuity based projects, power development, development and operation of port facilities and providing related advisory services.
- **Others** include realty, shipbuilding, ready-mix concrete, mining and aviation.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(12) Disclosure of related parties/related party transactions pursuant to Accounting Standard (AS) 18 ''Related Party Disclosures'':

i. Names of the related parties with whom transactions were carried out during the year and description of relationship:

Associate companies:			
1	L&T-Chiyoda Limited	2	Salzer Electronics Limited
3	L&T-Ramboll Consulting Engineers Limited	4	Magtorq Private Limited
5	JSK Electricals Private Limited	6	Vizag IT Park Limited
7	Feedback Infra Private Limited (formerly known as Feedback Infrastructure Services Private Limited)	8	International Seaports (Haldia) Private Limited
9	Rishi Consfab Private Limited	10	L&T Camp Facilities LLC

Joint ventures:			
1	Metro Tunneling Group	2	L&T Hochtief Seabird Joint Venture
3	Desbuild L&T Joint Venture	4	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture
5	L&T-AM Tapovan Joint Venture	6	HCC-L&T Purulia Joint Venture
7	The Dhamra Port Company Limited	8	Metro Tunneling Delhi-L&T SUCG Joint Venture
9	Metro Tunneling Chennai L&T SUCG Joint Venture	10	L&T-Eastern Joint Venture
11	L&T - Shapoorji Pallonji & Co. Ltd. Joint Venture - TCS	12	L&T - Shanghai Urban Construction (Group) Joint Venture CC27 Delhi
13	International Metro Civil Contractors		

Key management personnel & their relatives:			
1	Mr. A.M. Naik (Group Executive Chairman)	2	Mr. K. Venkataramanan (CEO & Managing Director) Mrs. Jyothi Venkataramanan (wife)
3	Mr. M. V. Kotwal (Whole-time Director)	4	Mr. R. Shankar Raman (CFO & Whole-time Director)
5	Mr. S. N. Subrahmanyan (Whole-time Director)	6	Mr. S. N. Roy (Whole-time Director)

ii. Disclosure of related party transactions:

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
1	Purchase of goods & services (including commission paid)				
	Associates & joint ventures, including:	198.55		*830.64*	
	L&T Valves Limted (formerly known as Audco India Limited)		–		*587.68*
	L&T- Chiyoda Limited		34.58		–
	JSK Electricals Private Limited		26.73		–
	Salzer Electronics Limited		120.11		*118.75*
	Total	198.55		*830.64*	

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
2	Sale of goods/contract revenue & services				
	Associates & joint ventures, including:	5.07		*47.75*	
	The Dhamra Port Company Limited		5.06		*43.17*
	Total	5.07		*47.75*	
3	Purchase/lease of fixed assets				
	Associates:	–		*3.76*	
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		–		*3.76*
	Total	–		*3.76*	
4	Subscription to equity and preference shares (including application money paid and investment in joint ventures)				
	Associates:	–		*0.03*	
	AIC Steel Structure (India) Private Limited		–		*0.03*
	Total	–		*0.03*	
5	Receiving of services from related parties				
	Associates & joint ventures, including:	8.20		*6.65*	
	L&T-Chiyoda Limited		7.63		*6.48*
	Total	8.20		*6.65*	
6	Rent paid, including lease rentals under leasing/hire purchase arrangements including loss sharing on equipment finance				
	Associates:	–		*2.01*	
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		–		*1.35*
	L&T Valves Limited (formerly known as Audco India Limited)		–		*0.66*
	Key management personnel	0.01		*0.01*	
	Total	0.01		*2.02*	
7	Charges for deputation of employees to related parties				
	Associates & joint ventures, including:	25.65		*58.32*	
	L&T Valves Limited (formerly known as Audco India Limited)		–		*16.31*
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		–		*5.93*
	L&T-Chiyoda Limited		25.22		*35.34*
	Total	25.65		*58.32*	

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
8	Dividend received				
	Associates & joint ventures, including:	10.13		*4.61*	
	International Seaports (Haldia) Private Limited		5.90		*–*
	Feedback Infra Private Limited (formerly known as Feedback Infrastructure Services Private Limited)		–		*0.66*
	L&T- Ramboll Consulting Engineers Limited		1.80		*1.80*
	Vizag IT Park Limited		1.12		*1.19*
	Salzer Electronics Limited		0.32		*–*
	Magtorq Private Limited		–		*0.63*
	Total	10.13		*4.61*	
9	Commission received, including those under agency arrangements				
	Associates:	–		*138.68*	
	L&T Construction Equipment Limited (formerly known as L&T-Komatsu Limited)		–		*138.68*
	Total	–		*138.68*	
10	Rent received, overheads recovered and miscellaneous income				
	Associates & joint ventures, including:	4.48		*6.02*	
	L&T-Chiyoda Limited		4.47		*3.56*
	Total	4.48		*6.02*	
11	Interest Received				
	Joint ventures:	48.63		*41.62*	
	The Dhamra Port Company Limited		48.63		*41.62*
	Total	48.63		*41.62*	
12	Payment of salaries /perquisites (other than commission)				
	Key Management Personnel:	13.32		*21.72*	
	A. M. Naik		3.92		*3.61*
	K. Venkataramanan		2.85		*2.58*
	V. K. Magapu*		–		*7.40*
	M. V. Kotwal		2.06		*1.89*
	Ravi Uppal**		–		*2.05*
	S. N. Subrahmanyan		1.63		*1.52*
	R. Shankar Raman		1.48		*1.37*
	S. Shailendra Roy		1.38		*1.30*
	Total	13.32		*21.72*	

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
13	Commission to directors @				
	Key management personnel :	67.18		*51.82*	
	A. M. Naik		24.50		*17.45*
	K. Venkataramanan		9.18		*10.47*
	V. K. Magapu *		–		*2.82*
	M. V. Kotwal		6.65		*3.64*
	Ravi Uppal **		–		*1.71*
	S. N. Subrahmanyan		11.63		*7.01*
	R. Shankar Raman		9.31		*5.53*
	S. Shailendra Roy		5.91		*3.19*
	Total	67.18		*51.82*	

* Retired w.e.f. the close of working hours of September 30, 2012.

** Ceased to be a director w.e.f. the close of working hours of September 15, 2012

@ Commission to Directors comprises :

Sr. No.	Particulars	2013-14	*2012-13*
1	Commission	52.90	*40.80*
2	Contribution to provident fund on commission	6.35	*4.90*
3	Contribution to superannuation fund on commission	7.93	*6.12*
	Total	67.18	*51.82*

“Major parties” denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

iii. Amount due to/from related parties

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
1	Accounts receivable				
	Associates & joint ventures, including:	66.63		*71.98*	
	The Dhamra Port Company Limited		66.61		*70.81*
	Total	66.63		*71.98*	
2	Accounts payable (including acceptance & interest accrued)				
	Associates & joint ventures, including:	31.86		*45.61*	
	L&T- Chiyoda Limited		10.31		*16.43*
	Salzer Electronic Limited		13.37		*18.87*
	Total	31.86		*45.61*	

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2013-14 Amount	2013-14 Amounts for major parties	*2012-13 Amount*	*2012-13 Amounts for major parties*
3	Unsecured loan				
	Joint venture:	30.00		*30.00*	
	Metro Tunneling Group		30.00		*30.00*
	Total	30.00		*30.00*	
4	Loans & advances recoverable				
	Associates & joint ventures, including:	560.09		*472.50*	
	The Dhamra Port Company Limited		540.36		*453.41*
	Key Management personnel	0.01		*0.01*	
	Total	560.10		*472.51*	
5	Due to whole time directors				
	Key Management Personnel	52.90		*40.80*	
	A.M. Naik		19.29		*13.74*
	K. Venkataramanan		7.23		*8.24*
	V.K. Magapu *		–		*2.22*
	M.V. Kotwal		5.24		*2.87*
	Ravi Uppal **		–		*1.35*
	S.N. Subrahmanyan		9.16		*5.52*
	R. Shankar Raman		7.33		*4.35*
	S.N. Roy		4.65		*2.51*
	Total	52.90		*40.80*	

* Retired w.e.f. the close of working hours of September 30, 2012.

** Ceased to be a director w.e.f. the close of working hours of September 15, 2012

"Major parties" denote entities who account for 10% or more of the aggregate for that category of transaction during respective period.

Q(13) Disclosure in respect of Leases pursuant to Accounting Standard (AS) 19 ''Leases'':

i. Where the Company is a Lessor:

(a) Finance leases:

i) The Company has given certain assets on finance leases. The leases have a primary period that is fixed and non-cancellable and a secondary period. There are no exceptional/restrictive covenants in the lease agreement.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

ii) The total gross investment in these leases as on March 31, 2014 and the present value of minimum lease payments receivable as on March 31, 2014 is as under:

₹ crore

Particulars	As at 31-3-2014	*As at 31-3-2013*
1. Receivable not later than 1 year	735.94	*64.56*
2. Receivable later than 1 year and not later than 5 years	2992.08	*112.66*
3. Receivable later than 5 years	11460.21	*0.24*
Gross investment in lease (i+ii+iii)	15188.23	*177.46*
Less: Unearned finance income	10250.99	*31.68*
Present value of minimum lease payments receivable	4937.24	*145.78*

iii) In respect of one of the leases referred to in (a) above, the lease receivables were recorded at the inception, at the present value of minimum lease payments, and subsequently securitized.

(b) Operating leases:

i) The Company has given assets under non-cancellable operating lease, the future minimum lease payments receivable in respect of which, as at March 31, 2014 are as follows:

₹ crore

Particulars	As at 31-3-2014	*As at 31-3-2013*
1. Receivable not later than 1 year	148.80	*73.36*
2. Receivable later than 1 year and not later than 5 years	220.10	*109.09*
3. Receivable later than 5 years	17.80	*0.12*
Total	386.70	*182.57*

ii. Where the Company is a Lessee:

(a) Finance leases:

i) Assets acquired on finance lease mainly comprise plant and equipment, vehicles and personal computers. The leases have a primary period, which is fixed and non-cancellable. In the case of vehicles, the Company has an option to renew the lease for a secondary period. The agreements provide for revision of lease rentals in the event of changes in (a) taxes, if any, leviable on the lease rentals (b) rates of depreciation under the Income tax Act, 1961 and (c) change in the lessor's cost of borrowings. There are no exceptional/restrictive covenants in the lease agreements.

ii) The minimum lease rentals as at March 31, 2014 and the present value as at March 31, 2014 of minimum lease payments in respect of assets acquired under finance leases are as follows:

₹ crore

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31-3-2014	*As at 31-3-2013*	As at 31-3-2014	*As at 31-3-2013*
1. Payable not later than 1 year	0.37	*0.30*	0.33	*0.26*
2. Payable later than 1 year and not later than 5 years	2.91	*0.29*	2.85	*0.25*
3. Payable later than 5 years	–	*–*	–	*–*
Total	3.28	*0.59*	3.18	*0.51*
Less: Future finance charges	0.10	*0.08*		
Present value of minimum lease payments	3.18	*0.51*		

iii) Contingent rent recognised/(adjusted) in the Statement of Profit and Loss in respect of finance leases: ₹ Nil *(previous year: ₹ Nil).*

NOTE [Q] ***(contd.)***

(b) Operating leases:

i) The Company has taken various commercial premises and plant and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry.

ii) [a] The Company has taken certain assets on non-cancellable operating leases, the future minimum lease payments in respect of which, as at March 31, 2014 are as follows:

₹ crore

Particulars	As at 31-3-2014	*As at 31-3-2013*
1. Payable not later than 1 year	70.04	*54.69*
2. Payable later than 1 year and not later than 5 years	212.66	*129.31*
3. Payable later than 5 years	180.58	*150.54*
Total	463.28	*334.54*

[b] The lease agreements provide for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements.

iii) Lease rental expense in respect of operating leases: ₹ 155.40 crore *(previous year: ₹ 145.42 crore)*

iv) Contingent rent recognised in the Statement of Profit and Loss: ₹ 0.12 crore *(previous year: ₹ Nil)*

Q(14) Basic and Diluted Earnings per share [EPS] computed in accordance with Accounting Standard (AS) 20 "Earnings per Share":

Particulars		Before extraordinary items		After extraordinary items	
		2013-14	*2012-13#*	2013-14	*2012-13#*
Basic					
Profit after tax as per accounts (₹ crore)	A	4908.25	*5134.06*	4902.00	*5205.67*
Weighted average number of shares outstanding	B	92,54,16,187	*92,08,89,827*	92,54,16,187	*92,08,89,827*
Basic EPS (₹)	A/B	53.04	*55.75*	52.97	*56.53*
Diluted					
Profit after tax as per accounts (₹ crore)	A	4908.25	*5134.06*	4902.00	*5205.67*
Weighted average number of shares outstanding	B	92,54,16,187	*92,08,89,827*	92,54,16,187	*92,08,89,827*
Add: Weighted average number of potential equity shares on account of employee stock options	C	56,56,640	*75,76,279*	56,56,640	*75,76,279*
Weighted average number of shares outstanding for diluted EPS	D=B+C	93,10,72,827	*92,84,66,106*	93,10,72,827	*92,84,66,106*
Diluted EPS (₹)	A/D	52.72	*55.30*	52.65	*56.07*
Face value per share (₹)		2	*2*	2	*2*

Note: Potential equity shares that could arise on conversion of FCCBs are not resulting into dilution of EPS in the current year. Hence, they have not been considered in working of diluted EPS in accordance with Accounting Standard (AS) 20 ''Earnings per Share".

The basic and diluted EPS for the year 2012-13 have been restated pursuant to the issue of bonus equity shares in the ratio of 1:2 [one bonus equity share of ₹ 2 each for every two equity shares of ₹ 2 each held].

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(15) Major components of deferred tax liabilities and deferred tax assets pursuant to Accounting Standard (AS) 22''Accounting for Taxes on Income'':

₹ crore

Particulars	Deferred tax liabilities/ (assets) as at 31-3-2013	Charge/(credit) to Statement of Profit and Loss	Effect due to acquisition/ disposal	Charge/(credit) to reserves		Deferred tax liabilities/ (assets) as at 31-3-2014
				Foreign currency translation reserve	Hedging reserve *	
Deferred tax liabilities:						
Difference between book and tax depreciation	*1038.68*	153.82	(3.56)	–	–	1188.94
Gain on derivative transactions to be offered for tax purposes in the year of transfer to Statement of Profit and Loss	*23.61*	(1.48)	–	–	11.34	33.47
Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	*82.32*	13.02	–	–	–	95.34
Other items giving rise to timing differences	*171.07*	67.53	–	0.22	–	238.82
Total	*1315.68*	232.89	(3.56)	0.22	11.34	1556.57
Deferred tax (assets):						
Provision for doubtful debts and advances debited to Statement of Profit and Loss	*(280.68)*	(47.11)	(0.07)	–	–	(327.86)
Loss on derivative transactions to be claimed for tax purposes in the year of transfer to Statement of Profit and Loss	*(196.46)*	1.83	–	–	41.23	(153.40)
Unpaid statutory liabilities/provision for compensated absences debited to Statement of Profit and Loss	*(186.35)*	(6.68)	(1.31)	–	–	(194.34)
Unabsorbed depreciation/brought forward business losses	*(321.43)*	(26.54)	–	–	–	(347.97)
Difference between book and tax depreciation	*(17.63)*	10.76	–	–	–	(6.87)
Other items giving rise to timing differences	*(129.46)*	(59.21)	–	–	–	(188.67)
Total	*(1132.01)*	(126.95)	(1.38)	–	41.23	(1219.11)
Net deferred tax liability/(assets)	***183.67***	**105.94**	**(4.94)**	**0.22**	**52.57**	**337.46**
Previous year	*81.84*	*143.75*	*(13.58)*	*(0.27)*	*(28.07)*	*183.67*

* The amount of ₹ 631.10 crore *(Previous year: ₹ 611.70 crore)* representing net(gains)/losses on effective hedges is recognised in hedge reserve, applying the principles of hedge accounting set out in Accounting Standard (AS) 30 ''Financial Instruments: Recognition and Measurement''. The amount is after considering the net deferred tax liability of ₹ 52.57 crore during the year *(previous year: deferred tax asset (net) ₹ 28.07 crore)*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(16) The effect of acquisitions (including newly incorporated subsidiaries) and disposals during the year on the Consolidated Financial Statements is as under:

a) Acquisitions(including newly incorporated entities):

₹ crore

Sr. No.	Name of company	Effect on Group profit/(loss) after minority interest for the year ended March 31, 2014	Net assets/ (liabilities) as at March 31, 2014
1	L&T Construction Equipment Limited (formerly known as L&T-Komastu Limited)	11.52	79.87
2	Larsen & Toubro Hydrocarbon International Limited LLC	(1.02)	(0.27)
3	L&T Information Technology Services (Shanghai) Co. Ltd.	(0.35)	0.34
4	Kudgi Transmission Limited	(0.55)	52.43
5	L&T Sambalpur Rourkela Tollway Limited	(0.07)	0.48
6	L&T IDPL Trustee Managers PTE Limited	(0.05)	1.14
7	Kana Controls General Trading and Contracting Company W.L.L.	(0.01)	4.13
8	Mudit Cement Private Limited	(0.78)	2.85
9	PT. Larsen & Toubro Hydrocarbon Engineering Indonesia	–	–
	Total	8.69	140.97

b) Disposals:

₹ crore

Sr. No.	Name of company	Effect on Group profit/(loss) after minority interest for the period ended March 31		Net assets/ (liabilities) as at the date of disposal (during 2013-14)	***Net assets as at March 31, 2013***
		2013-14	*2012-13*		
1	L&T Chennai Projects Private Limited	(13.05)	*(41.28)*	(7.36)	*5.69*
2	L&T Bangalore Airport Hotel Limited	(48.99)	*(32.99)*	(21.97)	*27.02*
	Total	(62.04)	*(74.27)*	(29.33)	*32.71*

Q(17) The Company's share in respect of the assets, liabilities, reserves, income and expenses, related to its interests in the jointly controlled entities, incorporated in the Consolidated Financial Statements are:

₹ crore

Particulars				31-3-2014	*31-3-2013*
I	**Assets**		**Non-current assets**		
		1	Fixed assets		
			(a) Tangible assets	1664.68	*1740.94*
			(b) Intangible assets	1.74	*2.46*
			(c) Capital work-in-progress	138.88	*48.50*
		2	Deferred Tax Asset (net)	0.01	*–*
		3	Long term loans and advances	40.38	*49.09*
		4	Cash and bank balances	2.05	*–*
		5	Other non-current assets	8.18	*0.38*
			Current Assets		
		1	Current investments	14.84	*–*
		2	Inventories	17.12	*17.35*
		3	Trade receivables	294.55	*187.30*
		4	Cash and bank balances	87.22	*153.52*
		5	Short term loans and advances	204.29	*185.56*
		6	Other current assets	238.61	*116.49*

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

₹ crore

Particulars				31-3-2014	*31-3-2013*
II	**Liabilities**		**Non-current Liabilities**		
		1	Long term borrowings	1690.85	*1672.35*
		2	Other long term liabilities	113.96	*58.23*
			Current Liabilities		
		1	Short term borrowings	104.86	*32.63*
		2	Current maturities of long term borrowings	6.40	*2.10*
		3	Trade payables	442.20	*333.38*
		4	Other current liabilities	402.76	*401.98*
		5	Short term provisions	0.14	*2.64*
III	**Reserves**			(326.74)	*(143.78)*
IV	**Income**	1	Revenue from operations	1216.94	*676.65*
		2	Other Income	14.67	*9.68*
V	**Expenses**	1	Operating expenses	809.23	*490.86*
		2	Staff expenses	33.54	*23.87*
		3	Sales administration and other expenses	72.81	*40.57*
		4	Interest expense	211.59	*201.82*
		5	Depreciation and amortisation	142.10	*106.90*
		6	Provision for tax	8.65	*4.77*
VI	**Contingent liability**	1	Contingent liabilities, if any, incurred in relation to interests in joint ventures	–	*–*
		2	Share in contingent liabilities of joint ventures themselves for which the Company is contingently liable	68.68	*67.48*
		3	Contingent liabilities in respect of liabilities of other ventures of joint ventures	–	*–*
VII	**Capital commitments**	1	Capital commitments, if any, in relation to interests in joint ventures	2.14	*8.55*
		2	Share in capital commitments of joint ventures themselves for which the Company is contingently liable	–	*37.18*

Q(18) Disclosures pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets":

a) Movement in provisions:

₹ crore

Sr. No.	Particulars	Class of provisions					
		Product warranties/ liquidity damages	Expected tax liability in respect of indirect taxes	Litigation related obligations	Periodic major maintenance	Contractual rectification cost-construction contracts	Total
1	*Balance as at 01-04-2013*	*55.71*	*79.84*	*10.27*	*56.89*	*315.21*	*517.92*
2	Additional provision during the year	30.40	24.30	–	177.32	127.54	359.56
3	Provision used/reversed during the year	(40.44)	(15.04)	–	(33.26)	(250.38)	(339.12) #
4	Adjustments pursuant to acquisition of a subsidiary	1.00	–	–	–	–	1.00
5	Translation adjustments	–	–	0.06	–	–	0.06
6	Balance as on 31-03-2014 (6=1+2-3+4+5)	46.67	89.10	10.33	200.95	192.37	539.42

includes provision used during the year ₹ 41.24 crore *(previous year: ₹ 1.80 crore)*

b) Nature of provisions:

i. Product warranties/liquidity damages: 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, 2014 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 five years from the date of Balance Sheet. Liquidity damages represent the estimated cost the company is likely to incur due to delay in delivery as per its contract obligations and accrued on the basis of advice from distributors/customers.

NOTE [Q] ***(contd.)***

ii. Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms for the period prior to five years.

iii. Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

iv. Periodic major maintenance represents provision made for resurfacing obligations in accordance with the terms of concession agreement with National Highway Authority of India (NHAI).

v. 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 Accounting Standard (AS) 7 (Revised) "Construction Contracts".

c) Disclosures in respect of contingent liabilities are given as part of Note[I] to the Balance Sheet.

Q(19) In line with the Company's risk management policy, the various financial risks mainly relating to changes in the exchange rates, interest rates and commodity prices are hedged by using a combination of forward contracts, swaps and other derivative contracts, besides the natural hedges.

a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2014 are as under:

₹ crore

Category of derivative instruments	Amount of exposures hedged	
	As at 31-3-2014	*As at 31-3-2013*
i) For hedging foreign currency risks:		
a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	10342.23	*12109.45*
b) Forward contracts for payables including firm commitments and highly probable forecasted transactions	12691.90	*11855.20*
c) Currency swaps	3258.66	*4949.06*
d) Option contracts	208.11	*217.42*
ii) For hedging interest rate risks:		
Interest rate swaps	–	*251.45*
iii) For hedging commodity price risks:		
Commodity futures	464.40	*242.59*

b) Unhedged foreign currency exposures as at March 31, 2014 are as under:

₹ crore

Unhedged foreign currency exposures	As at 31-3-2014	*As at 31-3-2013*
i) Receivables, including firm commitments and highly probable forecasted transactions	57606.65	*36051.91*
ii) Payables, including firm commitments and highly probable forecasted transactions	50697.78	*32288.98*

Note: As per the Royal Monetary Authority of Bhutan, Bhutan's national currency is pegged to the Indian rupee at parity. Accordingly, the unhedged foreign currency exposures reported above exclude exposures [Receivables amounting to ₹ 345.34 crore *(previous year: ₹ 982.00 crore)* and payables amounting to ₹ 121.46 crore *(previous year: ₹ 701.25 crore)*] with respect to Bhutan Ngultrum (BTN)

Q(20) a. The Group has undertaken various projects on Design-Build-Finance-Operate-Transfer (DBFOT)/Build-Operate-Transfer (BOT) basis as per the concession agreements with the government authorities. Under the agreements,the concession period for toll collection or annuity payments ranges from 15 to 35 years. At the end of the said concession period, the entire facilities are transferred to the concerned government authorities.

b. The aggregate amount of revenues and profits before tax (net) recognised during the year in respect of construction services related to BOT/DBFOT projects is ₹ 3717.83 crore *(previous year: ₹ 3057.11 crore)* and ₹ 585.47 crore *(previous year: ₹ 361.48 crore)* respectively [Note R(3)(A)(a)(ix)].

c. Loans and advances include ₹ 417.27 crore *(previous year: ₹ 420.50 crore)* being cumulative construction costs incurred including related margins in respect of annuity based Build-Operate-Transfer (BOT) projects.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [Q] ***(contd.)***

Q(21) In terms of provisions of sub-section 1A of section 115O of the Income Tax Act 1961, dividend distribution tax payable by the Company, is net of dividend distribution tax paid by its subsidiary companies amounting to ₹ 146.68 crore, relating to dividend of ₹ 863.06 crore declared by them.

Q(22) Deferred payment liability of ₹ 3481.88 crore *(previous year: ₹ 3953.98 crore)* represents:

a. Negative grant/additional concession fee of ₹ 3065.48 crore *(previous year: ₹ 3154.73 crore)* payable to National Highway Authority of India (NHAI), as per the concession agreement entered into with NHAI.

b. Commitment payable to National Housing Development Authority (NHDA) amounting to ₹ 7.42 crore *(previous year: ₹ 6.99 crore)* as per the joint venture agreement entered into with NHDA.

c. Deferred conversion fee liability of ₹ 47.98 crore *(previous year: ₹ 69.26 crore)* towards conversion of land from Industrial to commercial use as per the approval from Chandigarh Housing Board (CHB).

d. Lease premium amounting to ₹ 361.00 crore *(previous year: ₹ 723.00 crore)* payable to City and Industrial Development Corporation of Maharashtra (CIDCO) pursuant to conferment of development-cum-leasehold rights to execute the lease deed for land.

In respect of the total amount of ₹ 3481.88 crore, an amount of ₹ 515.13 crore *(previous year: ₹ 472.53 crore)* is payable within a period of one year.

Q(23) One of the subsidiaries, which has been awarded a Build-Operate-Transfer (BOT) project for construction of a bypass toll road and a bridge over the River Noyyal in Coimbatore District of Tamil Nadu State, under the Concession Agreement dated October 3, 1997, had received a termination notice from the Ministry of Surface Transport, Government of India. The ground of termination was Government of India's subsequent intention to go for four-laning of the existing two lane road. The subsidiary has obtained injunction from Delhi High Court against the said notice of the Government and is accordingly continuing to collect the toll. The tolling rights of the subsidiary are protected under the aforesaid concession agreement.

The subsidiary had also filed an application opting for arbitration for resolution of disputes and an Arbitral Tribunal has been constituted as provided in the concession agreement. The Company has submitted the Statement of Claims before the Arbitral Tribunal and hearings were concluded on November 30, 2013 and Award from Arbitral Tribunal is awaited.

Q(24) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2014.

Q(25) Figures for the previous year have been regrouped/reclassified wherever necessary.

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 1956 read with the General Circular No. 1/19/2013 dated April 4, 2014 of the Ministry of Corporate Affairs in respect of the relevant provisions/schedules/rules of the Companies Act, 2013. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines, override the same requiring a different treatment.

The preparation of financial statements in conformity with GAAP 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. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

The accounts of Indian subsidiaries, joint ventures and associates have been prepared in compliance with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government, and those of the foreign subsidiaries, joint ventures and associates have been prepared in compliance with the local laws and applicable Accounting Standards. Necessary adjustments for differences in the accounting policies, wherever applicable, have been made in the Consolidated Financial Statements.

2. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the revised Schedule VI to the Companies Act, 1956 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Statement of Profit and Loss, as prescribed in the revised Schedule VI to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

Amounts in the financial statements are presented in Indian Rupees in crore [1 crore = 10 million] rounded off to two decimal places in line with the requirements of revised Schedule VI. Per share data are presented in Indian Rupees to two decimal places.

3. Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

A. Revenue from operations

a. Sales & service

i. Sales and service include excise duty and adjustments made towards liquidated damages and price variation, wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.

ii. Revenue from sale of manufactured and traded goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

iii. Revenue from property development activity which are in substance similar to delivery of goods, is recognised when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.

Revenue from those property development activities which have the same economic substance as construction contract is recognised based on the 'Percentage of Completion method' (POC) when the outcome of a real estate project can be estimated reliably upon fulfillment of all the following conditions:

a. All critical approvals necessary for commencement of the project have been obtained;

b. When the stage of completion of the project reaches a reasonable level of development i.e. contract costs for work performed bears a reasonable proportion to the estimated total contract costs. For this purpose, a reasonable level of development is treated as achieved only if the cost incurred (excluding cost of land/developmental rights and borrowing cost) is at least 25% of the total of such cost;

c. At least 25% of the saleable project area is secured by contracts or agreements with buyers;

d. At least 10% of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

The costs incurred on property development activities are carried as "Inventories" till such time the outcome of the project cannot be estimated reliably and all the aforesaid conditions are fulfilled. When the outcome of the project can be ascertained reliably and all the aforesaid conditions are fulfilled, revenue from property development activity is recognised at cost incurred plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost.

Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

iv. Revenue from construction/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

a. Cost plus contracts: Contract revenue is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.

b. Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably contract revenue is recognised at 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.

Government grants in the nature of subsidy related to customer contracts are recognised as revenue from operations in the Statement of Profit and Loss, on a prudent basis, in proportion to work completed when there is reasonable assurance that the conditions for the grant of subsidy will be fulfilled. Expected loss, if any, on the construction/project related activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue are taken into consideration.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

v. Revenue from contracts for rendering of services which are directly related to the construction of an asset is recognised on similar basis as stated in (iv) *supra.*

vi. Revenue from construction/project related activity and contracts executed in joint ventures under work-sharing arrangement [being jointly controlled operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"], is recognised on the same basis as similar contracts independently executed by the Company.

vii. Revenue from software development is recognised based on software developed or time spent in person hours or person weeks, and billed to customers as per the terms of specific contracts. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

viii. Income from hire purchase and lease transactions is accounted on accrual basis, pro-rata for the period, at the rates implicit in the transaction. Income from bill discounting, advisory and syndication services and other financing activities is accounted on accrual basis. Income from interest-bearing assets is recognised on accrual basis over the life of the asset based on the constant effective yield. Loan origination income i.e. processing fees and other charges collected upfront, are recognised at the inception of the loan. Income including interest or any other charges on non-performing asset is recognised only when realised. Any such income recognised before the asset became non-performing and remaining unrealised is reversed.

ix. Revenue relatable to 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 relatable to toll collections of such projects from users of facilities are accounted when the amount is due and recovery is certain. Licence fees for way-side amenities are accounted on accrual basis. Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

x. Revenue from service related activities is recognised using either the proportionate completion method or completed service contract method, whichever is considered appropriate.

xi. Commission income is recognised as and when the terms of the contract are fulfilled.

xii. Revenue from engineering and service fees is recognised as per the terms of the contract.

xiii. Income from investment management fees is recognised in accordance with the Investment Management Agreement and 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 Portfolio Management Agreement entered with respective clients over the period of the agreement in terms of which the services are rendered. Trusteeship fees are accounted on an accrual basis in accordance with the Trust Deed and are dependent on the net asset value as recorded by the respective mutual fund schemes.

xiv. Revenue from port operation services including rail infrastructure is recognised on completion of respective services.

xv. Revenue from charter hire is recognised based on the terms of the time charter agreement.

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

xvii. Insurance premium (net of service tax) is recognised as income over the contract period or period of risk, as appropriate, after adjusting for unearned premium (unexpired risk) and premium deficiency, if any. Premium deficiency, if any, is recognised if the sum of expected claim costs and related claim management costs exceed related reserve for unexpired risk for every line of business. Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis, written on policies during the twelve months preceding the Balance Sheet date for fire, marine cargo and miscellaneous business (excluding project related engineering insurance contracts) and 100% for marine hull business, on all unexpired policies at Balance Sheet date, in accordance with Section 64 V(1)(ii)(b) of the Insurance Act, 1938. The reserve for unexpired risk is computed for project related engineering insurance contract through the usage of Cubic Curve Method. A reserve for unexpired risks is recorded at 50% of the net premium retro-ceded to the Company from India Motor Third Party Insurance Pool (IMTPIP) during the year. Reinsurance premium ceded is accounted in the year in which the risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers.

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Reinsurance premium ceded on unearned premium is carried forward to the period of risk and is set off against related unearned premium. Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements.

Commission on reinsurance ceded is recognised as income on ceding of reinsurance premium.

Profit commission under re-insurance treaties, wherever applicable, is recognised in the year of final determination of the profits.

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/co-insurers) are recognised on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts. Estimated liability for outstanding claims at Balance Sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation. Estimated liability for outstanding claims is determined by management on the basis of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revalidated on availability of further information. IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is based on actuarial estimate duly certified by the appointed actuary of the Company. IBNR/IBNER has been created on reinsurance accepted from Indian Motor Third Party Insurance Pool (IMTPIP) based on actuarial estimates received from the IMTPIP.

b. Other operational revenue

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

B. Other income

a. Interest income is accrued at applicable interest rate.

b. Dividend income is accounted in the period in which the right to receive the same is established.

c. Other Government grants, which are revenue in nature and are towards compensation for the related costs, are recognised as income in the Statement of Profit and Loss in the period in which the matching costs are incurred.

d. Other items of income are accounted as and when the right to receive arises.

4. Principles of consolidation

a. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Parent Company's independent financial statements.

b. Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognise any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealized profits/losses on transactions with associate companies are eliminated by reducing the carrying amount of investment.

c. Goodwill on consolidation represents the difference between the Group's share in the net worth of a subsidiary, an associate or a joint venture, and the cost of acquisition at each point of time of making the investment in the subsidiary, the associate or the joint venture as per Accounting Standard (AS) 21 "Consolidated Financial Statements". For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents negative goodwill arising on consolidation. Goodwill arising on consolidation as per Accounting Standard (AS) 21"Consolidated Financial Statements" is not amortised, however, it is tested for impairment. In the event of cessation of operations of a subsidiary, associate or joint venture, the unimpaired goodwill is written off fully.

d. Minority interest represents that part of the net profit or loss and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Group. Further, Preference shares issued by the subsidiaries to stakeholders outside the Group together with dividend accruals thereon also form part of minority interest in the Consolidated Financial Statements.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

e. The gains/losses in respect of part dilution of stake in subsidiary companies pursuant to issue of additional shares to minority shareholders are recognised directly in capital reserve under reserves and surplus in the Balance Sheet. The gains/losses in respect of part divestment of stake in subsidiary companies pursuant to sale of shares by the holding company are recognised in the Statement of Profit and Loss.

f. The Company's interests in joint ventures are consolidated as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
Jointly controlled assets	Share of the assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	The Company's interest in jointly controlled entities are proportionately consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealised profits/losses on intra-group transactions.

Joint venture interests accounted as above are included in the segments to which they relate.

5. Extraordinary and exceptional items

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

6. Research and development

a. Revenue expenditure on research is expensed under respective heads of account in the period in which it is incurred.

b. Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale

ii. The Company has intention to complete the intangible asset and use or sell it

iii. The Company has ability to use or sell the intangible asset

iv. 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

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

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

The development expenditure capitalised as intangible asset is amortised over its useful life.

Other development costs that do not meet above criteria are expensed in the period in which they are incurred.

7. Employee benefits

a. Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

b. Post-employment benefits:

i. 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 related service.

ii. Defined benefit plans: The employees gratuity fund schemes, post-retirement medical care scheme, pension scheme and provident fund scheme managed by trust are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost and the impact of changes in discount rate, is classified under finance cost and balance charge is recognised as employee benefit expenses in the Statement of Profit and Loss. 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.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight line basis over the average period until the benefits become vested.

c. Long term employee benefits:

The obligation for long term employee benefits such as long term compensated absences, long service award etc. is recognised in the similar manner as in the case of defined benefit plans as mentioned in (b)(ii) *supra*.

d. Termination benefits:

Termination benefits such as compensation under voluntary retirement cum pension scheme are recognised as expense in the period in which they are incurred.

8. Tangible fixed assets

Tangible fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment and those which were revalued as on October 1,1984 are stated at the values determined by the valuers less accumulated depreciation and cumulative impairment. Assets acquired on hire purchase basis are stated at their cash values. Specific know-how fees paid, if any, relating to plant and equipment is treated as part of cost thereof.

Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of the cost of the fixed assets.

Own manufactured assets are capitalised at cost including an appropriate share of overheads.

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

(Also refer to policy on leases, borrowing costs, impairment of assets and foreign currency transactions *infra*.)

9. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

a. Lease transactions entered into prior to April 1, 2001:

Assets leased out are stated at original cost. Lease equalisation adjustment is the difference between capital recovery included in the lease rentals and depreciation provided in the books of account. Lease rentals in respect of assets acquired under leases are charged to the Statement of Profit and Loss.

b. Lease transactions entered into on or after April 1, 2001:

Finance leases:

i. Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii. Assets given under leases where the Company has transferred substantially all the risks and rewards of ownership to lessee, are classified as finance leases. Where under a contract, the Company 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, such arrangement is also accounted as finance lease.

iii. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Wherever the asset is manufactured/constructed by the Company, the fair value of the asset, representing the net investment in the lease, is recognised as sales revenue in accordance with the Company's revenue recognition policy. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

iv. Initial direct costs relating to assets given on finance leases are charged to the Statement of Profit and Loss.

Operating leases:

i. Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

ii. Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

(Also refer to policy on depreciation *infra.*)

10. Depreciation

A. Indian companies

a. Owned assets

i. Revalued assets:

Depreciation is provided on straight line method on the values and at the rates given by the valuers. The difference between depreciation provided on revalued amount and on historical cost is transferred from revaluation reserve to the Statement of Profit and Loss.

ii. Assets carried at historical cost:

Depreciation on assets carried at historical cost is provided on the written down value basis on assets acquired up to March 31, 1968 (at the rates prescribed under Schedule XIV to the Companies Act, 1956) and on straight line method on assets acquired subsequently (at the rates prevailing at the time of their acquisition) on assets acquired up to September 30, 1987. For the assets acquired thereafter, depreciation is provided at the rates prescribed under Schedule XIV to the Companies Act, 1956 or at higher rates in line with the estimated useful lives of the assets.

iii. Depreciation for additions to/deductions from owned assets is calculated pro-rata. Extra shift depreciation is provided on a location basis.

iv. 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.

b. Leased assets

i. Lease transactions entered into prior to April 1, 2001:

Lease charge comprising statutory depreciation and lease equalisation charge is provided for assets given on lease over the primary period of the lease equal to recovery of net investment in the lease. Accordingly, while the statutory depreciation on such assets is provided for on straight line method as per Schedule XIV to the Companies Act, 1956, the difference is adjusted through lease equalisation and lease adjustment account.

ii. Lease transactions entered into on or after April 1, 2001:

Assets acquired under finance leases are depreciated on a straight line method over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated at the rates prescribed under Schedule XIV to the Companies Act, 1956 or at the higher rates adopted by the Company for similar assets.

iii. Leasehold land:

Land acquired under long term lease is classified under “tangible assets” and is depreciated over the period of lease.

B. Foreign companies

Depreciation has been provided on methods and at the rates required/permissible by the local laws so as to write off the assets over their useful life.

11. Intangible assets and amortisation

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. 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 amortised as follows:

a. Specialised software: over a period of three to ten years;

b. Technical know-how: over a period of three to seven years;

c. Development costs for new products: over a period five years;

d. Customer contracts and relationships: over a period of ten years;

e. 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) projects undertaken by the Group. Toll collection rights

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

are capitalised as intangible asset upon completion of the project at the cumulative construction costs including related margins (refer to policy on revenue recognition *supra*) plus obligation towards negative grants payable to National Highway Authority of India (NHAI), if any. Till the completion of the project, the same is recognised as intangible assets under development. The revenue towards collection of toll/other income during the period of construction is reduced from the cost of intangible asset under development.

Toll collection rights in respect of road projects, for the year ended March 31, 2013, were amortised based on the straight line method over the period of rights given under the concession agreement. For the year ended March 31, 2014, toll collection rights in respect of road projects are amortised over the period of concession using the revenue based amortisation method prescribed under Schedule XIV to the Companies Act, 1956. Under the revenue based method, amortisation is provided based on proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible assets expected to be earned over the concession period. Total projected revenue is reviewed at the end of each financial year and is adjusted to reflect changes in earlier estimate vis-à-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible asset is amortised over the concession period.

f. Exploration and evaluation expenditure incurred for potential mineral reserves is recognised and reported as part of "intangible assets under development" under "intangible assets" when such costs are expected to be either recouped in full through successful exploration and development of the area of interest or alternatively, by its sale; or when exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically available reserves and active and significant operations in relation to the area are continuing or are planned for the future. Exploration assets are re-assessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above is met. All other exploration and evaluation expenditure is recognised as expense in the period in which it is incurred.

g. Utility right to use costs are amortised over the period of 'agreement to use', but not exceeding 10 years.

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.

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

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining periods so as to allocate the assets' revised carrying amount over its remaining useful life.

12. Impairment of assets

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

a. the provision for impairment loss, if any; and

b. the reversal of impairment loss recognised in previous periods, if any.

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

Recoverable amount is determined:

a. in the case of an individual asset, at the higher of the net selling price and the value in use;

b. in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

13. Investments

Trade investments comprise investments in entities in which the Company has strategic business interest.

Investments, which are readily realisable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Long term investments (other than associates) including trade investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

Current investments are carried at lower of cost and fair value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Investment in associate companies is accounted using "equity method" [Note R(4)(b)]. Purchase and sale of investments are recognised based on the trade date accounting.

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

14. Inventories

Inventories are valued after providing for obsolescence, as under:

a. Raw materials, components, construction materials, stores, spares and loose tools at lower of cost or net realisable value. However, these items are considered to be realizable at cost if the finished goods in which they will be used, are expected to be sold at or above cost;

b. Manufacturing work-in-progress at lower of cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress is 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;

c. Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of cost or net realisable value. Cost includes related overheads and excise duty paid/payable on such goods; and

d. Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

Cost of inventories is computed either on a weighted average or on First-in-First-out (FIFO) basis.

15. Cash and bank balances

Cash and bank balances also 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 not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

16. Government grant of capital nature

Grants received/receivable from NHAI in the nature of “promoter contribution” are credited to “capital reserve”.

17. Securities premium account

a. Securities premium includes:

   i. The difference between the market value and the consideration received in respect of shares issued pursuant to Stock Appreciation Rights Scheme; and

   ii. The discount allowed, if any, in respect of shares allotted pursuant to Stock Options Scheme.

b. The following expenses are written off against securities premium account:

   i. Expenses incurred on issue of shares;

   ii. Expenses (net of tax) incurred on issue of debentures/bonds; and

   iii. Premium (net of tax) on redemption of debentures/bonds.

18. Borrowing costs

Borrowing costs include interest, commitment charges, amortisation of ancillary costs, amortisation of discounts/premium related to borrowings, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventorised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

19. Employee stock ownership schemes

In respect of stock options granted pursuant to the Company’s Stock Options Scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation cost over the vesting period.

20. Foreign currency transactions, foreign operations, forward contracts and derivatives

a. The reporting currency of the Company is Indian Rupee.

b. Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate.

   Non-monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

   Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are:

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

i. adjusted in the cost of fixed assets specifically financed by the borrowings contracted upto March 31, 2004 to which the exchange differences relate;

ii. adjusted in the cost of fixed assets specifically financed by borrowings contracted between the period April 1, 2004 to March 31, 2007 and to which the exchange differences relate, provided the assets are acquired from outside India;

iii. recognised as income or expense in the period in which they arise, in cases other than (i) and (ii) above.

c. Financial statements of foreign operations comprising jobs contracted prior to April 1, 2004, are translated as follows:

i. Closing inventories at rates prevailing at the end of the year.

ii. Fixed assets as at April 1, 1991 at rates prevailing at the end of the year in which the additions were made. Subsequent additions are at rates prevailing on the dates of the additions. Depreciation is accounted at the same rate at which the assets are translated.

iii. Other assets and liabilities at rates prevailing at the end of the year.

iv. Net revenues at the average rate for the year.

d. Financial statements of foreign operations comprising jobs contracted on or after April 1, 2004, are treated as integral operations and translated as in the same manner as foreign currency transactions, as described above. Exchange differences arising on such translation are recognised as income or expense of the period in which they arise.

e. Financial statements of overseas non-integral operations are translated as under:

i. Assets and liabilities at the rate prevailing at the end of the year. Depreciation and amortisation is accounted at the same rate at which assets are converted.

ii. Revenues and expenses at yearly average exchange rates prevailing during the year.

Exchange differences arising on translation of non-integral foreign operations are accumulated in the foreign currency translation reserve until the disposal of such operations.

f. Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecasted transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 “The Effects of Changes in Foreign Exchange Rates”. Exchange differences arising on such contracts are recognised in the period in which they arise.

Gains and losses arising on account of roll over/cancellation of forward contracts are recognised as income/expense of the period in which such roll over/cancellation takes place.

g. All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecasted transactions, are recognised in the financial statements at fair value as on the Balance Sheet date, in pursuance of the announcement of the ICAI dated March 29, 2008 on accounting of derivatives. In addition, the derivative arrangements embedded in the contracts entered in the course of business are accounted separately if the economic characteristics and risks of the embedded derivatives are not closely related to economic characteristics and risks of the host contract. [Note Q(24)(a)].

The Company has adopted Accounting Standard (AS) 30 “Financial Instruments: Recognition and Measurement” for accounting of such derivative contracts, not covered under Accounting Standard (AS) 11 “The Effects of Changes in Foreign Exchange Rates”, as mandated by the ICAI in the aforesaid announcement.

Accordingly, the resultant gains or losses on fair valuation/settlement of the derivative contracts (including embedded derivatives) covered under Accounting Standard (AS) 30 “Financial Instruments: Recognition and Measurement” are recognised in the Statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the hedge in respect of off-balance sheet items is effective, the gains or losses are recognised in the “hedging reserve” which forms part of “reserves and surplus” in the Balance Sheet. The amount recognised in the “hedging reserve” is transferred to the Statement of Profit and Loss in the period in which the underlying hedged item affects the Statement of Profit and Loss. Gains and losses in respect of ineffective hedges are recognised in the Statement of Profit and Loss in the period in which such gains or losses are incurred.

h. The premium paid/received on a foreign currency forward contract is accounted as expense/income over the life of the contract.

21. Segment accounting

a. Segment accounting policies

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:

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

i. Segment revenue includes sales and other income 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. Expenses which relate to the Company as a whole and not allocable to segments are included under "unallocable corporate expenditure".

iii. Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income".

iv. Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.

v. 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 and not allocable to any segment.

vi. Segment non-cash expenses forming part of segment expenses include the intrinsic value of the employee stock options which is accounted as employee compensation cost [Note R(19)] and is allocated to the segment.

b. Inter-segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

22. Taxes on income

a. Indian companies:

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 based on the expected outcome of assessments/appeals.

Deferred tax is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

b. Foreign companies:

Foreign companies recognise tax liabilities and assets in accordance with the applicable local laws.

23. Provisions, contingent liabilities and contingent assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

a. the Company has a present obligation as a result of a past event

b. a probable outflow of resources is expected to settle the obligation and

c. the amount of the obligation can be reliably estimated

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

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation

b. a present obligation arising from past events, when no reliable estimate is possible

c. a possible obligation arising from past events, where the probability of outflow of resources is not remote

Contingent assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

24. Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are 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

Notes forming part of the Consolidated Accounts (contd.)

NOTE [R] SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

c. Funding related commitments 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.

25. Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/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.

26. Deferred payment liabilities

The obligation towards additional concession fee payable to NHAI is recognised as deferred payment liability when the Company, in its capacity of Concessionaire, becomes entitled to exercise the right and collect toll in accordance with the terms of the concession agreement on Commercial Operations Date.

27. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

a. transactions of a non-cash nature

b. any deferrals or accruals of past or future operating cash receipts or payments and

c. items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

A. M. NAIK
Group Executive Chairman

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai, May 30, 2014

N. HARIHARAN
Company Secretary

K. VENKATARAMANAN
Chief Executive Officer &
Managing Director

R. SHANKAR RAMAN
Chief Financial Officer &
Whole-time Director

S. RAJGOPAL

M. M. CHITALE

A. K. JAIN

M. DAMODARAN

VIKRAM SINGH MEHTA

Directors

Mumbai, May 30, 2014

Information on Subsidiary Companies
(for the financial year ended or as on, as the case may be)

₹ crore

Sr. no.	Particulars	L&T Investment Management Limited	L&T Mutual Fund Trustee Limited	L&T General Insurance Company Limited	L&T Finance Limited	L&T Finance Holdings Limited	L&T Fincorp Limited	L&T Infrastructure Finance Company Limited	L&T Aviation Services Private Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency								
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
1	Share capital (including share application money pending allotment)	235.86	0.15	495.00	238.42	2,718.45	272.97	829.23	45.60
2	Reserves	317.59	(0.09)	(366.83)	1,954.61	1,808.51	464.31	1,639.53	(0.20)
3	Liabilities	74.87	0.01	340.84	14294.26	806.44	3602.64	14637.01	74.60
4	Total liabilities	628.32	0.07	469.01	16487.29	5333.40	4339.92	17105.77	120.00
5	Total assets	628.32	0.07	469.01	16487.29	5333.40	4339.92	17105.77	120.00
6	Investments (details on pages 304 to 320)	68.50	–	293.83	86.32	198.44	127.29	1710.81	–
7	Turnover	85.90	0.05	(113.28)	2199.82	257.57	364.39	1794.80	28.87
8	Profit before taxation	(69.92)	(0.01)	(100.18)	304.78	196.89	86.66	397.24	0.72
9	Provision for taxation	–	–	–	103.55	0.51	29.00	105.11	(1.27)
10	Profit after taxation	(69.92)	(0.01)	(100.18)	201.23	196.38	57.66	292.13	1.99
11	Interim dividend - equity	–	–	–	–	–	–	105.73	–
12	Interim dividend - Preference	–	–	–	–	75.98	–	–	–
13	Proposed dividend - equity	–	–	–	98.95	128.88	–		–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Sr. no.	Particulars	GDA Technologies Limited	Larsen & Toubro Infotech Limited	Larsen & Toubro Infotech, GmbH	Larsen & Toubro Infotech Canada Limited	Larsen & Toubro Infotech LLC	L&T Infotech Financial Services Technologies Inc.	L&T Capital Company Limited	L&T Trustee Company Private Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency			**Euro**	**Canadian Dollar**	**USD**	**Canadian Dollar**		
	Exchange rate on the last day of financial year	–	–	**82.69**	**54.27**	**59.92**	**54.27**	–	–
1	Share capital (including share application money pending allotment)	0.17	16.13	0.11	0.00	–	280.00	22.00	0.01
2	Reserves	33.20	1,452.92	19.24	6.02	8.86	114.91	6.42	(0.01)
3	Liabilities	0.29	1037.74	13.28	1.28	1.68	42.69	0.10	–
4	Total liabilities	33.66	2506.79	32.63	7.30	10.54	437.60	28.52	–
5	Total assets	33.66	2506.79	32.63	7.30	10.54	437.60	28.52	–
6	Investments (details on pages 304 to 320)	28.57	140.21	–	–	–	–	5.55	–
7	Turnover	0.33	4,643.94	91.70	40.74	26.51	248.51	1.92	–
8	Profit before taxation	2.15	1,145.46	6.16	0.49	1.86	15.12	2.08	–
9	Provision for taxation	(0.18)	243.15	0.78	0.11	–	2.42	2.26	–
10	Profit after taxation	2.33	902.31	5.38	0.38	1.86	12.70	(0.18)	–
11	Interim dividend - equity	–	551.48	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Information on Subsidiary Companies
(for the financial year ended or as on, as the case may be)

₹ crore

Sr. no.	Particulars	L&T Diversified India Equity Fund	Hyderabad International Trade Expositions Limited	L&T Infocity Limited	L&T Hitech City Limited	L&T South City Projects Limited	L&T Siruseri Property Developers Limited	CSJ Infrastructure Private Limited
	Financial year ending on	**31-12-2013**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency	**USD**						
	Exchange rate on the last day of financial year	**61.81**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	0.26	17.01	27.00	75.00	56.48	0.05	45.89
2	Reserves	(0.51)	8.03	109.64	(18.76)	77.50	(0.05)	114.25
3	Liabilities	0.25	28.67	121.79	6.17	111.02	0.00	1300.72
4	Total liabilities	0.00	53.71	258.43	62.41	245.00	0.00	1460.86
5	Total assets	0.00	53.71	258.43	62.41	245.00	0.00	1460.86
6	Investments (details on pages 304 to 320)	–	–	2.34	–	–	–	–
7	Turnover	–	20.97	42.08	0.84	2.79	–	228.31
8	Profit before taxation	(0.01)	6.76	91.94	(0.85)	(6.64)	–	0.40
9	Provision for taxation	–	1.65	40.53	0.85	0.65	–	19.43
10	Profit after taxation	(0.01)	5.11	51.41	(1.70)	(7.29)	–	(19.03)
11	Interim dividend - equity	–	–	20.25	–	14.12	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–

Sr. no.	Particulars	L&T Vision Ventures Limited	L&T Tech Park Limited	L&T Chennai – Tada Tollway Limited	L&T Samakhiali Gandhidham Tollway Limited	L&T Transco Private Limited	L&T Infrastructure Development Projects Limited	L&T Panipat Elevated Corridor Limited	Narmada Infrastructure Construction Enterprise Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	0.05	6.50	42.00	80.54	0.01	321.06	84.30	47.35
2	Reserves	(4.62)	7.00	(0.19)	(0.04)	(17.75)	2,692.69	(248.15)	157.23
3	Liabilities	10.81	0.75	325.87	3235.33	17.79	1680.55	707.71	0.86
4	Total liabilities	6.24	14.25	367.68	3315.83	0.05	4694.30	543.86	205.44
5	Total assets	6.24	14.25	367.68	3315.83	0.05	4694.30	543.86	205.44
6	Investments (details on pages 304 to 320)	–	–	2.49	35.86	–	355.95	25.96	–
7	Turnover	–	–	–	–	0.00	172.05	51.87	–
8	Profit before taxation	(0.03)	(0.36)	–	–	–	(11.74)	(46.56)	17.99
9	Provision for taxation	–	–	–	–	–	(1.42)	–	3.74
10	Profit after taxation	(0.03)	(0.36)	–	–	–	(10.32)	(46.56)	14.25
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Information on Subsidiary Companies
(for the financial year ended or as on, as the case may be)

₹ *crore*

Sr. no.	Particulars	L&T Krishnagiri Thopur Toll Road Limited	L&T Western Andhra Tollways Limited	L&T Vadodara Bharuch Tollway Limited	L&T Interstate Road Corridor Limited	L&T Western India Tollbridge Limited	L&T Transportation Infrastructure Limited	L&T Infrastructure Development Projects Lanka (Private) Limited	International Seaports (India) Private Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency							**Sri Lankan Rupee**	
	Exchange rate on the last day of financial year	–	–	–	–	–	–	**0.46**	–
1	Share capital (including share application money pending allotment)	78.75	56.50	43.50	57.16	13.95	41.40	65.52	2.50
2	Reserves	(102.33)	(58.51)	(336.64)	31.93	15.68	83.76	0.95	(3.95)
3	Liabilities	692.26	301.12	1215.52	417.77	0.05	138.22	26.80	1.46
4	Total liabilities	668.68	299.11	922.38	506.86	29.68	263.38	93.27	0.01
5	Total assets	668.68	299.11	922.38	506.86	29.68	263.38	93.27	0.01
6	Investments (details on pages 304 to 320)	35.97	27.65	–	49.53	0.71	8.20	–	–
7	Turnover	105.98	50.36	248.94	86.42	–	24.29	–	–
8	Profit before taxation	(26.68)	(35.78)	(84.95)	0.97	0.96	42.16	–	(0.01)
9	Provision for taxation	–	–	–	0.19	0.19	17.55	–	–
10	Profit after taxation	(26.68)	(35.78)	(84.95)	0.78	0.77	24.61	–	(0.01)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Sr. no.	Particulars	L&T Krishnagiri Walajahpet Tollway Limited	L&T Devihalli Hassan Tollway Limited	L&T Metro Rail (Hyderabad) Limited	L&T Halol - Shamlaji Tollway Limited	L&T Ahmedabad - Maliya Tollway Limited	L&T Port Kachchigarh Limited	L&T Uttaranchal Hydropower Limited	Nabha Power Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency								
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
1	Share capital (including share application money pending allotment)	90.00	90.00	1,155.40	130.50	149.00	4.16	161.05	2,325.00
2	Reserves	3.70	178.10	(3.07)	(152.66)	(130.39)	(4.53)	(1.50)	(115.34)
3	Liabilities	829.32	247.58	2722.56	1302.36	1500.67	0.37	498.63	7321.03
4	Total liabilities	923.02	515.68	3874.89	1280.20	1519.28	–	658.18	9530.69
5	Total assets	923.02	515.68	3874.89	1280.20	1519.28	–	658.18	9530.69
6	Investments (details on pages 304 to 320)	4.75	0.17	13.03	13.90	45.85	–	47.94	5.92
7	Turnover	–	10.35	0.00	77.02	113.21	–	–	2,833.89
8	Profit before taxation	1.14	(3.28)	(0.19)	(26.86)	(45.32)	(0.03)	(4.72)	(23.07)
9	Provision for taxation	0.37	(0.30)	0.03	–	–	–	0.02	–
10	Profit after taxation	0.77	(2.98)	(0.22)	(26.86)	(45.32)	(0.03)	(4.74)	(23.07)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Information on Subsidiary Companies
(for the financial year ended or as on, as the case may be)

₹ crore

Sr. no.	Particulars	L&T Power Development Limited	L&T Arunachal Hydropower Limited	L&T Himachal Hydropower Limited	Larsen & Toubro (Oman) LLC	Larsen & Toubro (East Asia) SDN. BHD	Larsen & Toubro International FZE	Larsen & Toubro Qatar LLC	L&T Overseas Projects Nigeria Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-12-2013**
	Currency				**Omani Rial**	**Malaysian Ringgit**	**USD**	**Qatari Rial**	**Nigerian Naira**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**160.53**	**18.85**	**61.81**	**16.98**	**0.39**
1	Share capital (including share application money pending allotment)	2,802.30	36.24	169.11	17.95	1.41	1,695.62	0.24	0.33
2	Reserves	1.89	0.20	(0.02)	445.36	0.13	(406.64)	0.40	(0.27)
3	Liabilities	2.54	2.06	11.75	1541.53	1.41	0.20	0.60	0.04
4	Total liabilities	2806.73	38.50	180.84	2004.84	2.95	1289.18	1.24	0.10
5	Total assets	2806.73	38.50	180.84	2004.84	2.95	1289.18	1.24	0.10
6	Investments (details on pages 304 to 320)	21.05	0.38	1.33	–	–	4.52	–	–
7	Turnover	16.46	–	–	2257.51	1.37	1.86	–	–
8	Profit before taxation	0.22	0.03	0.09	(79.73)	0.20	40.02	30.10	(0.01)
9	Provision for taxation	0.06	0.00	0.01	(0.36)	–	–	0.12	–
10	Profit after taxation	0.16	0.03	0.08	(79.37)	0.20	40.02	29.98	(0.01)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Sr. no.	Particulars	Larsen & Toubro Electromech LLC	L&T Electricals & Automation Saudi Arabia Company, LLC	L&T Electrical & Automation FZE	Larsen & Toubro Kuwait Construction General Contracting Company, WLL	Larsen &Toubro (Qingdao) Rubber Machinery Company Limited	Qingdao Larsen & Toubro Trading Company Limited	Larsen & Toubro Readymix Concrete Industries LLC	L&T Modular Fabrication Yard LLC
	Financial year ending on	**31-12-2013**	**31-12-2013**	**31-03-2014**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-12-2013**
	Currency	**Omani Rial**	**Saudi Riyal**	**UAE Dirham**	**Kuwaiti Dinar**	**Chinese Yuan Renminbi**	**Chinese Yuan Renminbi**	**UAE Dirham**	**Omani Rial**
	Exchange rate on the last day of financial year	**160.53**	**16.48**	**16.31**	**218.94**	**10.13**	**10.13**	**16.83**	**160.53**
1	Share capital (including share application money pending allotment)	3.56	22.29	1.09	32.02	57.86	0.54	1.27	32.75
2	Reserves	108.25	(2.74)	157.61	12.25	(58.90)	0.51	(2.23)	27.01
3	Liabilities	430.02	91.42	195.58	153.94	107.91	0.59	67.65	258.00
4	Total liabilities	541.83	110.97	354.28	198.21	106.87	1.64	66.69	317.76
5	Total assets	541.83	110.97	354.28	198.21	106.87	1.64	66.69	317.76
6	Investments (details on pages 304 to 320)	–	–	–	–	–	–	–	–
7	Turnover	788.20	73.72	354.64	144.50	52.96	–	35.96	341.77
8	Profit before taxation	(68.33)	(2.85)	46.59	1.50	(33.92)	(0.10)	(7.61)	(53.50)
9	Provision for taxation	–	–	–	0.10	–	0.00	–	–
10	Profit after taxation	(68.33)	(2.85)	46.59	1.40	(33.92)	(0.10)	(7.61)	(53.50)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Information on Subsidiary Companies
(for the financial year ended or as on, as the case may be)

₹ *crore*

Sr. no.	Particulars	Larsen & Toubro Saudi Arabia LLC	Larsen & Toubro ATCO Saudia LLC	Larsen & Toubro Heavy Engineering LLC	Tamco Switchgear (Malaysia) SDN BHD	Tamco Electrical Industries Australia Pty Ltd.	PT Tamco Indonesia	Larsen & Toubro Consultoria E Projeto LTDA	Larsen & Toubro T&D Proprietary LTD
	Financial year ending on	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-03-2014**
	Currency	**Saudi Riyal**	**Saudi Riyal**	**Omani Rial**	**Malaysian Ringgit**	**Australian Dollar**	**Indonesian Rupiah**	**Brazilian Real**	**South African Rand**
	Exchange rate on the last day of financial year	**16.48**	**16.48**	**160.53**	**18.85**	**55.09**	**0.01**	**26.14**	**5.65**
1	Share capital (including share application money pending allotment)	18.64	1.08	68.49	119.18	45.20	0.22	2.53	–
2	Reserves	(129.07)	(6.70)	(119.54)	341.27	(12.93)	(34.25)	(2.72)	2.86
3	Liabilities	542.02	452.50	343.36	313.36	20.76	89.01	0.22	0.32
4	Total liabilities	431.59	446.88	292.31	773.81	53.03	54.98	0.03	3.18
5	Total assets	431.59	446.88	292.31	773.81	53.03	54.98	0.03	3.18
6	Investments (details on pages 304 to 320)	–	–	–	–	–	–	–	–
7	Turnover	228.85	541.28	198.60	681.78	84.37	60.64	0.56	–
8	Profit before taxation	(39.74)	(3.19)	(3.15)	64.20	1.75	3.71	(0.96)	0.10
9	Provision for taxation	–	0.05	–	16.84	–	–	–	–
10	Profit after taxation	(39.74)	(3.24)	(3.15)	47.36	1.75	3.71	(0.96)	0.10
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Sr. no.	Particulars	L&T Realty Limited	Chennai Vision Developers Private Limited	L&T Realty FZE	L&T Power Limited	L&T-Valdel Engineering Limited	L&T Natural Resources Limited	HI Tech Rock Products & Aggregates Limited	L&T Cutting Tools Limited (formerly known as Tractor Engineers Limited)
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-12-2013**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency			**UAE Dirham**					
	Exchange rate on the last day of financial year	**–**	**–**	**16.83**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	746.16	0.01	9.66	0.05	1.18	0.05	0.05	6.80
2	Reserves	(228.77)	(0.02)	(0.72)	4.18	48.63	(6.32)	1.98	22.96
3	Liabilities	883.66	0.01	0.03	0.04	20.49	6.38	14.56	56.15
4	Total liabilities	1401.05	–	8.97	4.27	70.30	0.11	16.59	85.91
5	Total assets	1401.05	–	8.97	4.27	70.30	0.11	16.59	85.91
6	Investments (details on pages 304 to 320)	–	–	–	4.25	0.84	–	–	1.77
7	Turnover	1.71	–	–	–	81.56	–	59.33	96.34
8	Profit before taxation	(57.32)	–	0.33	0.24	0.68	(0.01)	0.91	14.30
9	Provision for taxation	0.92	–	–	–	0.50	–	0.25	–
10	Profit after taxation	(58.24)	–	0.33	0.24	0.18	(0.01)	0.66	14.30
11	Interim dividend - equity	–	–	–	–	–	–	–	6.12
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Information on Subsidiary Companies
(for the financial year ended or as on, as the case may be)

₹ *crore*

Sr. no.	Particulars	Bhilai Power Supply Company Limited	L&T-Sargent & Lundy Limited	Spectrum Infotech Private Limited	Larsen & Toubro LLC	L&T Shipbuilding Limited	L&T-Gulf Private Limited	Raykal Aluminium Company Private Limited	L&T Electricals and Automation Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-12-2013**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency				**USD**				
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**61.81**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	0.05	5.57	0.44	0.24	1,355.86	8.00	0.05	0.05
2	Reserves	–	57.13	15.08	1.62	(871.29)	10.36	0.43	(0.02)
3	Liabilities	8.81	23.84	50.94	1.88	4047.90	5.10	0.45	0.02
4	Total liabilities	8.86	86.54	66.46	3.74	4532.47	23.46	0.93	0.05
5	Total assets	8.86	86.54	66.46	3.74	4532.47	23.46	0.93	0.05
6	Investments (details on pages 304 to 320)	–	46.29	–	–	11.77	0.38	–	–
7	Turnover	–	101.83	42.89	5.25	532.64	21.11	–	–
8	Profit before taxation	–	9.60	4.51	0.22	(648.38)	7.19	(0.01)	–
9	Provision for taxation	–	2.42	1.47	0.04	(0.87)	2.32	–	–
10	Profit after taxation	–	7.18	3.04	0.18	(647.51)	4.87	(0.01)	–
11	Interim dividend - equity	–	–	0.88	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Sr. no.	Particulars	L&T Seawoods Private Limited	L&T Rajkot - Vadinar Tollway Limited	Kesun Iron & Steel Company Private Limited	L&T Hydrocarbon Engineering Limited (formerly known as L&T Technologies Limited)	L&T Special Steels and Heavy Forgings Private Limited	L&T Howden Private Limited	L&T Solar Limited	L&T Sapura Shipping Private Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency								
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	1,506.00	110.00	0.01	1,500.05	566.60	30.00	0.05	158.85
2	Reserves	1.18	(141.95)	(0.25)	(19.41)	(507.94)	(11.82)	(0.01)	9.30
3	Liabilities	1420.88	1063.39	0.24	4793.26	1624.77	110.95	0.01	577.11
4	Total liabilities	2928.06	1031.44	–	6273.90	1683.43	129.13	0.05	745.26
5	Total assets	2928.06	1031.44	–	6273.90	1683.43	129.13	0.05	745.26
6	Investments (details on pages 304 to 320)	8.83	0.10	–	–	3.30	–	–	–
7	Turnover	–	69.28	–	8,715.90	64.85	79.26	–	204.76
8	Profit before taxation	7.00	(12.53)	–	163.83	(334.48)	(1.69)	–	27.42
9	Provision for taxation	1.57	–	–	58.10	–	(0.55)	–	0.55
10	Profit after taxation	5.43	(12.53)	–	105.73	(334.48)	(1.14)	–	26.87
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Information on Subsidiary Companies
(for the financial year ended or as on, as the case may be)

₹ *crore*

Sr. no.	Particulars	L&T Sapura Offshore Private Limited	L&T Powergen Limited	Ewac Alloys Limited	L&T Kobelco Machinery Private Limited	L&T - MHI Boilers Private Limited	L&T - MHI Turbine Generators Private Limited	PNG Tollway Limited	L&T Cassidian Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency								-
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
1	Share capital (including share application money pending allotment)	0.01	0.05	8.29	50.00	234.10	380.60	169.10	0.05
2	Reserves	0.49	(0.01)	78.95	(22.54)	155.16	(281.94)	(70.85)	(0.01)
3	Liabilities	12.61	0.01	83.64	74.98	2577.82	2395.64	1604.91	–
4	Total liabilities	13.11	0.05	170.88	102.44	2967.08	2494.30	1703.16	0.04
5	Total assets	13.11	0.05	170.88	102.44	2967.08	2494.30	1703.16	0.04
6	Investments (details on pages 304 to 320)	–	–	–	3.00	326.11	–	–	–
7	Turnover	0.54	–	268.47	35.62	1,254.93	747.79	37.08	–
8	Profit before taxation	0.09	–	52.31	(6.81)	155.05	(71.85)	(32.39)	–
9	Provision for taxation	0.02	–	17.65	0.05	54.90	13.66	–	–
10	Profit after taxation	0.07	–	34.66	(6.86)	100.15	(85.51)	(32.39)	–
11	Interim dividend - equity	–	–	19.41	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Sr. no.	Particulars	L&T Infra Investment Partners Advisory Private Limited	L&T infra Investment Partners Trustee Private Limited	L&T Vrindavan Properties Limited (Formerly known as L&T Unnati Finance Limited)	L&T Access Distribution Services Limited (Formerly known as L&T Access Financial Advisory Services Limited)	L&T BPP Tollway Limited	L&T Deccan Tollways Limited	L&T Valves Limited (formerly known as Audco India Limited)	CSJ Hotels Private Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency	–	–	–	–	–	–	–	–
	Exchange rate on the last day of financial year	–	–	–	–	–	–	–	–
1	Share capital (including share application money pending allotment)	5.00	0.10	18.75	6.00	247.20	25.68	15.63	0.01
2	Reserves	(7.12)	(0.06)	(19.27)	(10.22)	(3.69)	(1.03)	183.41	(0.01)
3	Liabilities	18.95	0.02	480.94	12.29	1617.59	5.19	764.68	0.01
4	Total liabilities	16.83	0.06	480.42	8.07	1861.10	29.84	963.72	0.01
5	Total assets	16.83	0.06	480.42	8.07	1861.10	29.84	963.72	0.01
6	Investments (details on pages 304 to 320)	6.77	–	88.91	–	–	3.57	–	–
7	Turnover	8.88	0.02	1.63	6.11	–	–	912.71	–
8	Profit before taxation	(0.62)	(0.01)	(22.32)	(0.69)	(2.06)	(0.02)	140.53	–
9	Provision for taxation	(3.42)	–	(3.32)	(0.01)	–	–	43.41	–
10	Profit after taxation	2.80	(0.01)	(19.00)	(0.68)	(2.06)	(0.02)	97.12	–
11	Interim dividend - equity	–	–	–	–	–	–	64.88	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Information on Subsidiary Companies
(for the financial year ended or as on, as the case may be)

₹ *crore*

Sr. no.	Particulars	L&T Housing Finance Limited	Consumer Financial Services Limited	Family Credit Limited	L&T Capital Markets Limited	L&T Trustee Services Private Limited	L&T Infra Debt Fund Limited	L&T East-West Tollway Limited	L&T Great Eastern Highway Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-03-2014**
	Currency	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1	Share capital (including share application money pending allotment)	81.42	1.00	204.31	16.75	0.01	304.00	27.98	22.16
2	Reserves	221.63	(0.62)	268.56	(12.93)	1.64	18.88	(0.47)	(0.30)
3	Liabilities	1853.89	0.01	2780.30	5.93	0.01	0.20	2.96	4.85
4	Total liabilities	2156.94	0.39	3253.17	9.75	1.66	323.08	30.47	26.71
5	Total assets	2156.94	0.39	3253.17	9.75	1.66	323.08	30.47	26.71
6	Investments (details on pages 304 to 320)	250.62	–	185.00	4.30	–	–	–	–
7	Turnover	133.75	0.00	448.30	18.05	–	0.00	–	6.85
8	Profit before taxation	15.05	0.02	65.36	(11.34)	0.10	23.48	(0.04)	(0.02)
9	Provision for taxation	4.98	–	(11.00)	–	0.03	4.60	–	–
10	Profit after taxation	10.07	0.02	76.36	(11.34)	0.07	18.88	(0.04)	(0.02)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Sr. no.	Particulars	L&T Technology Services Limited	L&T Tejomaya Limited	Larsen & Toubro Infotech South Africa (PTY) Limited	Thalest Limited	Servowatch Systems Limited	Larsen Toubro Arabia LLC	Henikwon Corporation Sdn Bhd	Mudit Cement Private Limited
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-12-2013**	**31-03-2014**
	Currency	**–**	**–**	**South African Rand**	**British Pound**	**British Pound**	**Saudi Riyal**	**Malaysian Ringgit**	
	Exchange rate on the last day of financial year	**–**	**–**	**5.65**	**102.14**	**102.14**	**16.48**	**18.85**	
1	Share capital (including share application money pending allotment)	502.72	26.34	0.27	1.37	10.44	14.77	11.26	2.10
2	Reserves	(17.82)	3.78	0.52	(14.07)	(18.79)	(1.33)	(25.15)	(1.07)
3	Liabilities	151.99	67.63	17.97	45.09	35.20	140.21	40.76	29.48
4	Total liabilities	636.89	97.75	18.76	32.39	26.85	153.65	26.87	30.51
5	Total assets	636.89	97.75	18.76	32.39	26.85	153.65	26.87	30.51
6	Investments (details on pages 304 to 320)	–	–	–	–	–	–	–	–
7	Turnover	126.17	16.35	51.42	35.14	30.99	46.68	63.49	–
8	Profit before taxation	11.55	4.88	0.47	(13.51)	(12.36)	(2.51)	(3.48)	(1.04)
9	Provision for taxation	5.34	2.58	0.16	–	–	0.07	–	–
10	Profit after taxation	6.21	2.30	0.31	(13.51)	(12.36)	(2.58)	(3.48)	(1.04)
11	Interim dividend - equity	–	–	–	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	4.93	–	–	–	–	–	–	–

Information on Subsidiary Companies
(for the financial year ended or as on, as the case may be)

₹ crore

Sr. no.	Particulars	Kudgi Transmission Limited	L&T Sambhalpur Rourkela Tollway limited	L&T Construction Equipment Limited (formerly known as L&T Komatsu Limited)	L&T Information Technology Services (Shanghai) Co. Ltd.	L&T IDPL Trustee Manager Pte Ltd.	Larsen & Toubro Hydrocarbon International Limited LLC	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Kana Controls General Trading & Contracting Company W.L.L.
	Financial year ending on	**31-03-2014**	**31-03-2014**	**31-03-2014**	**31-12-2013**	**31-03-2014**	**31-12-2013**	**31-12-2013**	**31-12-2013**
	Currency				**Chinese Yuan Renminbi**	**Singapore Dollar**	**Saudi Riyal**	**Indonesian Rupiah**	**Kuwaiti Dinar**
	Exchange rate on the last day of financial year				**10.13**	**47.58**	**16.48**	**0.01**	**218.94**
1	Share capital (including share application money pending allotment)	53.00	0.55	120.00	0.22	1.19	0.75	–	1.94
2	Reserves	(0.57)	(0.07)	94.80	(0.40)	(0.05)	(0.98)	–	(0.51)
3	Liabilities	13.02	0.83	143.50	0.35	0.03	8.83	–	5.92
4	Total liabilities	65.45	1.31	358.30	0.17	1.17	8.60	0.00	7.35
5	Total assets	65.45	1.31	358.30	0.17	1.17	8.60	0.00	7.35
6	Investments (details on pages 304 to 320)	0.01	–	–	–	–	–	–	–
7	Turnover	–	–	510.02	0.15	–	–	–	7.94
8	Profit before taxation	(0.57)	(0.07)	16.14	(0.40)	(0.05)	(1.00)	–	(1.11)
9	Provision for taxation	–	–	4.62	–	–	–	–	–
10	Profit after taxation	(0.57)	(0.07)	11.52	(0.40)	(0.05)	(1.00)	–	(1.11)
11	Interim dividend - equity	–	–	96.00	–	–	–	–	–
12	Interim dividend - Preference	–	–	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–	–	–

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Finance Limited				
Long term investment:				
Government and trust securities:				
12% National saving certificates 2002 (₹ 4000)	40	100	–	Unquoted
LTFL Securitisation Trust 2002 (₹ 1000)			–	Unquoted
Fully paid equity shares:				
Invent Assets Securitisation & Reconstruction Private Limited	71,00,000	10	15.97	Unquoted
Alpha Micro Finance Consultants Private Limited	2,00,000	10	0.20	Unquoted
Security receipts:				
Phoenix ARC Private Limited :				
Phoenix ARF Scheme 6	9,843	1000	0.98	Unquoted
Phoenix ARF Scheme 7	23,238	257	0.60	Unquoted
Phoenix ARF Scheme 9	6,612	970	0.64	Unquoted
Phoenix ARF Scheme 10	18,889	1000	1.89	Unquoted
Phoenix ARF Scheme 11	44,208	1000	4.42	Unquoted
Phoenix ARF Scheme 13	27,404	1000	2.74	Unquoted
Phoenix ARF Scheme 14	34,882	1000	3.49	Unquoted
Phoenix ARF Scheme 15	10,691	1000	1.07	Unquoted
Mutual funds:				
KKR India debt Opportunities Fund III	72,500	1000	7.25	Unquoted
Other company:				
Fully paid equity shares:				
Metropoli Overseas Limited	99,400	10	0.15	Unquoted
Anil Chemicals and Industries Limited	40,000	10	0.08	Unquoted
Elque Polyesters Limited	1,94,300	10	0.19	Quoted
Monnet Industries Limited	5,640	10	0.02	Quoted
Monnet Ispat And Energy Limited	3,008	10	0.01	Quoted
Monnet Project Developers Limited	11,280	10	0.04	Quoted
Glodyne Technologies Limited	3,19,262	6	0.23	Quoted
Intergrated Digital Info Services Limited	3,83,334	10	0.12	Quoted
SUB -TOTAL			**40.10**	
Long term investment:				
Debentures and bonds:				
IDFC Ltd (M+150bps) 16 May 2017	400	1000000	46.84	Quoted
SUB -TOTAL			**46.84**	
Less: Provision for diminution in value			0.62	
TOTAL			**86.32**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
Larsen & Toubro Infotech Limited				
Current investments:				
Mutual funds:				
Liquid investments:				
L&T Ultra Short Fund -IP-DDR	19,77,104	10	2.00	Quoted
L&T Liquid Super IP DDR	5,24,389	1000	52.91	Quoted
IDFC Money Manager - Treasury Plan -DDR	49,70,782	10	5.00	Quoted
IDBI Ultra Short Term Fund- DDR	49,947	1000	5.00	Quoted
Kotak Banking & PSU Debt Fund-DDR	30,35,243	10	3.00	Quoted
L&T Cash Fund- DDR	48,948	1000	5.00	Quoted
Templeton India Ultra Short Bond Fund - Super IP-D	53,56,912	10	5.30	Quoted
Fixed Maturity Plans:				
Birla Sun Life FTP-Series KG (367 D)-Growth	20,00,000	10	2.00	Quoted
DSP BlackRock FMP-Series 146 12M-Regular-Growth	20,00,000	10	2.00	Quoted
DSP BlackRock FMP-Series 144 12M-Regular-Growth	20,00,000	10	2.00	Quoted
HDFC FMP- 370D January 2014(1)-Growth	30,00,000	10	3.00	Quoted
HDFC FMP- 371D January 2014(2)-Growth	20,00,000	10	2.00	Quoted
ICICI Prudential FMP Series 72-370 Days- Plan G-Growth	20,00,000	10	2.00	Quoted
ICICI Prudential FMP Series 72-366 Days- Plan K-Growth	20,00,000	10	2.00	Quoted
ICICI Prudential Interval Fund Series VII Annual Plan C	20,00,000	10	2.00	Quoted
ICICI Prudential FMP Series 73-366 Days- Plan A-Growth	20,00,000	10	2.00	Quoted
IDBI FMP-Series IV-368 Days February 2014-Growth	20,00,000	10	2.00	Quoted
IDBI FMP-Series IV-366 Days (February 2014) E-Growth	20,00,000	10	2.00	Quoted
IDFC Fixed Term Plan Series 65 Direct Plan- Growth	20,00,705	10	2.00	Quoted
Kotak FMP Series 105-370 Days -Growth	20,00,000	10	2.00	Quoted
Kotak FMP Series 111-370 Days	20,00,000	10	2.00	Quoted
Kotak FMP Series 138-370 Days-Direct-Growth	20,00,000	10	2.00	Quoted
Kotak FMP Series 139-371 Days -Growth	20,00,000	10	2.00	Quoted
L&T FMP Series-10-Plan K-Dividend Payout	50,00,000	10	5.00	Quoted
L&T FMP Series-10-Plan L-Growth	20,00,000	10	2.00	Quoted
L&T FMP Series-VIII-Plan D Growth	20,00,000	10	2.00	Quoted
L&T FMP Series-VIII-Plan G	20,00,000	10	2.00	Quoted
L&T FMP Series-10-Plan A-Growth	20,00,000	10	2.00	Quoted
L&T FMP Series X-Plan D (367 Days)-Growth	40,00,000	10	4.00	Quoted
L&T FMP Series-10-Plan N-Growth	20,00,000	10	2.00	Quoted
Religare FMP Series 22-Plan G (370 Days)-Growth	20,00,000	10	2.00	Quoted
Religare Invesco FMP Series 22-Plan O (370 Days)-Growth	20,00,000	10	2.00	Quoted
UTI Fixed Term Income Fund Series XVII-X(367D) Growth	20,00,000	10	2.00	Quoted
UTI FTIF Series XVII-XVI (367 days)-Growth	20,00,000	10	2.00	Quoted
UTI Fixed Term Income Fund Series XVI-1(366 Days) Growth	20,00,000	10	2.00	Quoted
TOTAL			**140.21**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
Larsen & Toubro International FZE (as at 31-12-2013)				
Long term investment:				
Associate company:				
Fully paid equity shares:				
L&T-Camp Facilities LLC		Aggregating to US Dollar 667164	4.00	Unquoted
Jointly controlled entity:				
Fully paid equity shares:				
IndIran Engg & Project Services Krish LLC	875	Irani Riyal 1000000 each	0.52	Unquoted
TOTAL			4.52	
L&T-Sargent & Lundy Limited				
Current investments:				
Mutual funds:				
Axis Treasury Advantage Fund- Daily Dividend Reinvestment	42,971	1000	4.30	Unquoted
L&T FMP-VII (Feb 419 Day A)	40,00,000	10	4.00	Unquoted
L&T Liquid Fund Super IP	17,380	1000	1.76	Unquoted
L&T Ultra STF -Daily Dividend Reinvestment Plan	12,52,040	10	1.27	Unquoted
DSP BlackRock Liquidity Fund-Institutional Plan-DDR	39,091	1000	3.91	Unquoted
Birla Sunlife Floating Rate Fund Short Term Plan-DDR	5,17,648	1000	5.18	Unquoted
L&T Liquid Fund-Direct Plan-DDR	67,875	1000	6.87	Unquoted
L&T FMP-Series 10 -Plan N- Direct Growth	40,00,000	10	4.00	Unquoted
DWS Fixed Maturity Plan Series 50- Direct Plan -Growth	20,00,000	10	2.00	Unquoted
L&T FMP-Series X 91 Day -Growth	60,00,000	10	6.00	Unquoted
UTI Banking & PSU Debit Fund -Direct Plan-Growth	69,61,988	10	7.00	Unquoted
TOTAL			**46.29**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Infrastructure Development Projects Limited				
Long term investment:				
Associate companies:				
Fully paid equity shares:				
International Seaports Haldia (Private) Limited	98,30,000	10	9.83	Unquoted
Jointly controlled entity:				
Fully paid equity shares:				
The Dhamra Port Company Limited	32,39,99,960	10	324.00	Unquoted
Other companies:				
Fully paid equity shares:				
SICAL Iron Ore Terminals Limited	1,43,00,000	10	14.30	Unquoted
Second Vivekananda Bridge Tollway Company Private Limited (₹ 10000)	1,000	10	–	Unquoted
Current investments (at cost):				
Fully paid equity shares:				
Ennore Tank Terminals Private Limited	67,87,500	10	6.79	Unquoted
Mutual funds:				
SBI Premier Liquid Fund-Regular Plan-Growth Fund	5,166	2000	1.03	Quoted
TOTAL			**355.95**	
L&T Capital Company Limited				
Current investments:				
Mutual funds:				
Kotak Floater Short Term -Growth	1,605	1000	0.30	Quoted
Kotak Floater Short Term -Direct Plan-Growth	11,934	1000	2.35	Quoted
Kotak Bond Scheme Plan A -Direct Plan- Growth	8,61,621	10	2.90	Quoted
			5.55	
Less: Provision for diminution in value (₹ 42000)			–	
TOTAL			**5.55**	
Larsen & Toubro Infotech,GmbH				
Long term investment:				
Other company:				
Fully paid equity shares:				
Pan Health,USA	1,00,000	USD 1	–	Unquoted
TOTAL			**–**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
Larsen & Toubro Qatar LLC				
Long term investment:				
Jointly controlled entity:				
Fully paid equity shares:				
Larsen & Toubro Qatar & HBK Contracting Co WLL -JV	100	QTR 100000	0.16	Unquoted
SUB -TOTAL			**0.16**	
Less: Provision for diminution in value			0.16	
TOTAL			–	
L&T Infrastructure Finance Company Limited				
Long term investment:				
Associate companies:				
Fully paid equity shares:				
Feedback Infrastructure Services Private Limited	37,90,000	100	37.90	Unquoted
Other company:				
Fully paid equity shares:				
BSCPL Infrastructure Limited	10,47,916	10	60.05	Unquoted
Tikona Digital Networks Private Limited	605	10	0.17	Unquoted
Bhoruka Power Corporation Limited	100	10	0.01	Unquoted
Bhoruka Power Holdings Private Limited (₹ 2000)	100	10	–	Unquoted
Mission Holdings Private Limited (₹ 1000)	100	10	–	Unquoted
Coastal Projects Limited	3,28,526	10	14.82	Unquoted
Hanjer Biotech Energies Private Limited	2,08,716	10	9.44	Unquoted
Compulsory Convertible Debentures:				
Tikona Digital Networks Private Limited	5,41,040	2840	153.66	Unquoted
Bhoruka Power Corporation Limited	15,336	100000	153.36	Unquoted
Multiple Option Exchangeable Debentures (MOEDs):				
Mission Holdings Private Limited	5,500	100000	55.00	Unquoted
Cumulative Redeemable Preference Shares:				
Anrak Aluminium Limited	12,50,00,000	10	125.00	Unquoted
KSK Energy Ventures Limited	3,40,00,000	10	34.00	Unquoted
Venture Capital Units:				
LICHFL Urban Development Fund	2,870	10000	2.87	Unquoted
L&T Infra Investments Partner Fund				
Class B	99,51,689	100	99.52	Unquoted
Class C	5,00,000	100	5.00	Unquoted
Class D	10,000	10	0.01	Unquoted
Investment in Security Receipts:				
Phoenix ARC Private Limited	10,61,435	1000	106.14	Unquoted
Current investments:				
Fully paid equity shares:				
C&C Construction Limited	8,77,081	10	2.08	Quoted
B.L. Kashyap & Sons Limited	78,82,522	1	4.14	Quoted
ICOMM Tele Limited	41,667	10	-	Unquoted
Fully paid preference shares:				
KSK Energy Ventures Limited	3,30,00,000	10	33.00	Unquoted
Mutual funds:				
L&T Liquid Fund Direct Plan - Growth	31,58,759	1000	555.00	Unquoted
L&T Ultra Short Term Fund Direct Plan - Growth	10,03,23,515	10	209.08	Unquoted
L&T Floating Rate Fund Direct Plan - Growth	4,80,92,723	10	60.00	Unquoted
SUB-TOTAL			1720.25	
Less: Provision for diminution in value			9.44	
TOTAL			**1710.81**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Power Limited (formerly known as L&T Power Projects Limited)				
Current investments:				
Mutual funds:				
L&T Liquid Fund - Institutional Plan Plus- DDR	42,031	1000	4.25	Unquoted
TOTAL			**4.25**	
L&T - MHI Boilers Private Limited				
Current investments:				
Mutual funds:				
Short term debt plan:				
BSL Floating Rate Fund STP Growth- Direct	5,69,008	100	8.95	Quoted
BSL Short Term Fund _Growth- Direct	1,41,96,224	10	61.87	Quoted
ICICI Prudential Liquid - Direct Plan- Growth	17,51,480	100	30.35	Quoted
Kotak Floater Short Term - Direct Plan -Growth	1,89,414	1000	36.34	Quoted
Reliance Liquidity Fund- Treasury Plan- Direct Growth Plan	21,060	1000	6.00	Quoted
Reliance Medium Term Fund - Direct Growth Plan	1,76,59,065	10	43.00	Quoted
SBI Short Term Debt Fund - Direct Plan- Growth	3,70,89,006	1000	50.10	Quoted
UTI Short Term Income Fund - Institutuional Option - Direct Plan- Growth	6,30,85,960	10	89.50	Quoted
TOTAL			**326.11**	
L&T-Valdel Engineering Limited				
Current investments:				
Mutual funds:				
JP Morgan India Liquid Fund	5,11,820	10	0.84	Unquoted
TOTAL			**0.84**	
L&T Power Development Limited				
Long term investment:				
Other companies:				
Fully paid equity shares:				
Konaseema Gas Power Limited	2,10,00,000	10	21.05	Unquoted
TOTAL			**21.05**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Finance Holdings Limited				
Long term investments:				
Associate company:				
Fully paid equity shares:				
NAC Infrastructure Equipment Limited	45,00,000	10	4.50	Unquoted
Current investments:				
Mutual funds:				
L&T Ultra Short Term Fund Direct Plan -Growth	7,27,23,711	10	151.56	Unquoted
L&T Flexi Bond Fund - Direct Plan -Growth	2,06,77,541	10	26.88	Unquoted
L&T Liquid Fund -Direct Plan -Growth	1,13,806	1000	20.00	Unquoted
SUB -TOTAL			**202.94**	
Less: Provision for diminution in value			4.50	
TOTAL			**198.44**	
L&T Investment Management Limited				
Current investments:				
Mutual funds:				
L&T Liquid Fund Direct Plan- Growth	2,64,599	1000	46.50	Unquoted
L&T FMP Series 8-Plan J- Direct Growth	20,00,000	10	2.00	Unquoted
L&T FMP Series 10-Plan L- Direct Growth	2,00,00,000	10	20.00	Unquoted
TOTAL			**68.50**	
Nabha Power Limited				
Current investments:				
Mutual funds:				
Axis Liquid Fund - Direct Plan – DDR	109	1000	0.01	Unquoted
Birla Sun Life Cash Plus – DDR	7,096	100	0.07	Unquoted
Birla Sun Life Cash Plus - Direct Plan – DDR	8,086	100	0.08	Unquoted
ICICI Prudential Flexible Income Plan – DDR	14,353	100	0.15	Unquoted
ICICI Prudential Liquid Fund – DDR	6,638	100	0.07	Unquoted
ICICI Prudential Liquid Fund – Direct Plan – DDR	1,624	100	0.02	Unquoted
L&T Liquid Fund - Direct Plan – DDR	53,614	1000	5.43	Unquoted
L&T Ultra STF Institutional – Direct Plan – DDR	54,885	10	0.06	Unquoted
HDFC Liquid Fund DDR	32,068	10	0.03	Unquoted
TOTAL			**5.92**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T General Insurance Company Limited				
Long term investment:				
Government securities:				
7.80% GOI CG 03-05-2020	5,00,000	100	5.05	Quoted
8.19% GOI CG 16-01-2020	5,00,000	100	5.01	Quoted
8.20% GOI CG 15-02-2022	15,00,000	100	15.22	Quoted
8.20% GOI CG 24-09-2025	10,00,000	100	9.58	Quoted
8.26% GOI CG 02-08-2027	5,00,000	100	4.95	Quoted
8.33% GOI CG 09-07-2026	5,00,000	100	5.03	Quoted
8.85% MH SDL SG 2022	10,00,000	100	9.93	Quoted
8.91% Gujarat State Government SG 2022	5,00,000	100	5.21	Quoted
8.97% GOI CG 05-12-2030	10,00,000	100	10.77	Quoted
9.15% GOI CG 14-11-2024	10,00,000	100	10.81	Quoted
Debentures and bonds:				
10.06% L&T IDPL BS 27-04-2015 C	5,00,000	100	4.99	Quoted
10.06% L&T IDPL BS 28-04-2014	2,50,000	100	2.50	Quoted
7.70% NHPC BS 31-03-2018	1,00,000	100	0.95	Quoted
8.79% HDFC LTD NCB 21-07-2020	4,00,000	100	3.98	Quoted
8.80% GAIL BS 13-12-2018	5,00,000	100	4.93	Quoted
8.80% GAIL BS 13-12-2019	5,00,000	100	4.93	Quoted
8.84% PGC BS 21-10-2014	10,00,000	100	9.95	Quoted
8.84% PGC NCB 21-10-2020	5,00,000	100	5.01	Quoted
8.90% PGC BS 25-02-2015	50,000	100	0.50	Quoted
8.95% IBS LTD NCD 15-09-2020	1,30,000	100	1.25	Quoted
9.25% HDFC NCB 26-02-2018	5,00,000	100	5.03	Quoted
9.35% PGC BS 29-08-2016 A	3,00,000	100	3.00	Quoted
9.35% PGC DB 29-08-2020	2,00,000	100	2.01	Quoted
9.40% NHB BS 10-01-2015	5,00,000	100	5.00	Quoted
9.63% PFC BS 15-12-2014	5,00,000	100	5.02	Quoted
9.68% HDFC LTD BS 09-02-2015	5,00,000	100	5.00	Quoted
9.84% LIC HF NCD 29-11-2016	5,00,000	100	5.00	Quoted
9.85% LIC HF DB 03-05-2014	5,00,000	100	4.99	Quoted
11.69% Tata Teleservices NCD 14-08-2025	3,00,000	100	3.06	Quoted
10.10% HDB NCD 30-11-2015	5,00,000	100	5.00	Quoted
10.10% Shriram Transport Finance DB 23-09-2014	10,00,000	100	9.90	Quoted
Carried forward			173.56	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
Debentures and bonds: ***(contd.)***				
Brought forward			173.56	
10.40% TISCO DB 15-05-2019	5,00,000	100	5.32	Quoted
10.60% Shriram Transport Finance DB 05-06-2018	10,00,000	100	10.00	Quoted
11.80% TISCO BS 18-03-2021	10,00,000	100	10.76	Quoted
9.00% ICICI BANK DB 04-06-2018	15,00,000	100	15.00	Quoted
9.35% IOC NCB 30-04-2017 XII	15,00,000	100	15.04	Quoted
9.40% NABARD BS 30-03-2014	10,00,000	50	5.02	Quoted
9.55% HINDALCO BS 27-06-2022	5,00,000	100	5.21	Quoted
9.55% HINDALCO DB 27-06-2022	5,00,000	100	5.05	Quoted
9.75% GE SHIPPING DB 20-08-2019	10,00,000	100	10.42	Quoted
Current investments:				
Government securities:				
364 D TB 17-04-2014	5,00,000	100	4.98	Quoted
Other Securities (Short Term)				
Allahabad Bank CD 02-06-2014	10,00,000	100	9.85	Quoted
ICICI Bank CD 03-06-2014	5,00,000	100	4.93	Quoted
Mutual funds:				
Birla Sun Life Cash Plus - Growth	1,64,586	100	3.39	Quoted
Birla Sun Life Cash Plus-OI (₹ 12000)	57	100	–	Quoted
JM High Liquidity Fund	4,27,583	10	1.50	Quoted
JM High Liquidity Fund-OI (₹ 13000)	362	10	–	Quoted
JP Morgan India Liquid Fund-DIR Growth	7,13,156	10	1.19	Quoted
JP Morgan Liquid Fund DIR-Growth-OI	20,34,388	10	3.38	Quoted
L&T Cash Fund-DIR-G-OI	39,929	1000	4.16	Quoted
L&T Liquid Fund DIR G-OI	1,752	1000	0.31	Quoted
L&T Liquid Fund Direct Growth	5,850	1000	1.03	Quoted
SBI Magnum Instacash (Cash) Direct-OI	13,150	1000	3.73	Quoted
TOTAL			**293.83**	

L&T Infocity Limited				
Long term investment:				
Associate company:				
Fully paid equity shares:				
Vizag IT Park Limited	23,40,000	10	2.34	Unquoted
TOTAL			**2.34**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
GDA Technologies Limited				
Current investments:				
Mutual funds:				
Birla Sunlife Floating STP -Direct Reinvestment	5,81,056	100	5.82	Quoted
Franklin India Treasury Mgmt Super IP	32,950	1000	3.30	Quoted
Franklin Templeton IUSFB-Super IP	20,72,048	10	2.08	Quoted
L&T Liquid Fund-DDR	1,71,597	1000	17.37	Quoted
TOTAL			**28.57**	
L&T Uttaranchal Hydropower Limited				
Current investments:				
Mutual funds:				
L&T Ultra STF Direct Plan-DDR	4,64,27,669	10	47.94	Quoted
TOTAL			**47.94**	
L&T Arunachal Hydropower Limited				
Current investments:				
Mutual funds:				
L&T Freedom Income Fund ST/IP/DDR	3,77,888	10	0.38	Quoted
TOTAL			**0.38**	
L&T Himachal Hydropower Limited				
Current investments:				
Mutual funds:				
L&T Freedom Income Fund ST/IP/DDR	12,85,060	10	1.33	Quoted
TOTAL			**1.33**	
L&T Infra Investment Partners Advisory Private Limited				
Long term investment:				
L&T Infra Investment Partners Fund (₹ 10000)	100	100	–	Unquoted
Current investments:				
Mutual funds:				
ICICI Prudential Flexible Income- Direct Plan- Daliy Dividend	6,38,993	100	6.77	Unquoted
TOTAL			**6.77**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Special Steels and Heavy Forgings Private Limited				
Current investments:				
Mutual funds:				
ICICI Prudential Flexible Income DDR Plan	1,57,746	100	1.67	Unquoted
ICICI Prudential Liquid Regular DDR Plan	1,62,658	100	1.63	Unquoted
TOTAL			**3.30**	
L&T Capital Markets Limited				
Current investments:				
Mutual funds:				
L&T Liquid Fund Direct Plan -Growth	24,775	1000	4.30	Unquoted
TOTAL			**4.30**	
L&T Kobelco Machinery Private Limited				
Current investments:				
Mutual funds:				
L&T Liquid Fund Direct Plan Growth	587	1000	0.10	Quoted
Reliance Liquid Fund- Treasury Plan- Growth	1,946	1000	0.60	Quoted
IDFC Money Manager Fund- Treasury Plan- Growth	6,52,948	10	1.31	Quoted
L&T Ultra Short Tem Fund Direct Plan- Growth	4,76,568	10	0.99	Quoted
TOTAL			**3.00**	
L&T Metro Rail (Hyderabad) Limited				
Current investments:				
Mutual funds:				
SBI Mutual Fund- Daily Dividend	99,763	1000	10.01	Quoted
L&T Liquid Fund-Daily Dividend	29,820	1000	3.02	Quoted
TOTAL			**13.03**	
L&T Vrindavan Properties Limited (formerly known as L&T Unnati Finance Limited)				
Long term investment:				
Fully paid equity shares:				
City Union Bank Limited	1,91,95,012	1	38.91	Quoted
Current investments:				
Mutual funds:				
L&T Liquid Fund- Direct Plan-Growth	2,84,515	1000	50.00	Unquoted
TOTAL			**88.91**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Gulf Private Limited				
Long term investment:				
Mutual funds:				
L&T-FMP Series 10-Plan S- Growth	2,00,000	10	0.20	Quoted
Current Investments:				
Mutual funds				
L&T Liquid Fund Direct Plan Daily Dividend Reinvestment Plan	1,263	10	0.13	Unquoted
L&T- Cash Fund	50,000	10	0.05	Quoted
TOTAL			**0.38**	
L&T Housing Finance Limited				
Long term investment:				
Fully paid equity shares:				
The Kalyan Janatha Sahakari Bank Limited	20,000	25	0.05	Unquoted
The Malad Sahakari Bank Limited (₹ 1000)	100	10	–	Unquoted
Current investments:				
Government Securities:				
7.50% Government of India Stock 2034	14,000	100	0.14	Quoted
6.13% Government of India Stock 2028	40,000	100	0.38	Quoted
Bonds:				
7.30% Food Corporation of India Bonds 2015	10,000	100	0.10	Quoted
Mutual funds:				
L&T Ultra Short Term Fund Direct Plan - Growth	2,40,19,843	10	50.06	Unquoted
L&T Liquid Fund Direct Plan - Growth	11,38,060	1000	200.00	Unquoted
SUB -TOTAL			**250.73**	
Less: Provision for diminution in value			0.11	
TOTAL			**250.62**	
L&T Seawoods Private Limited				
Current investments:				
Mutual funds:				
L&T Liquid Fund Direct Plan Daily Dividend Reinvestment Plan	87,291	1000	8.83	Unquoted
TOTAL			**8.83**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Shipbuilding Limited				
Current investments:				
Mutual funds:				
IDFC Cash Fund Growth Plan	10,489	1000	1.49	Quoted
SBI Premier Liquid Fund- Growth Plan	40,867	1000	8.00	Quoted
L&T Cash Fund Growth Plan	23,871	1000	2.28	Quoted
TOTAL			**11.77**	
L&T Cutting Tools Limited (formerly Tractor Engineers Limited)				
Current investments:				
Mutual funds:				
L&T Ultra STF Direct Plan - Daily Dividend	17,15,761	10	1.77	Unquoted
TOTAL			**1.77**	
L&T Fincorp Limited				
Long term investment:				
Fully paid equity shares:				
Jaypee Infratech Limited	37,85,221	10	13.31	Quoted
Current investments:				
Fully paid equity shares:				
VMC Systems Limited	4,60,492	10	8.98	Unquoted
Mutual funds:				
L&T Liquid Fund Direct Plan -Growth	5,97,482	1000	105.00	Unquoted
TOTAL			**127.29**	
L&T Chennai Tada Tollway Limited				
Current investments:				
Mutual funds:				
HDFC Cash Management Fund -Savings Plan	72,967	10	0.19	Quoted
IDFC Cash Fund -Growth (Regular Plan)	11,405	1000	1.77	Quoted
Baroda Pioneer Liquid Fund- Plan A Growth	3,631	1000	0.53	Quoted
TOTAL			**2.49**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Samakhiali Gandhidham Tollway Limited				
Current investments:				
Mutual funds:				
Reliance Liquidity Fund-Growth Plan ISIN	9,908	1000	1.90	Quoted
IDFC Cash Fund Plan-Super Institutional Plan B-Growth	30,791	1000	4.73	Quoted
Tata Liquid Plan A Growth	10,029	1000	2.33	Quoted
SBI Premier Liquid Fund-Super Institutional -Growth	1,12,160	1000	22.56	Quoted
L&T Liquid Fund-Growth	24,936	1000	4.34	Quoted
TOTAL			**35.86**	
L&T Panipat Elevated Corridor Limited				
Current investments:				
Mutual funds:				
Religare Invesco Liquid Fund Growth	9,095	1000	1.60	Quoted
Kotak Liquid Plan A Growth	580	1000	0.15	Quoted
HDFC Cash Management Fund-Saving Growth	19,36,897	10	5.15	Quoted
IDFC Cash Fund Plan A Growth	57,202	1000	8.81	Quoted
SBI Premier Liquid Fund-Super Intitutional -Growth	24,985	1000	5.00	Quoted
L&T Liquid Fund-Growth	30,070	1000	5.25	Quoted
TOTAL			**25.96**	
L&T Krishnagiri Thopur Tollroad Limited				
Current investments:				
Mutual funds:				
DSP BlackRock Liquidity Fund - Institutional - Growth	38,464	1000	6.95	Quoted
HDFC Cash Management Fund - Savings Plan - Growth	19,19,185	10	5.03	Quoted
IDFC Cash Fund - Growth -(Regular Plan)	24,562	1000	3.77	Quoted
SBI Premier Liquid Fund -Regular Plan-Growth	23,757	1000	4.71	Quoted
Reliance Liquid Fund - Growth Plan Growth Option	14,024	1000	2.68	Quoted
Tata Liquid Fund Plan A - Growth	31,999	1000	7.45	Quoted
L&T Liquid Fund - Growth	7,190	1000	1.26	Quoted
Religare Liquid Fund - Growth Plan	8,294	1000	1.44	Quoted
Kotak Liquid Institutional Premium Plan Growth	10,376	1000	2.68	Quoted
TOTAL			**35.97**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Western Andhra Tollways Limited				
Current investments:				
Mutual funds:				
L&T Liquid fund - Growth	12,333	1000	2.15	Quoted
HDFC Cash Management Fund - Savings Plan - Growth	27,87,803	10	7.35	Quoted
Reliance Liquid Fund - Growth Plan Growth Option	40,303	1000	7.69	Quoted
Religare Invesco Liquid Fund - Growth Plan	801	1000	0.14	Quoted
Kotak Liquid Scheme Plan A - Growth INF174K01NI9	2,863	1000	0.74	Quoted
SBI Premier Liquid Fund - Regular Plan - Growth	28,451	1000	5.67	Quoted
DSP BlackRock Liquidity Fund - Institutional Plan - Growth	4,243	1000	0.77	Quoted
TFG1 TATA Liquid Fund Plan A - Growth - INF277K01MA9	6,719	1000	1.57	Quoted
Birla Sun Life Ultra Short Term Fund - Institutional Daily Dividend - Close ended	79,829	100	1.57	Quoted
TOTAL			**27.65**	
L&T Interstate Road Corridor Limited				
Current investments:				
Mutual funds:				
Birla Sun Life Cash Plus Regular Growth	82,098	100	1.61	Quoted
IDFC Cash Fund Plan -Super Institutional Plan C -Growth	75,986	1000	11.69	Quoted
HDFC Cash Management Fund-Saving Growth	6,98,251	10	1.78	Quoted
Tata Liquid Plan A Growth	36,118	1000	8.45	Quoted
SBI Premier Liquid Fund-Super Institutional -Growth	44,737	1000	9.00	Quoted
L&T Liquid Fund-Growth	97,463	1000	17.00	Quoted
TOTAL			**49.53**	
L&T Western India Tollbridge Limited				
Current investments:				
Mutual funds:				
HDFC Cash Management Fund-Saving Plan-Growth	2,89,012	10	0.71	Quoted
TOTAL			**0.71**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Transportation Infrastructure Limited				
Current investments:				
Mutual funds:				
L&T Liquid Growth Fund	25,178	1000	4.42	Quoted
IDFC Cash Fund Growth (Regular Plan)	24,316	1000	3.78	Quoted
TOTAL			**8.20**	
L&T Halol - Shamlaji Tollway Limited				
Current investments:				
Mutual funds:				
Reliance Liquidity Fund-Growth Plan	69,995	1000	13.50	Quoted
DSP BlockRock Mutual Fund	2,191	1000	0.40	Quoted
TOTAL			**13.90**	
L&T Devihalli Hassan Tollway Limited				
Current investments:				
Mutual funds:				
IDFC Cash Fund -Growth (Regular Plan)	1,092	1000	0.17	Quoted
TOTAL			**0.17**	
L&T Ahmedabad - Maliya Tollway Limited				
Current investments:				
Mutual funds:				
HDFC Cash Management Fund-Saving Plan -Growth	93,979	10	0.25	Quoted
IDFC Cash Fund -Growth-(Regular Plan)	55,572	1000	8.65	Quoted
L&T Liquid Fund-Growth	1,98,468	1000	34.85	Quoted
Baroda Life Liquid Fund	14,374	1000	2.10	Quoted
TOTAL			**45.85**	
L&T Rajkot - Vadinar Tollway Limited				
Current investments:				
Mutual funds:				
L&T Liquid Fund-Growth	570	1000	0.10	Quoted
TOTAL			**0.10**	

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2014/31-12-2013

Name of the Company	No. of Shares/ Units/Bonds	Face Value (₹)	Book Value (₹ crore)	Quoted/ Unquoted
L&T Deccan Tollways Limited				
Current investments:				
Mutual funds:				
L&T Liquid Fund-Growth	20,464	1000	3.57	Quoted
TOTAL			**3.57**	
Family Credit Limited				
Current investment:				
Mutual funds:				
L&T Liquid Fund-Direct Plan-Growth	10,52,706	1000	185.00	Unquoted
TOTAL			**185.00**	
Kudgi Transmission Limited				
Current investments:				
Mutual funds:				
L&T Liquid Fund-Growth	57	1000	0.01	Quoted
TOTAL			**0.01**	
L&T Krishnagiri Walajahpet Tollway Limited				
Current investments:				
Mutual funds:				
IDFC Cash Fund-Growth (Regular Plan)	8,026	1000	1.24	Quoted
Reliance Liquidity Fund-Growth Plan-Growth Option	9,817	1000	1.88	Quoted
Tata Liquid Plan A Growth	3,129	1000	0.73	Quoted
Birla Sun Life Cash Plus Growth Regular Plan	18,963	100	0.37	Quoted
L&T Liquid Fund Plan A -Growth	2,997	1000	0.53	Quoted
TOTAL			**4.75**	

LARSEN & TOUBRO LIMITED

Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.
CIN: L99999MH1946PLC004768

Dear Shareholders,

Green Initiative in Corporate Governance
Issue copies of documents in Electronic Form

You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository.

Larsen & Toubro Limited, in its constant endeavour to enhance the sustainability of the environment and cutting down on consumption of paper, proposes to give an option to it's shareholders to receive all documents like General Meeting Notices (Including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, ECS Intimations, etc. in electronic form at their e-mail addresses registered with their respective Depository Participant (DP) accounts {in the records of the Depositories, viz. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL)}. Shareholders holding shares in physical form will receive the documents as stated above at their e-mail address registered with/provided to the Company's Registrar & Transfer Agent (RTA).

We request you to join us in this noble initiative by registering your e-mail id and giving consent to receive the documents as stated above in electronic form. Please give your consent in the format given below, through e-mail to LNTGOGREEN@LARSENTOUBRO.COM.

Dear Sir,

Larsen & Toubro Limited ; Consent of shareholder to receive documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, ECS Intimations, etc. in Electronic Form

I refer to your circular dated 30.05.2014 on the above subject and give my consent to receive the documents as stated above in electronic form at my e-mail address registered with the Depository/RTA.

Name : ____________________

Folio No./DPID/Client ID : ____________________

E-mail ID : ____________________

In case of any updations/changes in your registered e-mail address, you are requested to promptly update the same with your DP. Shareholders holding shares in physical form have to send their updations/changes to the RTA, M/s Sharepro Services (India) Pvt. Ltd., by sending email to LNTGOGREEN@LARSENTOUBRO.COM

Please note that the Annual Report will also be available on the Company's website www.Larsentoubro.com for your ready reference. The shareholders of the Company are entitled to request and receive, free of cost, a printed copy of the annual report and other documents of the Company.

We are sure that you would appreciate the "Green Initiative" taken by your Company and opt for receiving documents as stated above in electronic form.

N. Hariharan
Company Secretary

Date: 30.05.2014

LARSEN & TOUBRO LIMITED

Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.
CIN: L99999MH1946PLC004768

Shareholder’s Satisfaction Survey Form – 2014

Dear Shareholders,

It has been our constant endeavor to provide best of the services to our valuable shareholders and maintain highest level of Corporate Governance in this Company. In order to further improve shareholder service standards, we seek your inputs through this survey.

We would be grateful, if you could spare your valuable time to fill the questionnaire given below and send it back to us at the Registered Office address mentioned above. Alternatively, a softcopy of the questionnaire can be downloaded from the Investors section on our website www.Larsentoubro.com. The duly filled in questionnaire can be sent by e-mail to IGRC@Larsentoubro.com.

Thank You,

N. Hariharan
Company Secretary

Name & Address of the Shareholder ______________________

____

____

Folio No. / DP ID / Client ID ______________________

Kindly put a tick in relevant columns below.

ATTRIBUTES	Please indicate your satisfaction level		
	Delighted	**Satisfied**	**Dissatisfied**
Transfer/Transmission/Demat/Remat of Shares			
Issue of Duplicate Share Certificates			
Issue of shares – on demerger/bonus – 2004, 2006, 2008 & 2013			

ATTRIBUTES	Please indicate your satisfaction level		
	Delighted	**Satisfied**	**Dissatisfied**
Issue of duplicate dividend warrants			
Dividend through ECS/ Warrants/ Demand Drafts			
Responses to queries/complaints			
Interaction with Company/ R&T Agent personnel			
Presentation of information on Company's website			
Quality and Contents of Annual Report 2013–14			
Please give your overall rating of our investor service (1 to 5 where 1 = highly dissatisfied and 5 = highly statisfied)			
Did you find the e-mail id IGRC@Larsentoubro.com for Redressal of Investors' Grievances useful?	YES / NO		
Give details of outstanding grievances, if any			
Any suggestions ?			

Date :

Signature

Disclaimer: L&T will keep the information provided by you as confidential and it will not be used in any way that is detrimental to you.

AWARDS & RECOGNITION

Every year, L&T and its people receive a number of national and international awards that acknowledge its varied accomplishments. Presented by the media, industry associations, independent bodies and academia, they honour the Company's contribution in various spheres of business, technology, financial performance, growth and environmental protection.

For details of recent awards, please visit www.Larsentoubro.com

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