





## VISION

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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.



**A. M. Naik**  
Group Executive Chairman



Dear Shareholders,

A year after a new political dispensation came to power, I believe the Government has achieved creditable success on multiple fronts in rebooting the economy, despite the constraints and complexities involved. A number of macro-level decisions taken in the last year have resulted in improved economic indicators. These measures include a steady cutback in subsidies, higher allocation of budgetary resources towards infrastructure, steps to rein in high levels of inflation, reduction in the backlog of environmental clearances for infrastructure projects and a transparent allocation of telecom and coal resources at market-determined prices. The economy has also benefitted from the fortuitous decrease in international crude oil prices. This has helped reduce the oil subsidy burden and has had a salutary effect

on the Current Account. GDP growth has meanwhile moved up to 7.3% from 6.9% a year ago and the prevailing low inflation levels are conducive to reduction in interest rates. It is now up to the Government to add pace to reform measures and build further on the foundations laid so far.

Your Company's capability profile is convergent with the needs of the nation. The Government's recent emphasis on developing infrastructure, creating Smart Cities and the 'Make in India' thrust opens up an exciting canvas of opportunity for L&T's businesses. Our engagement with key national projects gives a topical resonance to the Company's slogan, **'We Make the Things That Make India Proud'**.

## Performance Overview

Notwithstanding the uncertainties of the economic environment and the execution blips encountered from time to time, your Company has turned in a laudable performance on most key performance parameters for 2014-15.

Order Inflows, which are the lifeblood of your Company's integrated Engineering Procurement & Construction (EPC) business model, clocked in at ₹ 155,367 crores at the Group level, which represents a strong growth of 22% over the corresponding inflows of the Previous Year. The unexecuted Order Book stood at an all-time high of ₹ 232,649 crores and represents a 28% growth over the Order Book at the end of the Previous Year. Considering that several execution challenges were encountered, such as 'Right of Way', land availability and other issues, Group Revenues for the year, which stood at ₹ 92,762 crores, grew by 8% over the Previous Year. Profit after Tax at the Group level stood at ₹ 4,765 crores and represents a decline of 2.8%, caused by losses incurred in some challenging Hydrocarbon projects in the Middle East as well as under-recoveries in the investment-constrained segments of Power, Metallurgical & Material Handling and Heavy Engineering.

It gives me pleasure to announce that your Company has recommended a Dividend of ₹ 16.25 per equity share on a face value of ₹ 2 per share for the year. The corresponding dividend during the previous fiscal was at ₹ 14.25 per equity share.

## Internationalisation

Your company views internationalisation as more than merely extending domestic operations overseas, to actually building a multi-cultural leadership team and workforce drawn from the local milieu. The Company is already seeing the positive outcomes of earlier internalisation efforts, primarily in the Middle East. The unexecuted international Order Book stood at over ₹ 60,000 crores at the end of 2014-15. This largely comprises orders from diverse infrastructure areas such as metro rail, power transmission & distribution, road & expressways and hydrocarbon sectors.

If the expected growth in the domestic market happens, this may result in a marginal decline in the share of international business for the Company over the next few years. We intend to retain our geographical diversification as a bulwark against single-country dependency and to enable cross-learning of best practices in international project execution.

## Talent Management

The businesses that your Company engages in are primarily people-driven. Accordingly, our HR policies are centred around the creation of an environment that attracts, nurtures and rewards high-calibre talent. Young engineers also gain the opportunity to operate on the frontlines of technology and associate with projects of unprecedented scale and complexity. A structured seven-stage leadership development programme, conducted in collaboration with the world's finest management institutes, has helped to build a robust talent pipeline at all levels.

Our HR organisation is well-g geared towards attraction and retention of engineering talent in an ecosystem that provides long-cycle professional development opportunities in almost all forms of engineering disciplines and caters to career building aspirations of talent at all levels.

## Sustainable Development

At the heart of your Company's approach to business is a sustainable model of development. It is built on the pillars of inclusive growth and a commitment to environment conservation, where expediency does not compromise long-term interests. Our apex level CSR committee, comprising Board Members, has decided to focus on a unifying theme - 'Building Social Infrastructure'. This covers water conservation, education, skill-building and healthcare.

The total spends on CSR initiatives in 2014-15 by your Company amounted to ₹ 76.54 crores under eligible items as defined in the Companies Act and another ₹ 20.92 crores in CSR activities not specifically covered under the Companies Act.

## Outlook

While private sector investments in industrial capex are yet to take off, spends by the public sector in core infrastructure have been improving. Funding from increased budgetary allocation by the Central Government, increased level of ordering by healthy public sector undertakings and a steady inflow of soft loans from external multilateral lending agencies have contributed to a perceptible rise in the core infrastructure investment momentum. This has considerably enhanced potential business opportunities for your Company.

Segments that hold promise in FY16 include:

### 1) Infrastructure

- a) **Roads:** This segment has seen a shift from the earlier focus on the PPP (Public Private Partnership) model to EPC contracts in FY15. It is likely that this trend will continue and we expect significant construction contracts to be awarded



by the National Highways Authority of India. This opportunity basket is likely to be augmented by orders for tunnels and special bridges as well as orders from state governments for expressways. We will continue to selectively target road construction prospects in the Middle East, where we have an impressive track record.

**b) Railways:** In FY15, your Company has won some significant contracts for segments of the Dedicated Freight Corridor. Substantial ordering of more jobs under this program is expected in FY16 and provides good prospects. FY16 is also likely to see the commencement of awards for new railway lines in the Middle East, where L&T intends to participate.

**c) Metro Rail:** Your Company has successfully executed metro rail projects in multiple cities across the country, since most State-level urban development authorities view metro rail as the most viable solution for urban traffic decongestion. Continuing spends are likely in this segment, providing robust business potential for your Company. Execution of two large metro rail projects in the Middle East won in FY14 is progressing satisfactorily.

**d) Urban Infrastructure:** This segment encompasses multiple areas such as residential buildings, IT & office complexes, hospitals, educational institutions and shopping malls. Collectively, they represent substantial opportunities for L&T.

**e) Smart Cities and Communication Infrastructure:** This is a new segment that has opened up over the last year, and includes city surveillance systems, basic infrastructure for proposed smart cities and telecom infrastructure. The segment holds good business potential.

**f) Water infrastructure:** Falling water tables across the country, coupled with the new Government's drive towards sanitation, Ganga Action Plan and irrigation programs, will result in increased business prospects for your Company. Opportunities targeted by this business segment include bulk transmission & treatment of water, waste water treatment, effluent treatment plants and lift irrigation programmes.

## 2) Thermal Power Generation

The sector has been hampered by a number of constraints including fuel shortages, tardy environment clearances, intense competition from power equipment manufacturers, paucity of

long-term funding, and slow progress in raising end-user tariffs in line with power production costs. Some of these constraints have been mitigated in the last one year, and thermal power investment programmes saw a much needed improvement in FY15. Your Company bagged some significantly large orders in the last fiscal arising from the larger opportunity base. The increased investment momentum, driven by Central and State Power Generation Utilities, continues to gather pace and your Company expects to garner business arising from such investments. In the meantime, L&T continues to focus on cost-competitiveness through cost reduction and operational efficiency measures.

## 3) Power Transmission & Distribution

This sector has seen increasing investment trends and your Company has benefited from such investments by way of sustained and increased Order Inflows. The momentum is likely to continue by way of grid augmentation by Central and State Transmission Utilities.

We continue to be a significant player in this space in the Gulf Region. Increased T&D investments in countries like Saudi Arabia, Qatar, Oman, UAE and Kuwait continue to offer good business potential. We are also targeting business in select African countries in FY16.

## 4) Hydrocarbon

On the domestic front, reduced prices of crude oil in the international markets has relieved domestic oil producers and retailers from the onerous subsidy burden that they have traditionally been saddled with. Coupled with the hike in the administered price of gas as well as the introduction of the new urea investment policy, the investment momentum of hydrocarbon investments in the country is likely to increase and your Company is ideally poised to tap this growth.

In Middle East markets, the drop in oil prices has led to a reduction in Upstream capex. However, Mid and Downstream investments, for the time-being, are not affected and your Company proposes to bid for such opportunities as and when they enter the tendering stage.

## 5) Defence Sector

Over the years, the Company has built significant capabilities in the manufacture of defence equipment, primarily for the Indian Navy and the Army. These capabilities have been built internally as well as in combination with foreign technology providers. The Company's new shipbuilding facility at Kattupalli, built primarily for defence warships has, however, seen significant

under-utilisation due to non-involvement of the private sector in defence equipment manufacturing in any meaningful manner. The new Government has taken substantial steps to involve the private sector in defence equipment manufacturing and this is at the heart of its 'Make in India' initiative. Your Company now sees opportunities in this sector that it can tap. The bids for some major naval craft and artillery guns have been submitted.

#### **6) Heavy Engineering**

This segment has been adversely affected by the global shrinkage in ordering of Hydrocarbon equipment, arising out of a decline in oil prices as well as the contraction of investments in Coal Gasifiers and Nuclear Power plants. The new steel-making and heavy forgings facility at Hazira (Gujarat) remains heavily under-utilised. We are, however, seeing a revival in the building of new nuclear power plants over the next year or so.

#### **7) Metallurgical & Material Handling**

Investments in the metals space in India have been severely affected by the Supreme Court ban on iron ore mining in the States of Karnataka, Goa and Odisha over the last few years. This had led to a significant depletion of the Order Book of this segment. Lifting of the ban in some select areas and for captive steel producers has now led to an uptick in investments for capacity addition in the ferrous metals sector. The business has recently bagged a few orders which is expected to improve revenue streams in FY16.

The Material Handling business has also been adversely affected by lacklustre Industrial capex for a prolonged period. Outlook for this business is expected to improve once Industrial capex picks up.

#### **8) Electrical & Automation (E&A)**

The Electrical and Automation business continues to maintain its leadership position in LV switchgear. During the course of 2014-15, E&A has increased its operating margin and also improved its market share in the domestic market. Product Development in both LV and MV switchgear continues to forge ahead and the business continues to be at the forefront of technology through the launch of its in-house designed products. With the slowdown in the Oil & Gas market, the Business has enhanced its focus towards the Infrastructure sector by increasing the offering of dedicated products specifically designed to meet the needs of the Infrastructure sector market.

#### **9) Realty**

This business, which was recently started by L&T, continues to grow in terms of revenue and profits. The business develops and sells real estate, either by developing its own land parcels or through Joint Ventures with select real estate developers. The business is likely to further expand in Mumbai as well as in Chennai and Bengaluru during 2015-16. During 2014-15, the Group level revenues of this business stood at ₹ 1,929 crores, which represents an increase of 45% over the revenues of the Previous Year. EBITDA for FY15 at ₹ 1,065 crores registered an increase of 41% over the EBITDA of the Previous Year, thus making a meaningful contribution to the Company's overall business.

#### **10) Information Technology and Technology Services (IT&TS)**

The IT&TS business has been growing steadily and revenues clocked in at ₹ 7,659 crores in FY15, representing a 19% growth over the Previous Year. The business is focusing on increasing its presence in the Americas, Europe, Gulf countries and the Far East. We intend to unlock the value of the Business. We are evaluating various options, subject to various factors, to discover the value of this business.

#### **11) Financial Services**

This business was listed in 2011 and continues to expand. It had a loan book of over ₹ 47,000 crores at the end of FY15 and its Assets Under Management have grown to over ₹ 21,000 crores. The business has successfully integrated its earlier acquisitions in the Mutual Funds and Housing Finance areas and has a positive growth outlook for FY16

#### **12) Developmental Projects**

During FY15, L&T IDPL, an intermediate holding company with step-down subsidiaries (Special Purpose Vehicles) primarily developing transportation infrastructure, received a ₹ 1,000 crores capital infusion from a large Canadian Pension Fund and the second tranche of equal amount is expected to be received in December 2015. The Developmental Projects business has profitably monetized its stake in Dhamra Port. Such value monetisation initiatives have reduced the dependency on your Company's balance sheet. The construction of the Hyderabad Metro is progressing in full swing and the project is expected to become a showcased 'Transit Oriented Development' model when operational. The slowdown in the economy in the past few years has adversely affected revenues and profitability of several PPP infrastructure projects in the country and your Company has been making concerted efforts to find solutions to the challenges faced in this space. It will continue to monetize mature assets from

time-to-time and may selectively bid for value-accretive projects in the roads and transmission line businesses.

Nabha Power Limited which houses investments in a 2x700 MW coal fired power plant in Rajpura, Punjab is also part of the business portfolio and the plant went fully operational in FY15. The operations are expected to stabilise in FY16 and your Company will look for selective value monetisation as and when the opportunity arises.

In conclusion, I would like to thank my fellow Board Members, L&T-ites, customers, vendors and other stakeholders who have collectively enabled sustainable and profitable growth in business year after year.

Thank You



A. M. Naik  
Group Executive Chairman

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## Company Information

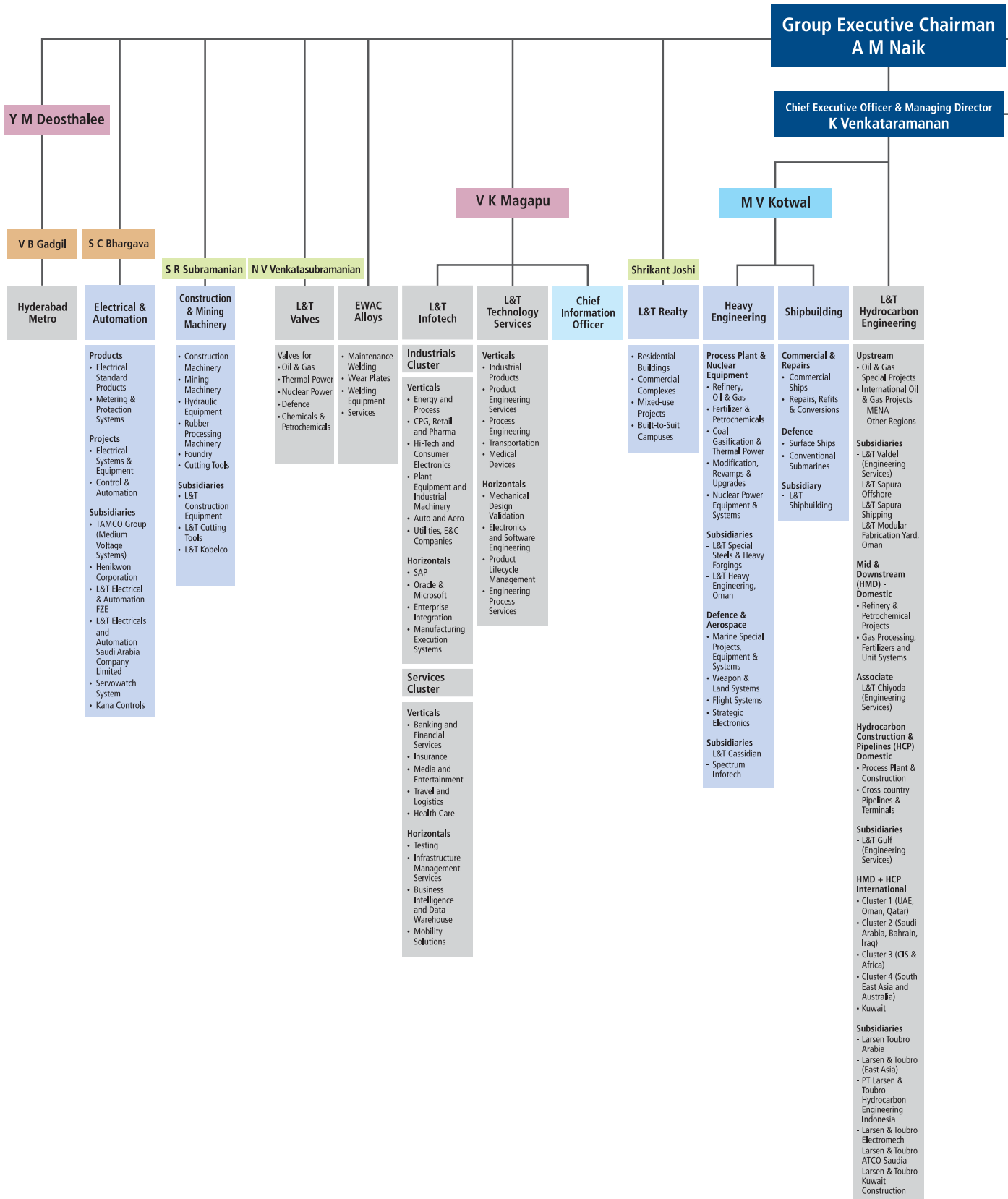


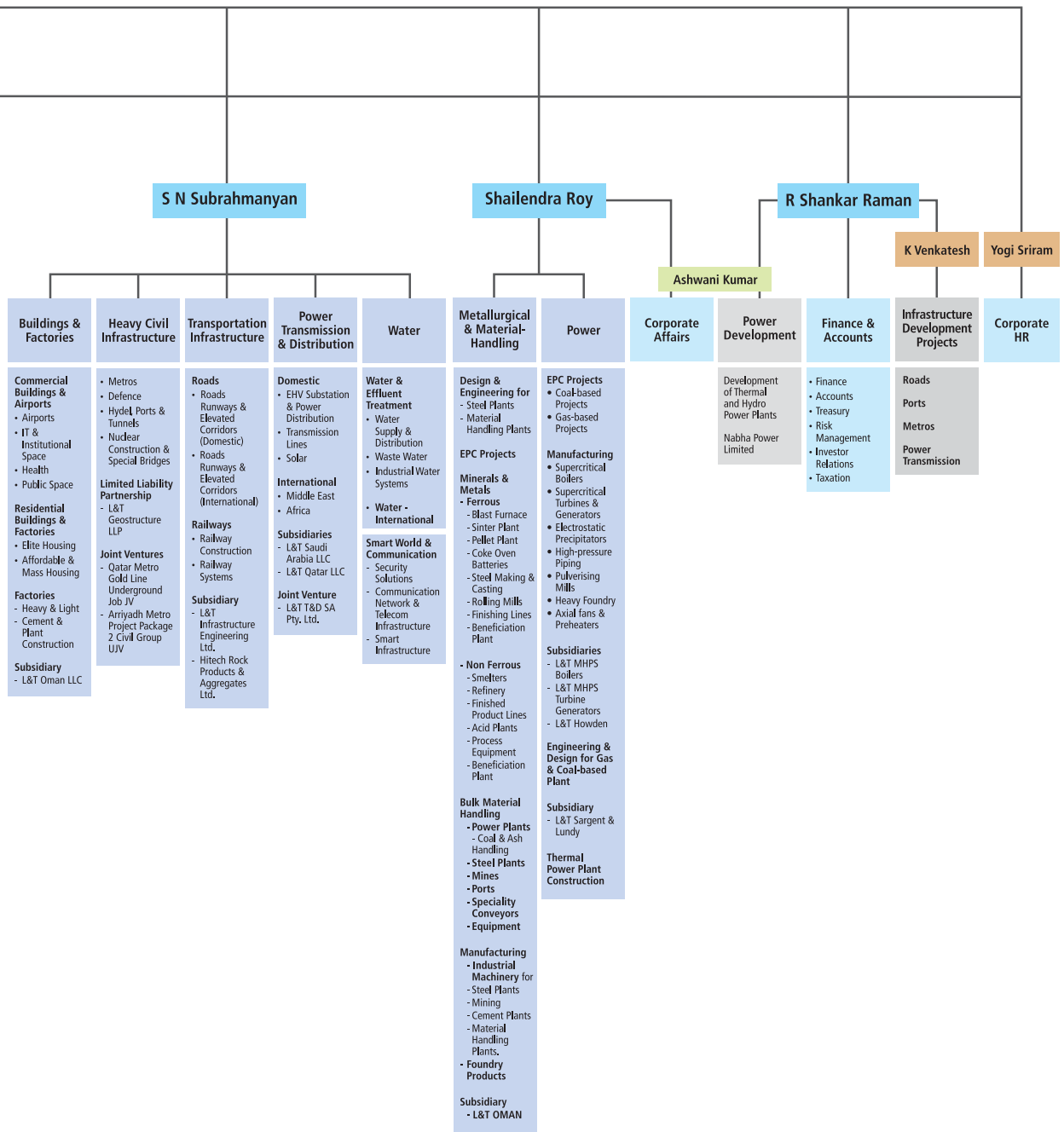
### Board of Directors

<b>MR. A. M. NAIK</b>	<i>Group Executive Chairman</i>
<b>MR. K. VENKATARAMANAN</b>	<i>Chief Executive Officer &amp; Managing Director</i>
<b>MR. M. V. KOTWAL</b>	<i>Whole-time Director &amp; President (Heavy Engineering)</i>
<b>MR. S. N. SUBRAHMANYAN</b>	<i>Whole-time Director &amp; Senior Executive Vice President (Infrastructure &amp; Construction)</i>
<b>MR. R. SHANKAR RAMAN</b>	<i>Whole-time Director &amp; Chief Financial Officer</i>
<b>MR. SHAILENDRA ROY</b>	<i>Whole-time Director &amp; Senior Executive Vice President (Power, Minerals &amp; Metals)</i>
<b>MR. M. M. CHITALE</b>	<i>Independent Director</i>
<b>MR. SUBODH BHARGAVA</b>	<i>Independent Director</i>
<b>MR. M. DAMODARAN</b>	<i>Independent Director</i>
<b>MR. VIKRAM SINGH MEHTA</b>	<i>Independent Director</i>
<b>MR. SUSHOBHAN SARKER</b>	<i>Nominee of Life Insurance Corporation of India</i>
<b>MR. ADIL SIRAJ ZAINULBHAI</b>	<i>Independent Director</i>
<b>MR. AKHILESH KRISHNA GUPTA</b>	<i>Independent Director</i>
<b>MR. BAHRAM N. VAKIL</b>	<i>Independent Director</i>
<b>MR. SWAPAN DASGUPTA</b>	<i>Nominee of the Administrator of the SUUTI</i>
<b>MRS. SUNITA SHARMA</b>	<i>Nominee of Life Insurance Corporation of India</i>
<b>MR. THOMAS MATHEW T.</b>	<i>Independent Director</i>
<b>MR. AJAY SHANKAR</b>	<i>Independent Director</i>

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







■ 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. Subrahmanyam**  
Sr. Executive Vice President  
(Infrastructure & Construction)



**R. Shankar Raman**  
Chief Financial Officer



**S. N. Roy**  
Sr. Executive Vice President  
(Power, Minerals & Metals)



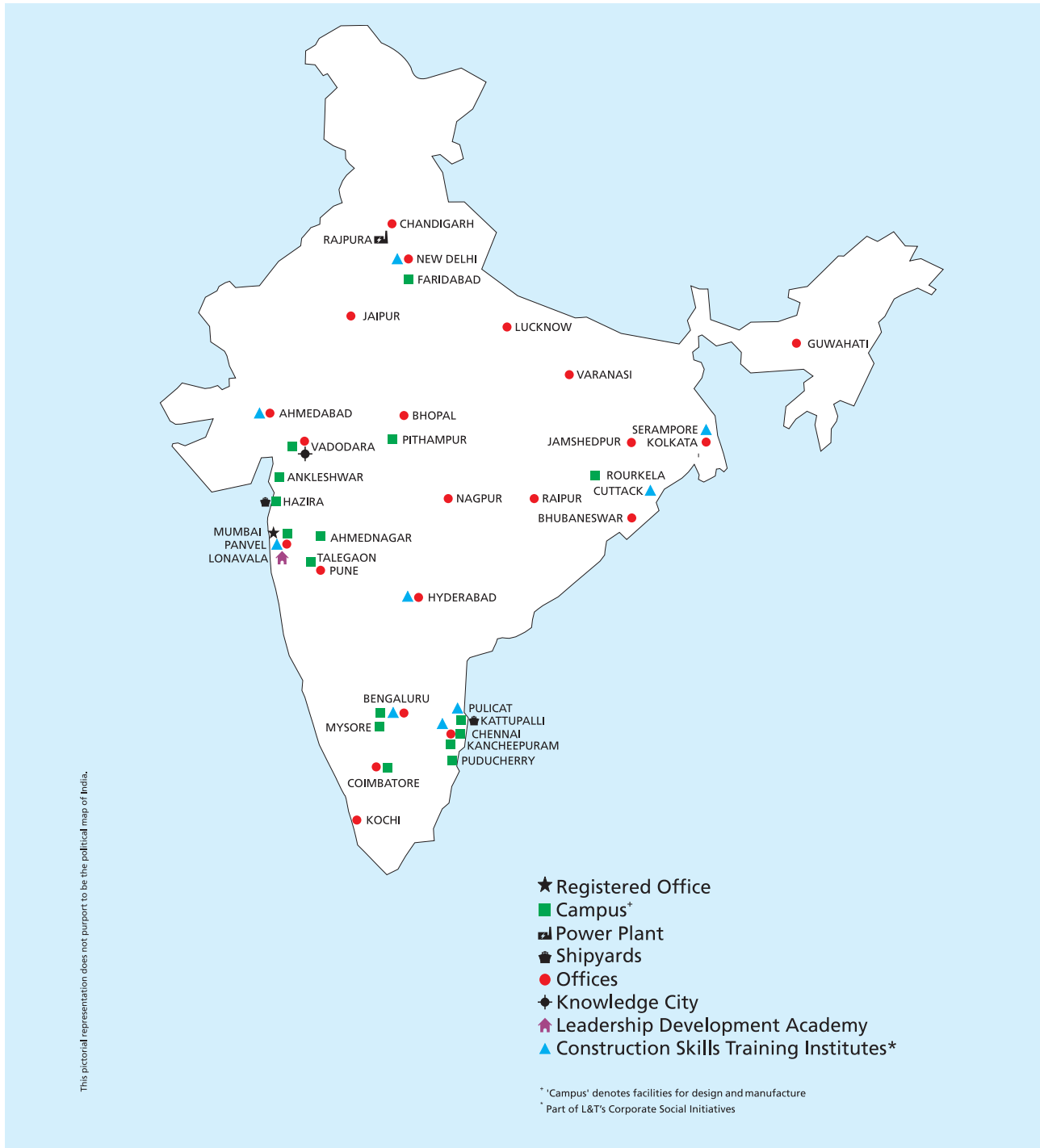
**S. C. Bhargava**  
Sr. Vice President  
(Electrical & Automation)

## MILESTONES TO A MORE VIBRANT INDIA

L&T is building the prestigious 'Statue of Unity' near Vadodara – a magnificent, 182 metre tribute to the Man of Iron, Sardar Vallabhai Patel. When complete, it will be the tallest statue in the world.

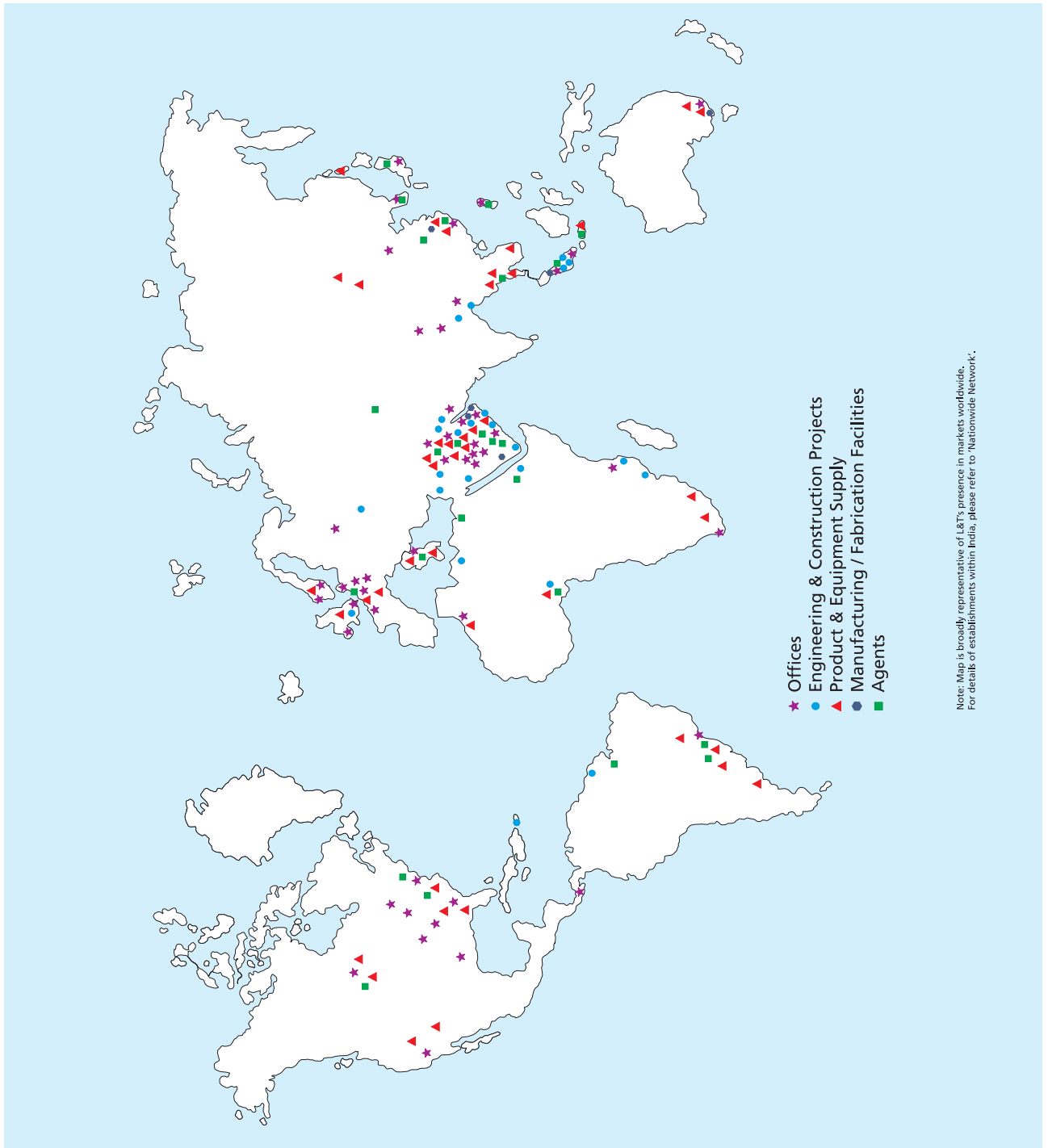


# Nationwide Network





# Global Presence



## Corporate Social Responsibility



*Beyond the clear, realistic targets and the measurable progress achieved by our CSR team, is a less quantifiable but deeply fulfilling goal - spreading smiles.*

### **Building India's Social Infrastructure**

Corporate Social Responsibility, no matter how well intentioned, runs the risk of diffusion – of trying to run too many programmes, do too many things, too soon. We have therefore narrowed our focus to a single theme: Building India's Social Infrastructure. Based on key criteria, a few villages have been selected in water-stressed districts around the country, and more are being identified.

Through our Integrated Community Development programmes, we partner with the community and address

issues of water and sanitation, education, health and skill-building. Active participation from the community is sought every step of the way, breaking down illusionary differences between 'us' and 'them', between 'experts' and 'dependent' villagers awaiting relief.

Communities pledged their support through 'Shram Daan' or voluntary service. They agreed to partner L&T in implementing projects, and most importantly, assume ownership of the plan. This would ensure that the programmes are sustained all the way to success.



## CSR in Action

At L&T, we believe it is imperative that a company's social responsibilities transit from lofty thought, emotional prose and slick presentations to tangible action with measurable benefits. The well-being of the less privileged of our country is far too important to be lost in the translation of plans into performance.

So we asked ourselves a few simple, specific questions. Did our programmes last year improve access to water in summer for villagers in Talasari, Maharashtra and in Rajpura, Punjab? How much water and energy do our plants consume? And how will our plans for the next

year improve performance further? The answers to these questions are the real yardsticks of success.

For us, if it is not CSR on the ground, it is not CSR at all.

We have a CSR department in Mumbai, supported by units around the country. The Larsen & Toubro Public Charitable Trust further supplements our efforts. Our Corporate Social Responsibility policy is endorsed by the Group Executive Chairman. The Company's Sustainability & CSR organization structure enjoys Board level representation.

The following pages present our CSR in action.





*The social infrastructure we seek to build covers a wide spectrum - water, sanitation, education, health and skill-building.*

### **Where Will the Next Einstein Come From?**

We do not believe genius limits itself to neat little demographic brackets. The next Einstein, the next Homi Bhabha could well be from a disadvantaged community, far from metropolitan centres. Our responsibility then is to ensure that the high road of opportunity is open to all.

L&T set up a Science Centre at the Ondipudur Boys Higher Secondary School, in Coimbatore. It provides hands-on science education for the underprivileged and acts a hub of science learning. It will also act as a resource centre, teacher training centre and venue for project-based and integrated learning.

### **Letting a Hundred Balwadis Bloom**

The first day – in fact, the first weeks – in school can be a daunting experience for a child, especially one from a disadvantaged background. L&T has set up over a hundred ‘Balwadis’ in partnership with NGOs across the country.

Conventionally, such centres used to confine themselves to looking after the health and nutrition requirements of children. We went a step further to provide an enriching learning environment.

Pre-school education helps underprivileged children prepare themselves to enter the formal school set-up. It has helped increase enrolment and reduce dropouts. Our programme also gets parents actively involved in the process. For the responsibility of education remains within the family.

### **A.R.T. - Campaign Against Aids**

A new Anti-Retroviral Therapy (ART) Centre in north Mumbai has been built and operated by L&T and owned by the Municipal Corporation of Greater Mumbai. Our partner is the Mumbai District Aids Control Society.

It is another example of how we are collaborating with Government departments in the battle against AIDS - a campaign that we began as early as 1985.

The ART Centre offers the entire range of pathology tests for up to 2000 patients. They can avail of free medical and super-specialty consultation and X-Ray facilities. Ultrasonography is offered at concessional rates. Medicines issued at the facility are as per the NACO protocol.



*We believe education, skill-building and vocational training are powerful weapons in society's war against deprivation.*

### **The Power Plant that also Provides Water**

For the villagers around L&T's supercritical power station at Rajpura, Punjab, the plant is a many-sided benefactor.

In addition to lighting up their lives with thermal power, it is also helping to quench the thirst of many. Rajpura receives an average annual rainfall of 677 mm – not quite enough for year-long needs of the farmers.

L&T engineers constructed a multi-tiered water conservation system. This includes two storage tanks (Capacity: 7694 cubic metres), a filtration chamber and a recharge-well for harvesting rainwater and facilitating artificial recharge.

It has led to a rise in the water table and more water for the community.

### **L&T-eers Are More than Volunteers**

Volunteers offer their services for good causes. L&T-eers do more. They are passionate champions of the causes they espouse. They are conscious of the company's long history of responding to social needs. And they carry this tradition further. From teaching at municipal schools to donating blood, running marathons for a cause to mobilizing

funds for supporting a number of community initiatives, L&T-eering has become a way of life.

The employees also assist in tree plantation drives, participate in company-wide programmes for energy conservation and recycling of material. All this is carried out in the personal time of the employees, well beyond office hours

As we said, they are more than volunteers. The only way to describe them is - L&T-eers.

### **Reduce, Reuse...Rethink**

To the traditional three 'Rs' of sustainability, viz. Reduce, Reuse and Recycle, L&T added a fourth - Rethink. At L&T's Hazira unit, our innovative engineers are using a Vapour Absorption Machine that taps into the exhaust duct from the forge reheating furnace. Thus, no natural gas is needed when the furnace is in operation. It has minimised natural gas consumption and led to an annual saving of approximately 192,000 cubic metres of natural gas.

Yes, reducing and re-thinking has its rewards!



# Annual Business Responsibility Report (ABRR) 2014-15

This Business Responsibility Report (BRR) format conforms to the 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.

The Company has also been publishing a Sustainability Report every year since 2008 as per the Global Reporting Initiative (GRI) G3 guidelines. All the Sustainability Reports are externally assured and are 'GRI Checked Application

Level A+', signifying the highest level of disclosure in the public domain. The 2014-15 report is being prepared as per the latest Global Reporting Initiative (GRI) G4 guidelines. The reports can be accessed at [www.Lntsustainability.com](http://www.Lntsustainability.com).

The Company is the first engineering & construction company in India to report on its Corporate Sustainability performance, and among the earliest to state its conformance with the eight missions of the 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](http://www.Larsentoubro.com)**
5. E-mail id: **[sustainability-ehs@Larsentoubro.com](mailto:sustainability-ehs@Larsentoubro.com)**
6. Financial Year reported: **1st April, 2014 - 31st March, 2015**
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	Wholesale 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 the 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): ₹ **185.91 crore**
2. Total Turnover (INR): ₹ **57558 crore**
3. Total profit after taxes (INR): ₹ **5056 crore**
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: **2.1%**
5. List of activities in which expenditure in point 4 (above) has been incurred:-
  - Community and social engagements broadly covering;**
    - A. **Water & Sanitation**
    - B. **Education**
    - C. **Health**
    - D. **Skill Building**
    - E. **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/Directors 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)	<b>Not Applicable</b>
2.	Name	<b>Major General Gautam Kar (Retd.)</b>
3.	Designation	<b>Head - Corporate Infrastructure &amp; Administrative Services</b>
4.	Telephone Number	<b>+91-22-67052447</b>
5.	Email ID	<b>Sustainability-ehs@Larsentoubro.com</b>

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 stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, Please specify? (50 words)	<b>Yes. The policies are aligned with NVG guidelines and applicable international standards of ISO 9001, ISO 14001, OHSAS 18001 and ILO principles.</b>								
4.	Has the policy being approved by the Board? <b>Yes.</b> If yes, has it been signed by MD/owner/CEO/appropriate Board Director? <b>Signed by the Group Executive Chairman</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Directors/ Officials to oversee the implementation of the policy? <b>Yes.</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<b>www.Lntsustainability.com</b>								
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 an 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
  - 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](http://www.Lntsustainability.com)**

## Section E:

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

The Company's governance framework enjoins the highest standards of ethical and responsible conduct of business on the part of all concerned to create value for all stakeholders. The cornerstones of our governance

philosophy are ethics, transparency and accountability. The Company's Vision Statement as well as the policies on Sustainability, Corporate Social Responsibility (CSR), Corporate Human Resource and Corporate Environment, Health and Safety (EHS) articulates the commitment to these values. These policies extend to the operations of all subsidiaries and associate companies.

L&T's Board and senior management abide by the Company's 'Code of Conduct'. The CEO & Managing

Director provides an annual declaration regarding compliance by the Company. The Code of Conduct is featured on the Company's website – www.Larsentoubro.com. Sound systems and policies are in place (e.g. Whistle Blower Policy) to promote the Company's principles of ethics and fair practices covering all group companies.

The Company's Executive Management Committee (EMC) ensures effective formulation and implementation of a sustainability strategy, and draws up policies. In addition, at the corporate level, sustainability initiatives and performance are periodically reviewed by a nominated member of the EMC.

Further, we have revised the Environmental & Social Code of Conduct for suppliers this year and strengthened processes to include specific clauses on ethics and transparency. Many of Company's suppliers are signatories to this code.

The non-financial performance of the Company is disclosed in the public domain, encapsulated in the Company's annual Sustainability Reports. These reports are available as printed copies or accessible on the Company's website. This report is third-party verified and conforms to the world-wide accepted framework of Global Reporting Initiative (GRI).

Details relating to stakeholder complaints are included in the Directors' 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 serves the core sector of the economy and builds infrastructure critical to industries, businesses and public well-being. We recognize the far reaching impact of our products and projects, and ensure that safety and sustainability are integrated into engineering and design. While designing products to meet the specific needs of customers, we ensure minimal environmental impact in the course of production. Societal good, environmental impact and economic value are taken into account in the development process of all products.



*Codified policies publicly affirm the organisation's commitment, governs actions and provides clarity of direction.*

The Company advocates energy efficiency in the course of production, and thereby reduces its carbon footprint. A comprehensive review of health and safety impact of products, projects and services is carried out. All the products and projects are accompanied with adequate labels and signage systems, operation & maintenance manuals. L&T offers comprehensive training to customer personnel.

The Company's expanding green products and services portfolio helps the customers 'Go Green' by conserving natural resources reducing energy consumption and associated GHG emissions. The Company's area of expertise encompasses Green Buildings, Mass Rapid Transit Systems like metro and mono rail, solar power plants built on EPC basis, fuel switch projects, coal



## Corporate Social Responsibility Policy

L&T fosters a culture of caring, trust and continuous learning while meeting the expectations of all stakeholders and society at large. As a responsible Corporate Citizen, the Company contributes towards inclusive growth by empowering communities and accelerating development.

We shall leverage our inherent strengths and capabilities to build India's social infrastructure.

Towards this, we shall:

- Implement sustainable CSR Programmes towards 'Building India's Social Infrastructure'
- Partner with Communities, NGOs and Institutions to create positive impact in areas of water & sanitation, education, health and skill development
- Harness innovation and technology driven solutions to address social needs
- Strengthen systems and processes to achieve measurable results

Our aim and effort is to contribute to a better quality of life, mitigate social inequities, and help individuals in identified communities to achieve their true potential.

  
**A M NAIK**  
 Group Executive Chairman


20<sup>th</sup> November, 2014



## 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 & stakeholders. To achieve this, we shall:

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

  
**A M NAIK**  
 Group Executive Chairman

11th June, 2013



gasifiers, super-critical thermal power plant & equipment, power transmission & distribution systems, energy saving electrical & automation solutions, etc.

Coal gasifiers manufactured by the Heavy Engineering business conserve energy and are environment friendly.



*Green Building at Talegaon. This is one of many eco-friendly buildings that form part of L&T's campuses.*

Energy efficient products and systems from the Electrical & Automation business cover low-watt loss fuses, Power Management Systems, AC drives, smart metering systems, etc.

Within the scope of its activities, the Company aims to conserve resources during construction and manufacturing by practicing material optimization, using eco-friendly raw materials and adopting energy efficient processes. To enhance health and safety aspects at manufacturing facilities and project sites, multiple initiatives have been introduced and on-going interventions strengthened.

### Sustainability Practices in the Value Chain

Assessing the lifecycle impacts of the Company's products is critical to achieving overall reductions in environmental impact across the value chain, while growing our business.

Lifecycle Assessment (LCA) is one of the techniques adopted to understand the environmental impact of products. This year, we have revised the Environment and Social Code of Conduct for suppliers which advocates environment-friendly, occupational health & safety and socially-responsible business practices. Many suppliers are committed to practicing it in letter and spirit.

The Company conducted an environmental and social assessment of select suppliers to help them identify energy, water and resource-saving opportunities. The Company also conducts capacity-building programs for vendors and sub-contractors, and provides training and technical expertise to improve operational efficiency. Local sourcing enhances logistics and provides a fillip to the local economy. Around 80% of the Company's requirements are met by local suppliers. Across L&T we have had ongoing supplier engagement programs.

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

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 from steel centres of construction business and zinc waste for plating operations.

The Company also engages with its value chain through an established stakeholder engagement framework. Feedback is valuable in formulating and implementing the sustainability roadmap for inclusive growth.

**Principle 3: Business should promote well-being of employees**

L&T believes that it is employees who shape the organisation's character and drive its performance. The Company succeeds if, and only if, employees recognise that the corporate goals are aligned to their individual aspirations. A nurturing environment and a climate conducive to personal well-being and professional growth are intrinsic to the L&T culture.

The Company's Corporate Human Resource Policy has a robust framework which inspires innovation and creativity.

**Total workforce**

<b>L&amp;T employees (Standalone)</b>	<b>Refer "Standalone Financials – 10 Year Highlights" section of the Annual Report</b>
<b>Number of permanent women employees</b>	<b>2,295</b>
<b>Contract workmen</b>	<b>4,11,604</b>

The Company directly employs 94 persons with disabilities. The value chain also employs 25 persons with disabilities.

The Company believes in an inclusive approach to employment. No discrimination is made on the basis of caste, religion, region, gender or physical disability. The company complies with the principles of the United Nations Global Compact. Contracts entered into with vendors and partners include Human Rights clauses.



*Air Traffic Control Tower, Mumbai Airport - built by L&T. It combines aesthetics with engineering.*

The Company recognizes employee unions and associations affiliated with different trade unions at its manufacturing facilities. 7.4% of permanent employees are covered under this category.

Safety is a thrust area for the Company. The Corporate Environment, Health & Safety (EHS) Policy enlists the commitment towards embedding a safety culture in all business operations and providing a safe and healthy workplace to all employees. The safety performance of the Company is reviewed by the Board of the Company in each quarter.

Regular safety training, tool box talks, mock drills and specific safety interventions are undertaken to build a safe work culture within the organization. Further, a wide range of technical, functional as well as managerial training is imparted to the employees to nurture their competencies.

New employees are also given compulsory training on multiple disciplines including health, safety & environment, human rights, 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 work. A total of over 3.7 million man – hours of training was provided in FY 2014-15 to the permanent employees. The Company’s policy on ‘Protection of Women’s Rights at Workplace’ has been drawn up, and widely disseminated. There were no cases of sexual harassment received in the Company during 2014-15.

No complaints relating to child labour, forced labour or involuntary labour were received in the FY 2014-15.



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



*The 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.*

In addition to workplace safety management, efforts are also made towards employee wellness through the ‘Working on Wellness’ initiative. This focuses on stress management and essential healthcare to enhance overall employee well-being and promote work-life balance. Special programs are conducted for families of employees on home safety, career guidance and hobbies.

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

As one of India’s most widely held companies with diverse and transparent shareholding, we recognize that our stakeholders form a vast and heterogeneous community. We are conscious of the increased responsibility to ensure that diverse and sometimes contrary interests are met with fairness and equity. The Company engages with its identified stakeholders on an ongoing basis through a structured stakeholder engagement programs. The company continues to improve the value proposition it offers customers, shareholders, employees, suppliers and other stakeholders and develop the communities around its areas of operation.

The Company uses multiple communication platforms, including formal and informal channels of communication, in its dialogue with stakeholders. The Company's engagement framework is based on objectives like proactive response, transparency, inclusiveness and trust. Based on feedback, the framework is remodeled to enable the company to customize its communication and undertake engagement initiatives for internal and external stakeholders. Informed interaction helps in strategy formulation, superior decision-making and accountability.

The Company recognizes the opportunity to create positive social impact through engagements with the community. The CSR programs run by the Company are focused primarily on sections of the local communities, which are disadvantaged, vulnerable and marginalized. Open communication channels ensure that the expressed needs of the community are reflected in the development initiatives we design.

Our CSR program is focused on 'Building India's Social Infrastructure'. After a detailed need assessment, the focus areas of work are identified in the operational communities. The Company partners the communities not only in identifying their needs but also in implementing and tracking the progress of work done towards addressing their issues. The programs are focused on:

- Water & Sanitation
- Education
- Health
- Skill Development

Further details of the CSR program & approach are listed in Principle 8.

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

For External Stakeholders	For Internal Stakeholders
Stakeholder engagement sessions	Employee satisfaction surveys
Client satisfaction surveys	Employee engagement surveys for further improvement in employees' engagement process

For External Stakeholders	For Internal Stakeholders
Regular business interaction, supplier, dealer and stockist meets	Circulars, Messages from Corporate and Line Management
Periodic feedback mechanism	Social Initiatives
Press Releases, Info desk - an online service, dedicated email id for investor grievances	Welfare initiatives for employees and their families
Annual General Meeting (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 CSR program newsletter
A corporate website that presents an updated picture of capabilities & activities	L&T Helpdesk, toll free number
Access to the business media to provide information and respond to queries	

### Principle 5: Businesses should respect and promote Human Rights

The Company upholds the sanctity of Human Rights in letter and spirit and seeks to identify, assess, and manage human rights impacts within its sphere of influence and activities. Human Resource Policy is on the lines of 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.

The Company complies with ethical and human rights standards and follows the 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, and Industrial Disputes Act 1947.



We ensure that human rights clauses (including those that deal with child or forced labour) are part of contract documents entered into 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 programs, interactive sessions, intranet, policy manuals and posters.

The Company's 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 or religious affiliation.

We propagate our values across the supply chain by prescribing a 'Code of Conduct' for our suppliers. Apart from the internal stakeholders the policy extends to our Suppliers, Contractors and NGOs. We have initiated environmental and social screening and assessment of select suppliers based on their impact on the environment and type of operations. Many of our suppliers are signatories to this code and are committed to practice 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 2014-15.

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

L&T is committed to environmental sustainability in all areas of its operations. We have revised our sustainability policy this year which is in synch with current environmental concerns.

A system is in place to identify and assess potential environmental risks and opportunities in its operations. The Company's environment conservation programs and initiatives are propagated to its Subsidiary and Associate

Companies. Key suppliers are also encouraged to follow such practices.

We remain committed to the eight missions of the National Action Plan on Climate Change (NAPCC) instituted by the Government of India. Progressively, we have been investing in products and processes that promote sustainable growth - enhancing energy security, developing low-carbon technologies for building infrastructure, spreading sustainability knowledge and increasing green cover. Numerous initiatives have been undertaken for reduction of energy and Greenhouse Gas (GHG) Emission intensity, 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. Carbon emissions are annually disclosed to the Carbon Disclosure Project. Our energy auditors and



*Sustainability begins at home. 'Unnati' - L&T's new facility in Navi Mumbai has achieved LEED (Leadership in Energy and Environmental Design) Gold Certification.*

energy managers have been trained at units certified by Bureau of Energy Efficiency (BEE).

The Company adheres to all pollution control standards set by the regulatory bodies like Central and State pollution control boards. Environmental regulatory approvals are sought prior to commencement of operations at units and project sites. Regular checks are conducted by internal



and independent auditors/assessors, to ensure compliance with relevant environmental regulations and compliance reports are submitted to Central Pollution Control Board (CPCB) / State Pollution Control Boards (SPCB) where ever applicable. The Company's Board of Directors has complete access to the information within the organization. This includes reports on any material effluent or pollution problems. All manufacturing units and service sites are encouraged to develop and maintain a management system based on ISO 14001 & OHSAS 18001. During the financial year, there were no pending or unresolved show cause/legal notices from CPCB/SPCB.

As a part of Company-wide 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 instead of printed copies.

Salient features of the Company's green initiatives include:

#### **Using Renewable Energy**

A Power Purchase Agreement is in place since 2003 with a renewable energy power producer for various campuses to draw renewable energy as a substitute to fossil fuel generated electricity.

#### **Reducing Carbon Footprint**

Lifecycle assessment - from cradle to gate - has been conducted of a product manufactured by the Heavy Engineering business. Results show that 40% of the total carbon footprint is generated during the in-house fabrication process. The rest is caused by activities outside Company premises. Initiatives taken at the Powai campus include: investments in renewable energy, reduction in material consumption and enhancing the product's energy efficiency. The Company plans to conduct similar studies for other products. In addition to reducing its own carbon footprint, it offers customers a bouquet of green products and services. Revenue from green products & services are contributing an increasingly larger share in the Company's total revenue.

#### **Conserving Water**

L&T's water consumption intensity and treated wastewater discharge have declined steadily over the years. Various water management initiatives like water auditing, rainwater

harvesting and Industrial and domestic wastewater treatment and reuse are in place across all manufacturing locations. Five L&T campuses have been certified as 'Water Positive' by an independent assurance provider. All 28 major units are zero waste-water discharge.

The Larsen & Toubro Public Charitable Trust (LTPCT) supplements the Company's efforts in water conservation efforts by focusing on water management projects in tribal and drought-prone regions of Maharashtra. Over 200 check dams were constructed in Dahanu and Talasari blocks of Maharashtra, in collaboration with voluntary organizations.

#### **Promoting Biodiversity**

Carbon sequestration studies were conducted in six campuses. Studies show that the Powai campus has: around 101 wild plant species; 169 cultivated plant species, 23 bird species, 19 butterfly species, 6 species of mammals and 9 species of reptiles. Several initiatives have been taken to protect biodiversity in the area and to grow native species.

### **Principle 7: Responsible Public Advocacy**

L&T articulates the larger interests of industry, professional disciplines and the community at industrial forums and professional bodies. Our senior executives provide the benefits of their experience and insights while participating in the formulation of public policies. Institutes and industrial forums where 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)
- Bureau of Indian Standards (BIS)
- Construction Industry Development Council (CIDC)
- Confederation of Indian Industry (CII), Centre of Excellence for Sustainable Development (CESD)
- CII – Green Business Centre (GBC)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Electrical and Electronics Manufacturers Association (IEEMA)

- Indian Institute of Chemical Engineers (IICChE)
- National Safety Council (NSC)
- National Fire Protection Institution (NFPI)

The Company's senior executives interact with CII - CESD on a focused program of sustainable development and integrated reporting. They are part of the working teams 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. Last year, L&T revisited CSR thrust areas and developed a new theme: 'Building India's Social Infrastructure'. All the Company's CSR activities are centered on holistic and integrated social development programs at locations identified as being most needy. A new Corporate Social Responsibility (CSR) policy has been formulated.

The Company has the following structure for implementation of CSR programs: The Apex SCSR Team at the corporate level and SCSR team at the business level and unit level -

- CSR projects are identified and implemented by a unit level SCSR team, area/branch offices and project based team with guidance from the Apex and Business level SCSR team
- Ladies Clubs formed by women employees and spouses of L&T employees participate in implementation of CSR projects
- Employee volunteers - known as 'L&Teers' focus on health and education programs

The Company works with NGOs, and the society at large in a collaborative approach to identify the requirements of the local community through need assessment before initiating any social program. Periodic-impact assessment is done to monitor the benefits received by the community and augment the CSR project if required. The community development programs are either fully-adopted or supported by the company as per the need on a case-to-case basis. Capacity-building programs for local administrations are also conducted to successfully run the programs.

The company has identified the following thrust areas:

- Water & Sanitation
- Education
- Healthcare
- Skill Development

A snapshot of the work is as follows:-

#### Water & Sanitation

Severe water-stressed areas in the country have been identified. We will focus on creating sustainable sources of water for drinking, sanitation and irrigation. Replicable and indigenous methods for augmenting water supply will be adopted, such as building check dams, field bunds, and soil and water conservation. The program will also help the community to build and utilize sanitation facilities. Other initiatives in these identified areas will include support to local schools, skill development training and access to medical facilities.

#### Education

We focus on providing primary education, developing infrastructure and enhancing the learning experience in schools in the vicinity of our units across India.

Innovative learning methods are used in subjects like mathematics and science, which many children find challenging. Our 'Science on Wheels' van visits schools and provides a hands-on opportunity to perform experiments. Other initiatives include, support to pre-schools, infrastructure development, setting up computer labs, providing teaching aids and uniforms to the needy, capacity building of teachers, organizing summer camps,



'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.

sports activities and upgrading school libraries. Currently, L&T is supporting over 250 schools across India and reaching out to over 2 lakh underprivileged children - in addition to undertaking interventions in over 100 balwadis and anganwadis.

## Health

L&T participates in building a healthy community through ongoing initiatives in several areas of healthcare with a focus on mother and child care, including several other facets of well-being.

Around its establishments, across India, L&T has set up health centres with a focus on reproductive health and conducted diagnostic and clinical health camps to support maternal and child health care, immunization and health education. Health camps are conducted by a combination of teams and mobile clinics that reaches out to the underprivileged. Our HIV/AIDS prevention initiatives include conducting awareness camps in the community, Anti-Retroviral Therapy (ART), Integrated Counseling and Testing at the Company's health centre in Mumbai.

The first health centre for the community was set up by L&T in Andheri, Mumbai in 1967. Today, nine community health centres in towns with L&T campuses – Mumbai (2), Thane, Ahmednagar, Surat, Kansbahal, Coimbatore, Chennai and Vadodara provide health care for the community as well as employees and their family members. L&T has also



L&T has set up several community health centres around the country. Locations include Mumbai, Thane, Ahmednagar, Hazira (Surat), Coimbatore, Chennai, Kansbahal (near Rourkela) and Vadodara.

set up Artificial Kidney Dialysis centres for benefit of the underprivileged at Mumbai, Thane, Vadodara and Chennai community health centres. Our community health centres reach out to over 3 lakh beneficiaries annually and at 13 locations, we cater to their needs through mobile health vans.

## Skill Building

In 1995, L&T set up its first Construction Skills Training Institute (CSTI) at Chennai. Currently, L&T has eight CSTIs on its own and has collaborated with twenty-seven ITIs. They provide free-of-cost training in construction skills to rural and urban youth in various trades such as bar bending, formwork carpentry, masonry, scaffolding and



Safety is accorded top priority. Safety practices are rigorously implemented at all project sites around the country. L&T has also set up a unique Safety Innovation School at Hazira.

welding, etc. This training improves the skill-sets of the underprivileged youth and enhances their employability. Units set up in collaboration with ITIs impart industry-oriented training.

L&T has also introduced vocational training programs in tailoring, beautician's courses, home nursing and food processing for women, providing means for self-reliance. Through the CSTIs and other vocational training programs, we have reached out to over 45,000 youth and women from underprivileged backgrounds and have provided them with viable skills.

The Company has reached out to over 1.3 million beneficiaries through various CSR programs and initiatives.

The Larsen & Toubro Public Charitable Trust (LTPCT) conducts vocational training program for women, giving them the opportunity to earn their livelihood. The program conducts beautician courses and imparts skills related to tailoring, home-nursing, food processing, etc.

This year, with the construction of additional check dams in the Dahanu Taluka of Maharashtra, the total number has reached 200. Check dams are eco-friendly structures that help irrigation and ground water recharge.

Please refer to the 'Social Performance' section of Sustainability Reports for further details on various social engagement and community development programs.

The Company contributed Rs. 105.68 crores in 2014-15 towards social development.

### **Principle 9: Engage with and provide value to customers**

We believe our leadership position in most of our major businesses rests on our ability to consistently improve the value we offer customers. We engage with our clients to understand requirements, and anticipate needs. We invest in R&D, design facilities, superior manufacturing and testing processes, and set up training centres for our own and customer personnel.

Health & Safety concerns are integrated at the product design stage. Our products carry suitable labeling and are accompanied by operation and maintenance manuals in line with relevant codes and specifications. Similar clarity is maintained across all our projects through signage systems. Products are tested and benchmarked against stringent national and international standards such as Bureau of Indian Standards, International Organization for Standardization and International Electro technical Commission.

An established system of addressing customer complaints, comments and suggestions ensures regular personal interaction with clients. The system consists of regular

customer meets, customer satisfaction surveys, training programs for customer representatives and market based research. All our channel partners, i.e., Stockists and Dealers are briefed about new product features and components. The high percentage of repeat orders is a reliable indication of customer satisfaction and confidence in L&T's products, projects and services.

All norms, standards and voluntary codes and guidelines related to marketing communication are adhered to. The brand management guidelines institutionalized by L&T's Corporate Brand Management & Communications (CBMC) department authenticate communications and help customers identify and distinguish the Company's products.

Regarding unfair trade practices, irresponsible advertising and or anti-competitive behaviour, no stakeholder has filled a case against the Company in last five years and there are no pending cases as on 31st March, 2015.



*L&T's Switchgear Training Centre in Vadodara. At all L&T centres, 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.*



*IT complex built by L&T for a software major. 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 to the SEBI framework

Question	Reference	
	Section	Page Number
<b>Section A : General Information about the Company</b>		
1. Corporate Identity Number (CIN) of the Company	AR	Page 18
2. Name of the Company	AR	Page 18
3. Registered Address	AR	Page 18
4. Website	AR	Page 18
5. Email id	AR	Page 18
6. Financial Year Reported	AR	Page 18-19
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	AR	Page 18-19
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	AR	Page 19
9. Total number of locations where business activity is undertaken by the Company		
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
<b>Section B: Financial Details of the Company</b>		
1. Paid up Capital (INR)	AR	Page 19
2. Total Turnover (INR)	AR	Page 19
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
<b>Section C : Other Details</b>		
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)	AR	Page 19
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%]		
<b>Section D: BR Information</b>		
1. Details of Director/Directors responsible for BR	AR	Page 19-20
a) Details of the Director/Director the BR policy/policies <ul style="list-style-type: none"> <li>• DIN Number</li> <li>• Name</li> <li>• Designation</li> </ul>		
b) Details of the BR head <ul style="list-style-type: none"> <li>• DIN Number (if applicable)</li> <li>• Name</li> <li>• Designation</li> <li>• Telephone number</li> <li>• e-mail ID</li> </ul>		
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
<b>Section E : Principle-wise Performance</b>		
<b>Principle1: Ethics, Transparency and Accountability</b>		
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 Directors' Report Section of this Annual Report.	Page 22
<b>Principle 2 : Sustainable Products and Services</b>		
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
<b>Principle 3: Employee Well Being</b>		
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
<b>Principle 4: Valuing Marginalized Stakeholders</b>		
Has the company mapped its internal and external stakeholders?		Page 25
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 26
<b>Principle 5: Human Rights</b>		
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
<b>Principle 6: Environment</b>		
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
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 28
<b>Principle 7: Policy Advocacy</b>		
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
<b>Principle 8: Inclusive Growth</b>		
Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8?		Page 29
Are the programs/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 31
Have you taken steps to ensure that this community development initiative is successfully adopted by the community?		Page 29-31
<b>Principle 9: Customer Welfare</b>		
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 Directors' 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 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 31

## STANDALONE FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

Description	2014-15 ₹₹₹	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
				←			→			
<b>Statement of Profit and Loss</b>										
Gross revenue from operations	57558	57164	52196	53738	44296	37356	34337	25342	17938	14995
PBDIT <sup>^^</sup>	6488	6667	5473	6283	5640	4816	3922	2969	1784	1126
Profit after tax (excluding extraordinary/exceptional items)	4699	4905	4169	4413	3676	3185	2709	2099	1385	863
Profit after tax (including extraordinary/exceptional items)	5056	5493	4384	4457	3958	4376	3482	2173	1403	1012
<b>Balance Sheet</b>										
Net worth	37085	33662	29291	25223	21846	18312	12460	9555	5768	4640
Deferred tax liability (net)	363	410	290	133	263	77	48	61	40	77
Loan funds	12936	11459	8478	9896	7161	6801	6556	3584	2078	1454
Capital employed	50384	45531	38059	35252	29270	25190	19064	13200	7886	6171
<b>Ratios and statistics</b>										
PBDIT as % of net revenue from operations @	11.38	11.78	10.60	11.82	12.84	13.00	11.56	11.87	10.14	7.63
PAT as % of net revenue from operations \$	8.87	9.71	8.50	8.38	9.01	11.82	10.26	8.69	7.97	6.86
RONW % *	14.30	17.46	16.06	18.95	19.73	28.49	31.71	29.21	27.19	25.67
Gross Debt: Equity ratio	0.35:1	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
Dividend per equity share (₹) ##	16.25	14.25	12.33	11.00	9.67	8.33	7.00	5.67	4.33	3.67
Basic earnings per equity share (₹) #	54.46	59.36	53.33	48.61	43.55	49.18	39.67	25.20	16.74	12.68
Book value per equity share (₹) ##	398.78	362.95	317.09	274.35	238.96	202.46	141.54	108.63	67.43	55.67
No. of equity shareholders	8,53,824	832,831	854,151	926,719	8,53,485	8,14,678	9,31,362	5,78,177	4,28,504	3,27,778
No. of employees	44,081	54,579	50,592	48,754	45,117	38,785	37,357	31,941	27,191	23,148

<sup>^^</sup> 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

\$\$ Figures for the year 2005-06 to 2011-12 include Hydrocarbon business which has been transferred w.e.f April 1, 2013 to a wholly owned subsidiary

\$\$\$ Figures for the year 2014-15 do not include Integrated Engineering Services business which has been transferred w.e.f. April 1, 2014 to a wholly owned subsidiary

## CONSOLIDATED FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

Description	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
<b>Statement of Profit and Loss</b>										
Gross revenue from operation	92762	85889	75195	64960	52470	44310	40932	29819	20877	16809
PBDIT <sup>^^</sup>	11336	10730	9929	8884	7677	6423	5024	3706	2615	1585
Profit attributable to shareholders of Parent Company (excluding extraordinary/exceptional items)	4470	4547	4911	4649	4238	3796	3007	2304	1810	1051
Profit attributable to shareholders of Parent Company (including extraordinary/exceptional items)	4765	4902	5206	4694	4456	5451	3789	2325	2240	1317
<b>Balance Sheet</b>										
Net worth	40909	37712	33860	29387	25051	20991	13988	10831	6922	4964
Minority Interest	4999	3179	2653	1753	1026	1087	1059	923	646	107
Deferred tax liability (net)	(185)	337	184	82	311	153	131	122	107	127
Loan funds	90571	80330	62672	47150	32798	22656	18400	12120	6200	3499
Deferred payment liability	3032	3482	3954	4418	4512	1951	1970	196	232	-
Capital employed	139326	125040	103323	82790	63698	46838	35548	24192	14107	8697
<b>Ratios and statistics</b>										
PBDIT as % of net revenue from operations @	12.32	12.60	13.33	13.81	14.75	14.61	12.40	12.58	12.75	9.57
PAT as % of net revenue from operations \$	5.18	5.76	6.99	7.30	8.56	12.40	9.35	7.89	10.92	7.95
RONW % **	12.13	13.71	16.47	17.26	19.38	31.23	30.64	26.92	38.01	32.30
Gross debt:equity ratio	2.21:1	2.13:1	1.85:1	1.61:1	1.31:1	1.08:1	1.32:1	1.12:1	0.9:1	0.71:1
Basic earnings per equity share (₹) #	51.33	52.97	56.53	51.21	49.04	61.27	43.17	26.96	26.73	16.50
Book value per equity share (₹) ##	439.93	406.65	366.59	319.64	273.97	232.04	158.84	122.87	80.92	59.57
Dividend per equity share (₹) ##	16.25	14.25	12.33	11.00	9.67	8.33	7.00	5.67	4.33	3.67

<sup>^^</sup> 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)].

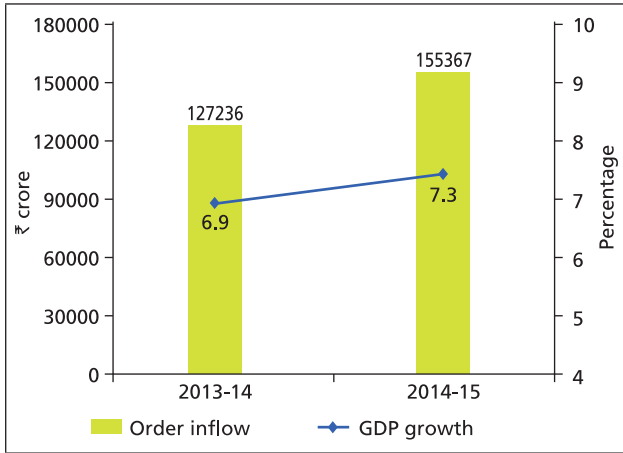
\*\* RONW [(profit available for appropriation including extraordinary/exceptional items)/(average net worth excluding revaluation reserve and miscellaneous expenditure)].

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

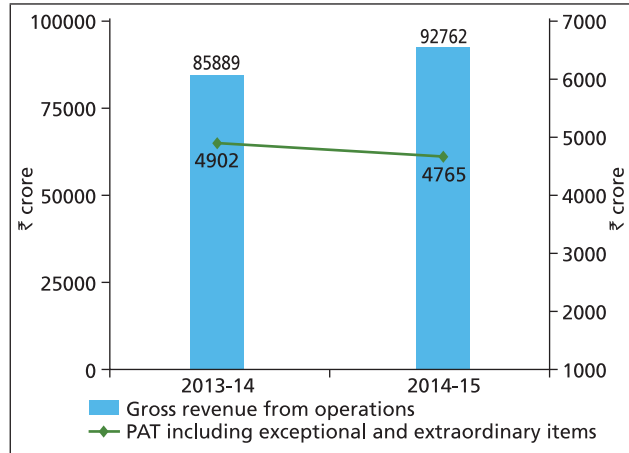
## After considering issue of bonus shares/restructuring during the respective years.



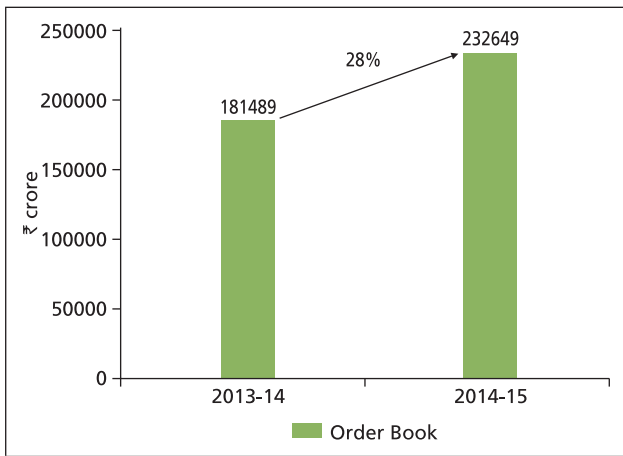
**L&T CONSOLIDATED - ORDER INFLOW**



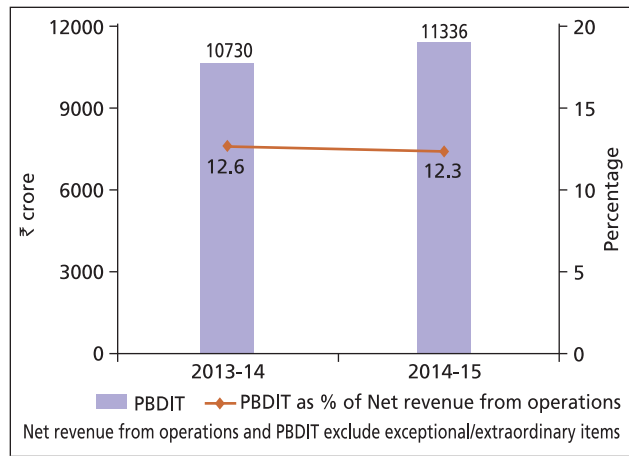
**L&T CONSOLIDATED - GROSS REVENUE FROM OPERATIONS AND PAT**



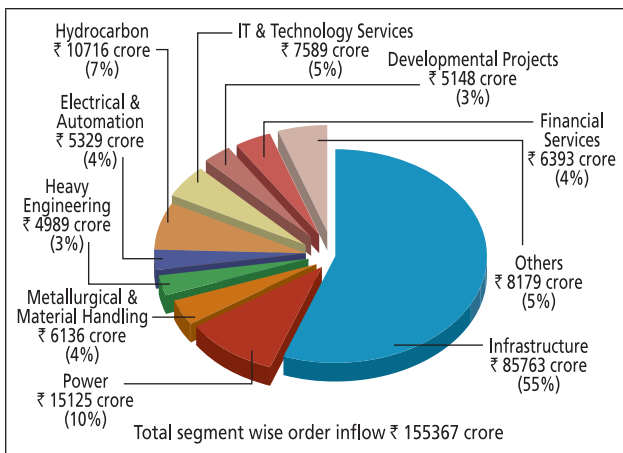
**L&T CONSOLIDATED - ORDER BOOK**



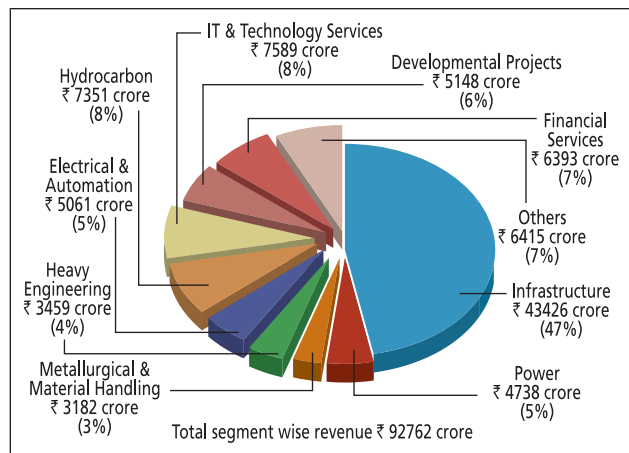
**L&T CONSOLIDATED - PBDIT AS % OF NET REVENUE FROM OPERATIONS**



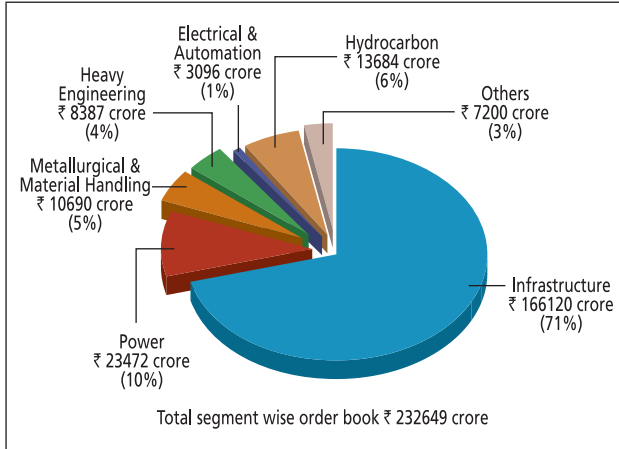
**L&T CONSOLIDATED - SEGMENT-WISE ORDER INFLOW 2014-15**



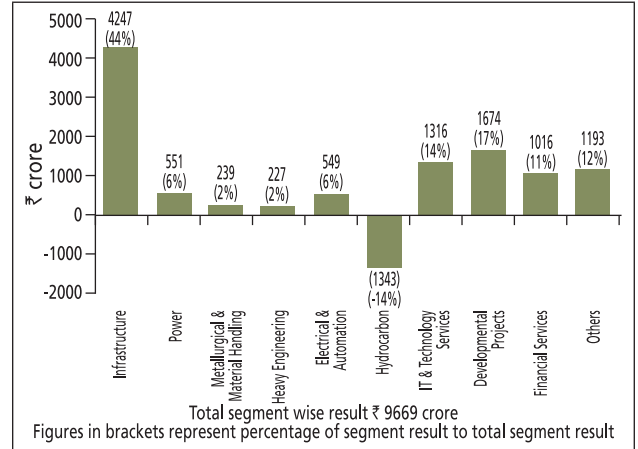
**L&T CONSOLIDATED - SEGMENT-WISE REVENUE 2014-15**



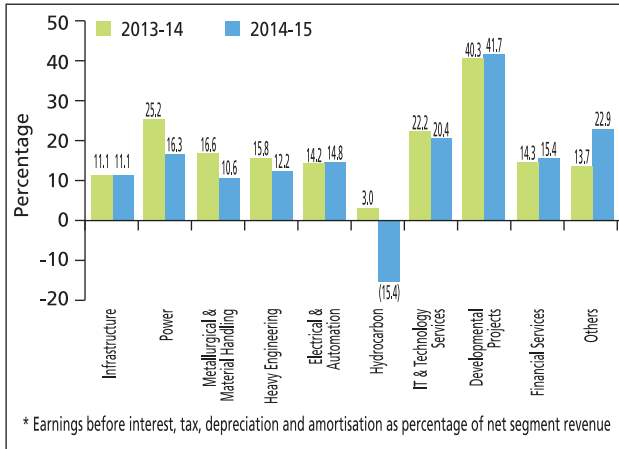
### L&T CONSOLIDATED - SEGMENT-WISE ORDER BOOK AS AT MARCH 31, 2015



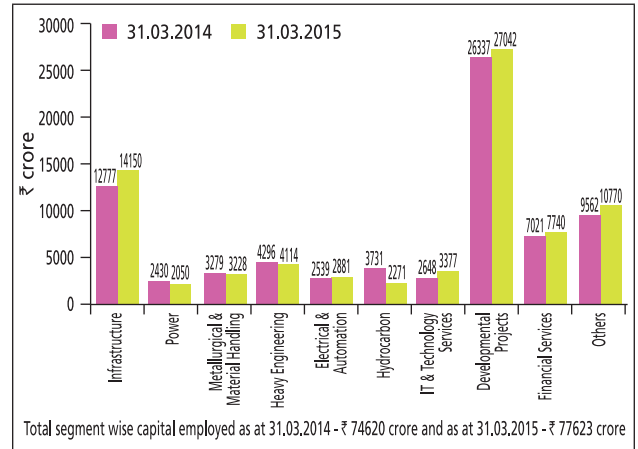
### L&T CONSOLIDATED - SEGMENT-WISE RESULT 2014-15



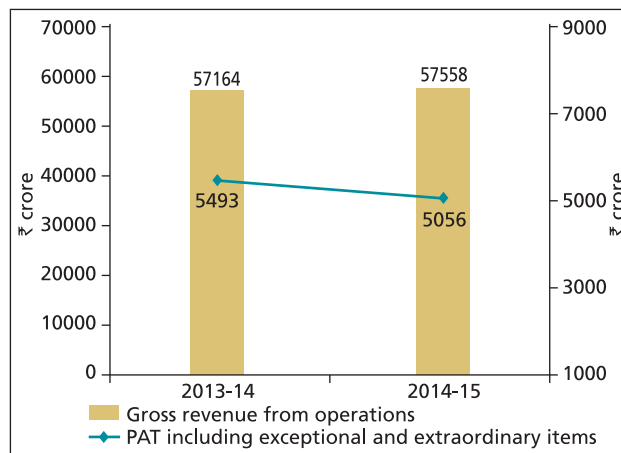
### L&T CONSOLIDATED - SEGMENT-WISE EBIDTA MARGINS\*



### L&T CONSOLIDATED - SEGMENT-WISE CAPITAL EMPLOYED



### L&T STANDALONE - GROSS REVENUE FROM OPERATIONS AND PAT



## Directors' Report

Dear Members,

The Directors have pleasure in presenting their Annual Report and Audited Financial Statements for the year ended March 31, 2015.

### FINANCIAL RESULTS

	2014-15 ₹ crore	2013-14 ₹ crore
Profit before depreciation, exceptional and extraordinary items and tax	7352.21	7471.83
Less: Depreciation, amortisation, impairment and obsolescence	1009.74	793.36
	6342.47	6678.47
Add: Transfer from Revaluation Reserve	1.59	0.94
Profit before exceptional and extraordinary items and tax	6344.06	6679.41
Add: Exceptional items	357.16	588.50
Profit before tax	6701.22	7267.91
Less: Provision for tax	1645.04	1774.78
Profit for the period carried to Balance Sheet	5056.18	5493.13
Add: Balance brought forward from previous year	333.45	285.75
Less: Dividend paid for the previous year (including dividend distribution tax)	2.20	2.78
Less: Depreciation charged against retained earnings	86.28	—
Add: Reversal of deferred tax on depreciation charged against retained earnings	29.33	—
Balance available for disposal (which the directors appropriate as follows):	5330.48	5776.10
Debenture Redemption Reserve	256.50	44.00
Proposed Dividend	1510.54	1320.85
Dividend Tax	134.33	77.80
General Reserve	—	4000.00
	1901.37	5442.65
Balance to be carried forward	3429.11	333.45
Dividend	1510.54	1320.85

The Directors recommend payment of final dividend of ₹ 16.25 per equity share of ₹ 2/- each on 92,95,62,061 shares.

### CAPITAL & FINANCE

During the year under review, the Company allotted 26,49,403 equity shares upon exercise of stock options by the eligible employees under the Employee Stock Option Scheme.

The Company tied up long term foreign currency loans of approximately ₹ 1,093.75 crore and issued Non-Convertible Debentures (NCDs) worth ₹ 1,150 crore. In addition, the Company also refinanced USD 200 million foreign currency loan through a Foreign Currency Convertible Bond (FCCB) issuance to reduce its interest cost. Apart from this, the Company also repaid a part of its long term foreign currency debt of USD 5.83 million.

### CAPITAL EXPENDITURE

As at March 31, 2015, the gross fixed and intangible assets, including leased assets, stood at ₹ 12,784 crore and the net fixed and intangible assets, including leased assets, at ₹ 7,981 crore. Capital expenditure during the year amounted to ₹ 953 crore.

### DEPOSITS

There were no deposits which were due for repayment on or before March 31, 2015. All unclaimed deposits were transferred to Investor Education & Protection Fund during the year.

### DEPOSITORY SYSTEM

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2015, 97.77% of the Company's total paid-up capital representing 90,87,91,211 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.

### TRANSFER TO INVESTOR EDUCATION AND 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 ₹ 1,47,21,816 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 ₹ 13,05,29,159 as on March 31, 2015.

### SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

During the year under review, the Company subscribed / acquired equity / preference shares in various subsidiary /

associate / joint venture companies. These subsidiaries include companies in general insurance, real estate, infrastructure, engineering services and manufacturing sectors. 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 General Insurance Company Limited	Equity	12,50,00,000
L&T Infrastructure Engineering Limited (See Note 1)	Equity	18,00,000
L&T Metro Rail (Hyderabad) Limited	Equity	82,60,000
L&T Seawoods Limited	Equity	49,35,50,000
L&T Seawoods Limited	Preference	1,03,60,00,000
L&T Technology Services Limited	Equity	19,75,00,000
L&T Technology Services Limited	Preference	35,00,00,000
L&T Valves Limited	Equity (Bonus)	2,36,740
L&T-MHPS Turbine Generators Private Limited	Equity	16,83,00,000
L&T Shipbuilding Limited	Preference	5,00,00,000

**B) Equity shares sold/transferred during the year:**

Name of the company	Number of shares
L&T Finance Holdings Limited (See Note 2)	6,16,53,599

**Note:**

- During the year, the Company acquired 50% stake in L&T Infrastructure Engineering Limited (formerly known as L&T-Ramboll Consulting Engineers Limited) from the Joint Venture partner, with this acquisition, L&T Infrastructure Engineering Limited is now a wholly owned subsidiary of the Company.
- To comply with, inter-alia the minimum public shareholding requirement in L&T Finance Holdings Limited by August 2014, the Company has sold shares of L&T Finance Holdings Limited.

The Company has formulated a policy on the identification of material subsidiaries and the same is placed on the website at <http://investors.larsentoubro.com/Listing-Compliance.aspx>.

**C) Performance and Financial Position of each subsidiary/associate/joint venture companies:**

A statement containing the salient features of the financial statement of subsidiary/associate/joint venture companies is provided on pages 342 to 350 of this Annual Report.

**PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY**

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided on pages 222 to 224 of this Annual Report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy and the same has been uploaded on the Company's website <http://investors.larsentoubro.com/Listing-Compliance.aspx>.

The Company has a process in place to periodically review and monitor Related Party Transactions.

All the related party transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved all related party transactions for FY 2014-15 and estimated transactions for FY 2015-16.

There were no material transactions with the related parties during the year.

**YEAR IN RETROSPECT**

The gross sales and other income for the financial year under review were ₹ 59,841 crore as against ₹ 59,045 crore for the previous financial year registering an increase of 1.35%. The profit before tax from continuing operations including extraordinary and exceptional items was ₹ 6,701 crore for the financial year under review as against ₹ 7,268 crore for the previous financial year, registering a decrease of 7.8%. The profit after tax from continuing operations including extraordinary and exceptional items of ₹ 5,056 crore for the financial year under review as against ₹ 5,493 crore for the previous financial year, registering a decrease of 7.96%.

**AMOUNT CARRIED TO RESERVE**

The Company has not transferred any amount to the reserves during the current financial year.

**DIVIDEND**

The Directors recommend payment of dividend of ₹ 16.25 per equity share of ₹ 2/- each on the share capital.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required to be given under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure 'A' forming part of this Report.

## **RISK MANAGEMENT POLICY**

The Company has constituted a Risk Management Committee comprising of Mr. A. M. Naik, Mr. K. Venkataramanan and Mr. R. Shankar Raman and concerned heads of Independent Companies as members. Mr. A. M. Naik is the Chairman of the Committee.

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

A detailed note on risk management is given under financial review section of the Management Discussion and Analysis on pages 182 to 183 of this Annual Report.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility Committee comprising of Mr. Vikram Singh Mehta, Mr. M. V. Kotwal and Mr. R. Shankar Raman as the Members. Mr. Vikram Singh Mehta is the Chairman of the Committee.

The details of the various projects and programs to be undertaken by the Company as a part of its CSR policy framework is available on its website <http://investors.larsentoubro.com/Listing-Compliance.aspx>.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure 'D' forming part of this Report.

## **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED/RETIRED DURING THE YEAR**

Mr. S. Rajgopal and Mr. S. N. Talwar, Independent Directors, retired at the conclusion of the Annual General Meeting (AGM) held on August 22, 2014.

Mr. A. K. Jain, Nominee Director representing Administrator of the 'Specified Undertaking of Unit Trust of India' (SUUTI) resigned with effect from February 10, 2015, consequent to the withdrawal of his nomination.

The Board places on record its appreciation of the immense contribution made by Mr. S. Rajgopal, Mr. S. N. Talwar and Mr. A. K. Jain to the Company.

The Board has appointed Mr. Akhilesh Krishna Gupta as an Independent Director of the Company from September 9, 2014 to September 8, 2019, subject to the approval of the shareholders. Mr. Akhilesh Gupta, appointed as an Additional Director, will hold office till the ensuing AGM and is eligible for appointment.

The Board has appointed Mr. Bahram Navroz Vakil as an Independent Director of the Company from March 16, 2015 to March 15, 2020, subject to the approval of the shareholders. Mr. Vakil, appointed as an Additional Director, will hold office till the ensuing AGM and is eligible for appointment.

The Board has appointed Mr. Swapan Dasgupta as a Director in the casual vacancy caused by the resignation of Mr. A. K. Jain as a Director representing SUUTI, with effect from April 1, 2015.

The Board has appointed Mrs. Sunita Sharma as a Director in the casual vacancy caused by the resignation of Mr. N. Mohan Raj as a Director representing 'Life Insurance Corporation of India', with effect from April 1, 2015.

The Board has appointed Mr. Thomas Mathew T. as an Independent Director of the Company from April 3, 2015 to April 2, 2020, subject to the approval of the shareholders. Mr. Mathew, appointed as an Additional Director, will hold office till the ensuing AGM and is eligible for appointment.

The Board has appointed Mr. Ajay Shankar as an Independent Director of the Company from May 30, 2015 to May 29, 2020, subject to the approval of the shareholders. Mr. Ajay Shankar, appointed as an Additional Director, will hold office till the ensuing AGM and is eligible for appointment.

Mr. Sushobhan Sarker, Mr. Shailendra Roy and Mr. R. Shankar Raman retire from the Board by rotation and are eligible for re-appointment at the forthcoming AGM.

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

The terms and conditions of appointment of the Independent Directors are placed on the website of the Company <http://investors.larsentoubro.com/Listing-Compliance.aspx>.

The Company has also disclosed the Directors' familiarization programme on its website <http://investors.larsentoubro.com/Listing-Compliance.aspx>.

## **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

This information is given in Annexure 'C' - Report on Corporate Governance forming part of this Report. Members are requested to refer to page 57 of this Annual Report.



### **AUDIT COMMITTEE**

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Clause 49 of the Listing Agreement. The details relating to the same are given in Annexure 'C' - Report on Corporate Governance forming part of this Report. Members are requested to refer to pages 59 to 61 of this Annual Report.

### **COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION**

The Company has in place a Nomination & Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder and Clause 49 of the Listing Agreement. The details relating to the same are given in Annexure 'C' - Report on Corporate Governance forming part of this Report. Members are requested to refer to pages 61 to 63 of this Annual Report.

The Committee has formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees, board diversity, composition and the criteria for determining qualifications, positive attributes and independence of a Director.

### **DECLARATION OF INDEPENDENCE**

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 and Clause 49 of the Listing Agreement from Independent Directors confirming that he is not disqualified from appointing/continuing as an Independent Director. The same are also displayed on its website <http://investors.larsentoubro.com/Listing-Compliance.aspx>.

### **EXTRACT OF ANNUAL RETURN**

As per the provisions of Section 92(3) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 is attached as Annexure 'G' to this Report.

### **DIRECTORS RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms that:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profit of the Company for that period;

- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have laid down an adequate system of internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating efficiently; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2015, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weakness exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS**

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees and individual Directors has to be made.

It includes circulation of questionnaires to all Directors for evaluation of the Board and its Committees, Board composition and its structure, its culture, its effectiveness, its functioning, information availability, etc. These questionnaires also cover specific criteria and the grounds on which all Directors in their individual capacity will be evaluated.

The Individual Directors responses on the questionnaire on the performance of the Board, Committee(s), Directors and Chairman were analyzed to arrive at unbiased conclusions.

The inputs given by all the directors were discussed in the meeting of the Independent Directors held on March 23, 2015, as per Schedule IV of the Companies Act, 2013.

The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination & Remuneration Committee.

### **DISCLOSURE OF REMUNERATION**

The details of remuneration as required to be disclosed under the Companies Act, 2013 and the rules made thereunder is given in Annexure 'H' forming part of this Report.

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. The details of employees receiving remuneration exceeding ₹ 5 lakh per month or ₹ 60 lakh per annum is provided in Annexure 'E' forming part of this Report. In terms of Section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure is related to any Director of the Company.

### **RECEIPT OF REMUNERATION BY MANAGING DIRECTOR FROM SUBSIDIARY COMPANY**

Mr. K. Venkataramanan, Chief Executive Officer and Managing Director of the Company, is also the Managing Director of a wholly owned subsidiary, L&T Hydrocarbon Engineering Limited. During the year 2014-15, part of the remuneration received by Mr. Venkataramanan was debited to L&T Hydrocarbon Engineering Limited. Kindly refer to page 242 of this Annual Report for details.

### **OTHER DISCLOSURES**

The disclosures relating to Employee Stock Options required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (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.

### **VIGIL MECHANISM**

As per the provisions of Section 177(9) of the Companies Act, 2013, the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns.

The Company has a Whistle-blower Policy in place since 2004 to report concerns about unethical behaviour, actual/ suspected frauds and violation of Company's Code of Conduct or Ethics Policy. The Policy has been suitably modified to meet the requirements of Vigil Mechanism under the Companies Act, 2013. The policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the Chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy.

The Company has disclosed information about the establishment of the Whistle Blower Policy on its website <http://investors.larsentoubro.com/corporategovernance.aspx>.

### **BUSINESS RESPONSIBILITY REPORTING**

The Company has been one of the first engineering and construction companies in India to publish its report on Corporate Sustainability.

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 to 35).

The detailed Corporate Sustainability Report is also available on the Company's website <http://www.larsentoubro.com/corporate/sustainability>.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

### **CONSOLIDATED FINANCIAL STATEMENTS:**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and 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, observation or adverse comment.

### **SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report issued by M/s. S. N. Ananthasubramanian & Co., Practicing Company Secretaries is attached as Annexure 'F' to this Report.

The Secretarial Auditor's report to the shareholders does not contain any qualification.

#### **REPORTING OF FRAUD**

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013.

#### **AUDITORS**

The Company's auditors M/s. Sharp & Tannan, (firm registration number 109982W) have already completed more than ten years as Statutory Auditors of the Company.

In accordance with provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, they can continue as Auditors for a further period of two years i.e up to March 31, 2017. It is proposed to appoint them from conclusion of 70<sup>th</sup> Annual General Meeting till the conclusion of 72<sup>nd</sup> Annual General Meeting.

In view of the mandatory rotation of auditor requirement and to ensure smooth transition during this period, it is also proposed to appoint M/s. Deloitte Haskins & Sells LLP as Statutory Auditors for a period of 5 continuous years i.e., from the conclusion of 70<sup>th</sup> Annual General Meeting till the conclusion of 75<sup>th</sup> Annual General Meeting of the Company.

Both the Auditors will be jointly and severally responsible during the first two financial years 2015-16 and 2016-17.

Sharp & Tannan and Deloitte Haskins & Sells LLP, have informed the Company vide letters dated May 30, 2015 & May 26, 2015 respectively, that their appointment if made would be within the limits prescribed under section 141 of the Companies Act, 2013.

Sharp & Tannan and Deloitte Haskins & Sells LLP, have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

Sharp & Tannan and Deloitte Haskins & Sells LLP, have also furnished a declaration confirming their independence as

well as their arm's length relationship with the Company and declared that they have not taken up any prohibited non-audit assignments for the Company.

#### **COST AUDITORS**

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 the Board of Directors had appointed M/s R. Nanabhoy & Co., Cost Accountants, as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended March 31, 2015. The audit is in progress and report will be filed with Ministry of Corporate Affairs within the prescribed period.

The Board, on the recommendation of the Audit Committee, at its meeting held on May 30, 2015, has approved the appointment of M/s R. Nanabhoy & Co., Cost Accountants as the Cost Auditors of the Company, for conducting audit of cost records for the financial year ending March 31, 2016. There is an additional coverage of products under audit during the year.

A proposal for ratification of remuneration of the Cost Auditors for FY 2014-15 as well as FY 2015-16 is placed before the shareholders.

#### **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 all the 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*  
(DIN: 00001514)

Mumbai, May 30, 2015

## Annexure 'A' to the Directors' Report

Information as required to be given under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

### [A] CONSERVATION OF ENERGY:

#### (i) Steps taken or impact on conservation of energy:

- Replacement of existing aged inefficient Split AC units with energy efficient units.
- Retrofitting of LED tube in place of FTL.
- Utilization of Chiller for HVAC System – Campus FMD initiated and controls the chiller running hour for HVAC need during holidays and extended working hours.
- Close monitoring of lighting system by providing dedicated team to avoid unwanted lighting power.
- Replacement of LED tubes and lamps in place of FTL and Metal Halide lamps at TLT factories.
- Use of Automatic Power Factor Correction Unit to maintain Power factor above 0.98 at TLT factories.
- Close monitoring of lighting system by providing Automatic On/Off Timers in Outdoor Lighting at TLT factories.
- Automation in Galvanizing Furnace in order to maintain constant Air-Fuel Ratio & maintain working Temperature.
- Providing Magnetic Resonators for increasing the combustion Efficiency of Fuel (LPG).
- Installation of Energy Efficient Ceiling Fans in canteen at TLT Pithampur.
- Synchronized switching operation for Automatic Lighting for Paint Booth.
- Installation of Occupancy Sensor in Admin Building & Shop floor office at Piping centre.
- Replacement of Metal Halide lamp with LED lamp for LMS Shop Overhead lighting and CNC machines lighting.
- Use of LED lighting in confined space and job lighting.
- Installation of magnetic resonators in PFS and HFS1 Furnace to reduce NG consumption.
- Use of astronomical Timers for Street Lighting and yard/shop lighting to conserve energy.
- Introduction of VFDs for boom & turntables.
- Retrofitting of SKODA & Pegard indexing table with CNC & energy efficient servo motor & drive.
- Conversion of shop wagons from petrol engine to electric motor.
- Introduction of magnetic resonators in furnaces.
- Special Chemical treatment using Scacil / Bionil for Condenser water of EPC AC plant.
- Upgrading and qualifying Hot Air Oven (50 kW) in place of Horizontal Autoclave (450 kW) for curing of components.
- Optimized operation of Centralized Chiller for offices and DFES.
- Use of transparent PE based false ceiling / roof sheets in workshops / assembly sheds to utilize day light.
- Installation of APGC (auto power generated & conserved) urinal flushing system and wash basin taps.
- Utilization of natural water source from ISF instead of MIDC potable water for irrigation of green belt at SSC.
- Use of light pipes to utilize the day light in canteen & blasting bay resulted into annual saving of 4200Kwh.
- Automatic Water Filling system which trips the pump if the designated level is reached and reduces the power consumption for water overflow.
- Implementation of Smart metering system to monitor shop wise energy consumption in Talegaon.
- Use of VFD drives on 132 kW Compressors leading to power factor improvement from 0.8 to 0.98.
- 70% use of Inverter based Welding Machines for project construction.
- Optimized operation of Centralized Chiller for offices and VRF type Centralized Air condition.
- Use of infra-red motion sensor for lighting control in toilet blocks.
- Installation of 90 kW VFD drive on Wheelabrator motors of Plate treatment line, thereby improving power factor from 0.8 to 0.98.

- Use of Solar tubes on rooftop and transparent PE sheets on doors of marine coating workshop.
  - Conversion of 25 kW hydro test pump motor from delta connection to star connection, when being used in interceptor Boat thereby reducing power consumption by 10 kW.
  - Disconnection of Tube Light fixtures in unused area.
  - Installation of presence sensors at various locations.
  - Optimum use of AC & FDVS (Forced draft ventilation system) at various locations.
  - Reduction in machining time of CK310-0801-1 part.
  - Installation of VFD (Variable Frequency Drive) for air compressor.
  - Provision of Auto shut off in 63T & 40T Presses in case of idling.
  - Thyristors introduced in Heat Treatment for reducing Energy Consumption by 8%.
  - Power & LPG consumption reduced by 9% by optimizing usage of Thermal reclamation plant.
  - Production increased during Non-peak hours.
  - Utilization of Demand effectively without exceeding 90% of MD.
  - Replacement of 60HP furnace cooling water circulation by 20HP pump.
  - Installation of programmable auto switching timer to switch off Shop floor overhead lights during breaks & Sundays at Kansbahal.
  - Modification of conventional machines lubrication pump for intermittent operation as per requirement.
  - Identification of and arresting compressed air leakage points thus reducing compressed air consumption.
  - Observation of 'Walk-to-Work' day on 2<sup>nd</sup> Saturday of every month at Kansbahal works.
  - Provision of LED Light fittings at EWL, Kancheepuram works.
  - Planning production during night hours thus availing 5% rebate.
  - Installation of harmonic filters to reduce the level of harmonics to improve power quality as per the requirement of the TNEB thus avoiding penalty of 2% in the overall TNEB Billing.
- (ii) Steps taken by the Company for utilizing alternate sources of energy:**
- Power generation through Solar Roof top PV installation. All buildings in L&T Construction campus at Chennai have Solar PV roof top installations.
  - Installation of Solar Powered Street Light with 36W LED Fittings at TLT, Pondicherry.
  - Installation of 113.9 kWp Solar Photovoltaic (PV) system consisting of Crystalline and CIGS modules with fixed tilt, single-axis and dual-axis tracking systems installed at Construction Skills & Training Institute (CSTI) at Jadcherla, Telangana. This system shall generate approximately over 2 lakh units of clean energy per annum and which will prevent approximately 136 tons of CO<sub>2</sub> emission.
  - Successful surveillance audit for Management of Energy through ISO 50001:2011 (Energy Management System) methodology.
  - Purchase of Green Power from third party wind farm to reduce the carbon footprint.
  - Installation of 10kW solar PV panels with grid connectivity.
  - Use of high velocity burners in place of low velocity burners.
  - Development of PTAW process for stellite hard facing.
  - Elimination of Welding/plasma cutting by use of forming/ joggling operation.
  - Establishment of Baseline data for Energy Intensive Processes / Equipment.
  - Provision in operation control Panel for switching off hydraulic Power pack during idling conditions.
  - Installation of wind turbine roof top ventilators at Workshops, Electric Substation & Canteen instead of exhaust fans.
  - Provision of switch on Operator Console to reduce idle runtime and for efficient control of 75 kW DC fan motor in CNC machines.
  - Installation of Solar Street light replacing conventional Metal Halide lighting.
  - Optimum utilization of windmill power in the place of State Electricity Board.



**(iii) Capital investment on energy conservation equipments:**

- Conversion of VAM based air-conditioning plant to water cooled screw chiller in SBU block.
- 100 kVA UPS for furnace to reduce diesel consumption of DG set during power cuts.
- Installation of lighting transformer for shop & area lighting at Heavy Engineering at Hazira.
- BOT (Build Operate Transfer) projects with ESCOs (Energy Saving Companies) for energy conservation in Peripheral Lighting by migrating from HPSV to LED light.
- Initiation of additional investment & proposal for replacement of existing MHL 250W shop lights with LED or induction lights.
- Introduction of power factor incentive by WESCO to help maintain power factor to unity resulting in saving in monthly electricity bill by approximately ₹1.5 Lakhs per month.
- Trial run of impactor / crusher to be carried out by AC VDF drive replacing conventional Start-delta starter to save energy.
- Installation of dedicated portable compressor at undercarriage shop & detachment of air connection from central compressor to save air consumption.

**[B] TECHNOLOGY ABSORPTION:**

**(i) Efforts made towards technology absorption:**

- Elimination of 5 Position rotary switches in HMT Radial Drilling Machine and replacing with a speed control drive which is used for controlling speed according to requirement and elimination of separate 2 speed motor.
- Replacement of the starter of fuel gas blower used for galvanizing with drive control (Delta VFD) so as to adjust motor speed according to the requirements.
- Completed Airworthiness Qualification of Integrated Life Support System - On-board Oxygen Generation System for fighter aircrafts.
- Development and Qualification of Oxygen System for Military Helicopters.
- Technology absorption & adaptation for development of Combat Vehicles & Artillery Systems.

- Entering into technology transfer agreement with a leading Global technology provider for Titanium Clad equipment.
- Indigenous development of fully automatic T-ring welding station using GMAW.
- Process development for automatic welding and helium leak testing in manufacturing of various assemblies of ITER Cryostat.
- Development of in-situ system for automatic buttering on shell surface using MIG / FCAW / TIG process.
- Indigenous development of 3-point contact expansion process for tube positioning prior to tube to tube-sheet welding in Reactors and Heat Exchangers.
- Indigenous design and manufacturing technology of Fast Interceptor Boats for Indian Coast Guard.
- Up streaming of production processes and modularizing parts of ships to attain built period reduction and optimization of resources and cost of ships.
- Development of RT quality GMAW/FCAW with ceramic backing (single side full penetration welding without chip back) for steel as well as aluminum alloy first time in L&T.
- Development of semiautomatic FCAW for pipe flange joints instead of SMAW/GTAW.
- Manufacturing of critical components of Heavy Lift Cranes in house.
- Development of Panel welding (3 wires SAW) station, Single side single pass full penetration square butt welding up to plate thickness of 16 mm, development of RT quality welds through different mock up, procedure & welder developments and development of semiautomatic GMAW for welding of High strength low alloy steel through different mock up, procedure & welder developments.
- Self-shielded FCAW to eliminate usage of shielding gas.
- Design and development of Side Launch of large vessels.
- In-house expertise to commission major equipment of Interceptor boats.
- In-house expertise to choke fast major machineries on ships.

- Introduction of new low voltage drives, different variants of MCCBs, 4000 H2 ACB (Air Circuit Breaker) for hazardous condition & a new range of smart Busbar trunking solution for aluminum application.
  - Development of new, cost-optimized meter platforms offering better features.
  - Development and integration of modules to facilitate remote communication of meter data over Radio / GSM.
  - Development of Pre-Paid Meters, Smart Meters, Protective Relays and Panel Meters.
  - Introduction of new single phase meter "Alpha" & "Alpha Plus", Single Phase Meter with ZigBee radio used in AMR (Automatic Meter reading) system, CI.1 Whole current Meter with IR (Infra-Red) communication port & MC 61C-nx : Over current & Earth fault relay with RS-485 port.
  - Localization of VCB mechanism, 36 kV VCB (Vacuum Circuit Breaker) and GIS (Gas Insulated Switchgear) tank manufacturing.
  - Manufacturing of RMU (Ring Main Units) at Ahmednagar works.
  - Introduction of Enersys M main distribution boards.
  - Introduction of India's 1st indigenous protection relay (FCOM) complying with IEC61850 Edn2 standard for interoperability.
  - Development of 11T Wheel Loader, 9T Asphalt Compactor and 11T Soil Compactor.
  - Indigenization of various components by Rubber Processing Machinery business (RPM) by designing, developing specifications and adapting to International conditions.
  - Use of T-pot ladle used to improve Yield in production of Hubs by Foundry Business Unit (FBU).
  - Use of ATAS software by FBU to identify alternate pig iron as a substitute for Sorel metal which is costlier and in demand.
  - Pouring small SG Iron castings consistently without adding inoculants.
  - Introduction of Flaskless mould by FBU for small items to enhance productivity and reduction of investment on mould boxes.
  - Use of Thermocol pattern for development of large casting to reduce lead time.
  - Modification of running system modified in a large casting to enhance productivity and yield.
  - Various models of semi-mobile skid mounted crushing unit have been developed to meet specific applications for mining.
  - Adaptation of crushing technology for various applications.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**
- Structural floors with light weight concrete can reduce the dead load of the concrete structures.
  - Pre-packed grout, dry mortar and high flow grout are value added products with improved performance for building structures.
  - Sandwich structural wall panels improve the thermal comforts in buildings.
  - CGBM is a cost effective and durable solution to many pavement related issues like rutting, pot holes, cracking etc.
  - Emulsion based cold mixes with Reclaimed Asphalt Pavement materials give environmental friendly economical green technology over conventional bituminous mixes.
  - The rugged tablet PC and the 3D image capturing gadget would drastically simplify capturing and analysing data at the construction sites.
  - Results of CFD analysis were also verified with the physical hydraulic model testing. Appreciable saving in excavation and structural concrete, resulting in cost and time effective construction solution.
  - Alternate solution for rock toe requires substantially less material, is easy to construct and environment friendly.
  - The design (thickness) of the crotch plate was optimized in order to reduce the structural stress developed by the fluid flow within the allowable limit and considering the economic feasibility.
  - Automation in creep test.
  - A full fledged Microgrid system installed at L&T Construction, Chennai campus, which consists of 117kWp Solar power, 2.4kWp (3 Nos.) Micro

wind turbine, 1010 kVA (2 Nos.) DG sets and grid connection. The system seamlessly integrates renewable energy sources with conventional energy sources and regulates the connected load for optimum system performance.

- Battery Energy Storage System (BESS) using 32 kWh advanced Lithium-ion battery technology (project under execution) at car park of Chennai campus. The BESS system can be used for energy time shift and frequency regulation applications.
- Developed and deployed Seasonal-Tilt module mounting structure for enhancing power generation from Photovoltaic Solar Power Plants.
- Developed and deployed Ground-Following module mounting structure (Contour Following Structure –CFS) for minimizing impacts of land profile on the design of a solar power plant.
- Signed MoUs with European technology providers for acquiring solar thermal solutions in the field of power generation, desalination and industrial process heating.
- Initiated a pilot smart city model in L&T Construction's Chennai campus. The system would integrate features like surveillance, access control systems, video analytics and emergency response systems.
- Utilization of LiDAR for topographic survey for highway projects.
- Automation Tool/Application developed using AutoLisp involving Automatic taking of input data from LOP/pegging plan to standard Bill of Materials, Automatic generation of CSDs for open route and yards and Automatic generation of SEDs for open route and yards resulting in savings of 136 days as compared to manual procedure per person.
- Project foundation construction of Hyderabad Metro using CSLM (Controlled low-strength material) which is a self-compacted, cementitious material used primarily as backfill in lieu of compacted fill resulting in decreased labor requirements, faster construction speed and potentially lower in-place cost.
- Indigenisation (import substitution) & development of products and automatic welding process for critical components for Indian Defence & Aerospace sector.
- Indigenisation (import substitution) & development of HLT processes in ITER Cryostat manufacturing.
- Product improvement.
- Technology transfer to cover development of manufacturing techniques for fabricating over-sized titanium clad equipment.
- Broaden product portfolio for future PTA projects/ revamps.
- Increase in know-how within the country.
- Improved productivity and quality.
- Cost reduction by in-house design and development.
- Foreign exchange saving by import substitution.
- Requirement of IMS based CWA Sensors for Indian Defence.
- Increased self-reliance and savings in Foreign Exchange.
- Application of niche technologies to the Defence & Aerospace segment.
- Indigenisation (import substitution) & development of equipment and machinery of Interceptor Boats, which was earlier imported and critical commissioning process (by Indian partner) where services were rendered by equipment manufacturer (Foreign) in past.
- Continuous product development in the switchgear business at its various Department of Scientific & Industrial Research, Ministry of Science & Technology accredited R&D facilities in India and filing 152 Patent, 14 Trademark, 5 Design and 5 Copyright applications in India and 6 foreign applications.
- Expansion of switchgear product range and offerings to the infrastructure sector.
- Product development has helped in competing with international manufacturers in the construction & mining equipment and rubber processing machinery business.
- Wider range of products to meet specific application requirement for crushing.
- Development of higher capacity of Rotary Breaker.

**(iii) Information regarding technology imported during the last 3 years:**

S. No.	Technology Imported	Year of Import	Status of absorption & reasons for non-absorption, if any
a)	Dry Sand Making Systems, Air Screens, Vertical Shaft Impactors (VSI) and Jaw Crushers (STJ) from KEMCO, Japan.	2013-14	Under absorption - Testing of raw material (crushed rock) and interpretation of test result for predicting its suitability for sand manufacturing and cost of manufacturing are yet to be absorbed fully. Test plant is planned to be set up at Kansbahal works for this purpose.

**(iv) Expenditure incurred on Research & Development:**

₹ crore

	2014-15
Capital	64.12
Recurring	139.44
<b>Total</b>	<b>203.56</b>
Total R&D expenditure as a percentage of total turnover	0.35%

**[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:**

₹ crore

	2014-15
Foreign Exchange earned	9440.72
Foreign Exchange saved/deemed exports	1202.88
<b>Total</b>	<b>10643.60</b>
Foreign Exchange used	9673.31

## Annexure 'B' to the Directors' Report

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014							
Employee Stock Ownership Scheme- 1999-2003 and Employee Stock Option Scheme 2006							
(i) Employee Stock Ownership Scheme 1999-2003							
(ii) Employee Stock Option Scheme 2006							
Details of Options granted, pricing formula, Options vested, exercised, Shares arising as a result of exercise of Options, Options lapsed, variation of terms of Options, money realised by exercise of Options, total Options in force, employee-wise details of Options granted to senior managerial personnel etc., since inception of the Scheme till March 31, 2014 and also the adjustment made consequent to the demerger of cement business of the Company and restructuring of share capital and issue of Bonus Shares in 2006, 2008 and 2013 are available in Annexures 'B' to the Directors Report of Annual Report(s) for the year(s) upto 2013-14.							
PARTICULARS	Employee Stock Ownership Scheme 1999-2003					Employee Stock Option Scheme 2006	
	2000 Series	2002-A Series	2002-B Series	2003-A Series	2003-B Series	2006 Series	2006A Series
(a) (1) Options granted (outstanding and adjusted as of 01/04/2014)	25,200	32,250	59,550	47,178	499,543	510,181	8,692,214
(2) Options granted during year (Equity shares of ₹2/- each)	Nil	Nil	Nil	Nil	337,800	Nil	935,190
					837,343		9,627,404
(b) The Pricing Formula	₹ 2.30			₹ 11.70		₹ 400.70	
(c) Options vested							
Vested options at the beginning of the year	25,200	32,250	59,550	47,178	127,015	510,181	3,096,418
Add : Vested during the year	Nil	Nil	Nil	Nil	166,359	Nil	2,092,699
	25,200	32,250	59,550	47,178	293,374	510,181	5,189,117
(d) Options Exercised	Nil	Nil	Nil	Nil	183,609	169,900	2,295,894
(e) Total number of shares arising as a result of exercise of Options (Eq. shares of ₹ 2/- each)	Nil	Nil	Nil	Nil	183,609	169,900	2,295,894
(f) Options lapsed	Nil	Nil	Nil	Nil	68,450	35,625	676,786
(g) Variation of terms of Options	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h) Money Realised by exercise of Options ₹	Nil	Nil	Nil	Nil	2,148,225.30	68,078,930.00	919,964,725.80
(i) Total Number of Options in Force -							
Vested	25,200	32,250	59,550	47,178	100,390	304,656	2,663,991
Unvested	Nil	Nil	Nil	Nil	484,894		3,990,733
(j) Employee wise details of Options granted to :							
(a) Senior Managerial Personnel							
Mr. S N Subrahmanyam	-	-	-	-	140,000		
Mr. R Shankar Raman	-	-	-	-	60,000		
Mr. Shailendra Roy	-	-	-	-	40,000		
					240,000		
(b) Any Other employee who receives a grant, in any one year of Options amounting to 5% or more of Options granted during the year	None					None	



Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014							
Employee Stock Ownership Scheme- 1999-2003 and Employee Stock Option Scheme 2006							
PARTICULARS	Employee Stock Ownership Scheme 1999-2003					Employee Stock Option Scheme 2006	
	2000 Series	2002-A Series	2002-B Series	2003-A Series	2003-B Series	2006 Series	2006A Series
(c) 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					None	
(k) Dilute 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 extra-ordinary items ₹ 54.10 b. Diluted EPS after extra-ordinary items ₹ 54.10						
(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 2014-15 would have been higher by ₹ 9.10 crore ( <i>previous year ₹ 21.30 crore</i> ) [excluding ₹ 2.05 crore ( <i>previous year ₹ 5.45 crore</i> ) on account of grants to employees of subsidiary companies] b. Basic EPS before extraordinary items would have been decreased from ₹ 54.46 per share to ₹ 54.37 per share c. Basic EPS after extraordinary items would have been decreased from ₹ 54.46 per share to ₹ 54.37 per share d. Diluted EPS before extraordinary items would have been decreased from ₹ 54.10 per share to ₹ 54.00 per share e. Diluted EPS after extraordinary items would have been decreased from ₹ 54.10 per share to ₹ 54.00 per share						
(m) (i) (a) Weighted average exercise price of Options granted during the year where price is less than market price	₹ 313.49 per share						
(b) Weighted average exercise price 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 the market price	₹ 1,190.22 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						

**Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014  
Employee Stock Ownership Scheme- 1999-2003 and Employee Stock Option Scheme 2006**

PARTICULARS	Employee Stock Ownership Scheme 1999-2003					Employee Stock Option Scheme 2006	
	2000 Series	2002-A Series	2002-B Series	2003-A Series	2003-B Series	2006 Series	2006A Series
(n) Method and significant assumptions used to estimate the fair value of Options granted during the year							
(a) Method	Black-Sholes Options Pricing Model						
(b) Significant Assumptions							
(i) Weighted average risk free interest rate	8.57%						
(ii) Weighted average expected life of Options	4.01 years						
(iii) Weighted average expected volatility	33.92%						
(iv) Weighted average expected dividends	₹ 57.18 per option						
(v) Weighted average market price	₹ 1,444.51 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, 2015

## 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 fulfill 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 Directors, Non-Executive Directors and Independent 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 to businesses, performance discipline and development of business leaders, leading to increased public confidence.

### D. ROLES OF VARIOUS CONSTITUENTS OF CORPORATE GOVERNANCE IN THE COMPANY

#### a. Board of Directors (the Board):

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also 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 benefits across ICs. The key responsibilities of the EMC include approval of policies cutting across ICs and also at Corporate level, covering 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, mentoring of senior executives, succession planning and corporate governance. He is the interface for critical Government entities and major customers of the Company and Group Companies. He also provides support to the Company and its Group Companies, wherever necessary.

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

The CEO & MD is fully accountable to the Board for the Company's business development, operational excellence, business results, people 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.

**f. Non-Executive Directors (NED) / Independent Directors:**

The Non-Executive Directors / Independent directors play a critical role in enhancing balance to the Board processes with their independent judgment on issues of strategy, performance, resources, standards of conduct, etc., besides providing the Board with valuable inputs.

**g. Independent Company Board (IC Board):**

As a part of Lakshya 2016, the Company developed an Organisation Structure to include Hybrid Holding Company. Accordingly, 12 Independent Companies (ICs) (not legal entities) were created. These ICs are managed by their internal "Board" comprising of Senior Executives, 1 Non-Executive Director/ Independent Director of the Company's Board and 2-3 Independent external Members. This structure has enabled the Company to empower people and achieve substantial growth in the business.

Looking to the opportunities in International market, especially in Gulf Cooperation Council (GCC) countries, the Company took an additional initiative of developing the structure, processes and leadership specifically in GCC countries.

**E. BOARD OF DIRECTORS**

**a. Composition of the Board:**

The Company's policy is to have an appropriate mix of Executive, Non-Executive & Independent Directors. As on March 31, 2015, the Board comprises of the Group Executive Chairman, the Chief Executive Officer and Managing Director, 4 Executive Directors, 1 Non-Executive Director (representing financial institutions) and 7 Independent Directors. The composition of the Board, as on 31<sup>st</sup> March, 2015, is in conformity with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement in this respect.

**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. The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review, 9 meetings were held on April 4, 2014, April 5, 2014, April 28, 2014, May 30, 2014, July 28, 2014, August 21, 2014, November 7, 2014, February 9, 2015 and March 23, 2015.

A meeting of the Independent Directors was held on March 23, 2015.

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. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary. 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. Thereafter the minutes are signed by the Chairman of the Board at the next meeting.

The following composition of the Board of Directors is as on March 31, 2015. 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	9	8	YES
Mr. K. Venkataramanan	CEO & MD	9	9	YES
Mr. M. V. Kotwal	ED	9	9	YES
Mr. S. N. Subrahmanyam	ED	9	9	YES
Mr. R. Shankar Raman	ED	9	9	YES
Mr. Shailendra Roy	ED	9	9	YES
Mr. S. Rajgopal @	ID	6	6	YES
Mr. S. N. Talwar @	ID	6	6	YES
Mr. M. M. Chitale	ID	9	9	YES
Mr. Subodh Bhargava	ID	9	9	YES
Mr. A. K. Jain (Note 2)#	NED	8	8	YES
Mr. M. Damodaran	ID	9	8	YES
Mr. Vikram Singh Mehta	ID	9	8	NO
Mr. Sushobhan Sarker (Note 1)	NED	9	8	YES
Mr. Adil Zainulbhai \$	ID	5	5	YES
Mr. Akhilesh Gupta %	ID	3	3	NA
Mr. Bahram Vakil ^	ID	1	–	NA

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. 22.08.2014. # ceased to be a director w.e.f. 10.02.2015  
\$ appointed as a Director w.e.f. 30.05.2014 % appointed as a Director w.e.f. 09.09.2014  
^ appointed as a Director w.e.f. 16.03.2015

GEC – Group Executive Chairman ED – Executive Director  
CEO & MD – Chief Executive Officer and Managing Director NED – Non-Executive Director  
ID – Independent 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, 2013 or Clause 49 of the Listing Agreement.



As on March 31, 2015, the number of other Directorships & Memberships / Chairmanships of Committees of the Board of Directors are as follows:

<b>Name of Director</b>	<b>No of other company Directorships</b>	<b>No. of Committee Membership</b>	<b>No. of Committee Chairmanship</b>
Mr. A. M. Naik	3	–	1
Mr. K. Venkataramanan	1	–	–
Mr. M. V. Kotwal	1	–	–
Mr. S. N. Subrahmanyam	3	1	–
Mr. R. Shankar Raman	9	8	1
Mr. Shailendra Roy	9	2	–
Mr. M. M. Chitale	10	4	4
Mr. Subodh Bhargava	8	3	1
Mr. M. Damodaran	9	5	3
Mr. Vikram Singh Mehta	10	2	–
Mr. Sushobhan Sarker	3	1	1
Mr. Adil Zainulbhai	6	3	2
Mr. Akhilesh Gupta	5	2	–
Mr. Bahram Vakil	14	3	–

- Committee memberships include memberships of Audit Committee and Stakeholders' Relationship Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 8 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 Corporate Social Responsibility 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 Company promptly.

## F. BOARD COMMITTEES

The Board currently has 5 Committees: 1) Audit Committee, 2) Nomination & Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Risk Management 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 (AC)

#### i) Terms of reference:

The role of the Audit Committee includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013.
  2. Changes, if any, in accounting policies and practices and reasons for the same.
  3. Major accounting entries involving estimates based on the exercise of judgment by management.
  4. Significant adjustments made in the financial statements arising out of audit findings.
  5. Compliance with listing and other legal requirements relating to financial statements.
  6. Disclosure of any related party transactions.
  7. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature

and scope of audit as well as post-audit discussion to ascertain any area of concern.

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon.
- Review the management discussion and analysis of financial condition and results of operations.
- Approval or any 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.

**ii) Composition:**

The Audit Committee of the Board of Directors was formed in 1986 and as on March 31, 2015 comprised three Independent Directors.

**iii) Meetings:**

During the year ended March 31, 2015, 13 meetings of the Audit Committee were held on April 16, 2014, May 15, 2014, May 29, 2014, July 15, 2014, July 28, 2014, August 23, 2014, September 18, 2014, November 6, 2014, November 14, 2014, December 11, 2014, January 11, 2015, January 12, 2015 and February 7, 2015.

In addition to the above, the members of the Audit Committee also meet without the presence of management.

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	13	13
Mr. A. K. Jain #	Member	13	13
Mr. M. Damodaran	Member	13	12
Mr. Akhilesh Gupta %	Member	5	3

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

# ceased to be a member w.e.f. 10.02.2015

% appointed as a member w.e.f. 07.11.2014

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 & Whole-time Director and Internal Auditor 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, Cost Accountants and Engineers. 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 is responsible to the Audit Committee. 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 minutes of the Audit Committee are circulated to the Board and discussed at Board meetings.

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 (N&R)

### i) Terms of reference:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee.
- Recommend to the Board appointment and removal of such persons.
- Formulate criteria for determining qualifications, positive attributes and independence of a director.
- Devise a policy on Board diversity.
- Formulation of criteria for evaluation of directors and the Board.
- Carry out evaluation of the Board and directors.
- Recommend to the Board a policy, relating to remuneration for the directors, key managerial personnel (KMP) and other employees.
- Administration of Employee Stock Option Scheme (ESOS).

### ii) Composition:

The Committee has been in place since 1999. As at March 31, 2015, the Committee comprised of 3 persons viz. 2 Independent Directors and the Group Executive Chairman. It presently comprises of 3 Independent Directors and the Group Executive Chairman.

### iii) Meetings:

During the year ended March 31, 2015, 7 meetings of the N&R Committee were held on April 4, 2014, May 22, 2014, May 30, 2014, July 28, 2014, August 21, 2014, November 7, 2014 and February 9, 2015.

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	5	5
Mr. S. N. Talwar @	Member	5	5
Mr. Subodh Bhargava#	Chairman	7	7
Mr. A. M. Naik	Member	7	6
Mr. Adil Zainulbhai \$	Member	2	1

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

@ ceased to be a Chairman / member w.e.f. 21.08.2014

\$ appointed as a member w.e.f. 21.08.2014

# appointed as Chairman w.e.f. 21.08.2014

### 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 Independent Directors comply with the definition of Independent Director as given under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. While appointing / re-appointing any Independent Directors on the Board, the Committee considers the criteria as laid down in the Companies Act, 2013 and Clause 49 of the Listing Agreement.

All the Independent Directors give a certificate confirming that they meet the "independence criteria" as mentioned in Section 149(6) of the Companies Act, 2013 and 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 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 payable is based on the performance of the business / function as well as qualitative factors. The commission is calculated with reference to net profits of the Company in the financial year subject to overall ceilings stipulated under Section 197 of the Companies Act, 2013.

The Non-Executive Directors (NEDs) are paid remuneration by way of commission & sitting fees. The Company pays sitting fees of ₹ 50,000 per meeting of the Board and ₹ 25,000 per meeting of the Committee to the NEDs

for attending the meetings of the Board & Committees. The commission is paid subject to a limit not exceeding 1% p.a. of the profits of the Company as approved by shareholders (computed in accordance with Section 197 of the Companies Act, 2013).

The commission to NEDs is distributed broadly on the basis of their attendance, contribution at the Board meetings, 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](http://www.larsentoubro.com)

#### vi) Details of remuneration paid / payable to Directors for the year ended March 31, 2015:

##### (a) Executive Directors:

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

₹ crore

Names	Salary	Perquisites	Retirement Benefits	Commission
Mr. A. M. Naik	3.12	0.25	5.75	18.19
Mr. K. Venkataramanan	2.02	1.64	2.54	7.39
Mr. M. V. Kotwal	1.47	1.15	1.72	4.91
Mr. S. N. Subrahmanyam	1.23	0.18	2.69	8.73
Mr. R. Shankar Raman	1.11	0.18	2.17	6.91
Mr. Shailendra N. Roy	0.96	0.99	1.47	4.48

- 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:

₹ crore

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Total
Mr. S. Rajgopal @	0.03	0.01	0.34	0.38
Mr. S. N. Talwar @	0.03	0.01	0.25	0.29
Mr. M. M. Chitale	0.04	0.04	0.37	0.45
Mr. Subodh Bhargava	0.04	0.02	0.47	0.53
Mr. A. K. Jain #	0.04	0.03	0.23*	0.30
Mr. M. Damodaran	0.04	0.03	0.36	0.43
Mr. Vikram Singh Mehta	0.04	0.01	0.43	0.48
Mr. Sushobhan Sarker *	0.02	-	0.26	0.28
Mr. Sushobhan Sarker	0.03	0.00	-	0.03
Mr. Adil Zainulbhai \$	0.02	0.01	0.32	0.35
Mr. Akhilesh Gupta %	0.02	0.00	0.19	0.21

\* Payable to respective Institution he represents.  
 @ ceased to be a director w.e.f. 22.08.2014  
 # ceased to be a director w.e.f. 10.02.2015  
 \$ appointed as a Director w.e.f. 30.05.2014  
 % appointed as a Director w.e.f. 09.09.2014

Details of shares and convertible instruments held by the Non-Executive Directors as on March 31, 2015 are as follows:

Names	No. of Shares held
Mr. M. M. Chitale	1,629
Mr. Subodh Bhargava	750
Mr. M. Damodaran	150
Mr. Vikram Singh Mehta	885
Mr. Sushobhan Sarker *	150
Mr. Adil Zainulbhai	100
Mr. Akhilesh Gupta	200
Mr. Bahram Vakil	3,640

\* held jointly with the Institution he represents

**3) Stakeholders' Relationship Committee:**
**i) Terms of reference:**

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

- 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, 2015 the Stakeholders' Relationship Committee comprised of 1 Non-Executive Director and 2 Executive Directors.

**iii) Meetings:**

During the year ended March 31, 2015, 4 meetings of the Stakeholders' Relationship Committee were held on May 30, 2014, July 28, 2014, November 7, 2014 and February 9, 2015.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings during the year	No. of Meetings Attended
Mr. Sushobhan Sarker	Chairman	4	3
Mr. S. N. Subrahmanyam	Member	4	2
Mr. Shailendra Roy	Member	4	4

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 Registrars received the following complaints from SEBI / Stock Exchanges and queries from shareholders, which were resolved within the time frames laid down by SEBI.

Particulars	Opening Balance	Received	Resolved	Pending
<b>Complaints:</b>				
SEBI / Stock Exchange	NIL	62	61	1

Particulars	Opening Balance	Received	Resolved	Pending*
<b>Shareholder Queries:</b>				
Dividend Related	63	4,875	4,764	174
Transmission / Transfer	7	1,033	1,018	22
Demat / Remat	NIL	90	88	2

\* Shareholder queries shown outstanding as on March 31, 2015 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 four 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 (CSR):**

**i) Terms of reference:**

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

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- recommend the amount of expenditure to be incurred on the activities referred to in above; and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

**ii) Composition:**

As on March 31, 2015 the CSR Committee comprised of 1 Independent Director and 2 Executive Directors.

**iii) Meetings:**

During the year ended March 31, 2015, 6 meetings of the CSR Committee were held on April 2, 2014, July 14, 2014, September 2, 2014, October 8, 2014, October 30, 2014 and January 16, 2015.

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	6	6
Mr. M. V. Kotwal	Member	6	5
Mr. R. Shankar Raman	Member	6	6

**G. OTHER INFORMATION**

**a) Directors' Familiarisation Programme:**

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 58 in Annexure 'C' to this Directors' Report.

Presentations are made regularly to the Board / N&R / 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's Discussion and Analysis report elsewhere in this Report.

**d) Statutory Auditors:**

Please refer to Page 45 of the Directors' Report.

**e) Code of Conduct:**

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the Company [www.larsentourbo.com](http://www.larsentourbo.com). The declaration of CEO & 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. Venkataraman**  
Chief Executive Officer & Managing Director

Date: May 30, 2015  
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
2013-2014	August 22, 2014	3.00 p.m.
2012-2013	August 22, 2013	3.00 p.m.
2011-2012	August 24, 2012	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, 2014:

- No special resolutions were listed in the agenda for the meeting.

Annual General Meeting held on August 22, 2013:

- To approve raising of capital through QIPs 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 QIPs 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.

**g) Approval of Members through Postal Ballot:**

The Company received approval of the members on 14<sup>th</sup> July 2014, for passing Special Resolutions under Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, for the following businesses:

Resolution No.	Details of the resolution
1	To create charge on the total assets of the Company to secure its borrowings.
2	Authorizing the Board of Directors to raise funds through issue of Equity Shares through Qualified Institutional Placement (QIP), Convertible Bonds, Equity Shares through Depository receipts of an amount not exceeding ₹ 3,600 crore or USD 600 million, whichever is higher.

Resolution No.	Details of the resolution
3	Authorizing the Board of Directors to raise funds through private placement of non-convertible debentures not exceeding ₹ 6,000 crore.
4	Alteration of the Articles of Association of the Company.

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:

**Resolution No.1**

Particulars	No. of votes cast			% of total votes cast
	Physical	E-Voting	Total	
In favour of the resolution	37,68,21,687	6,56,18,076	44,24,39,763	87.84
Against the resolution	3,67,77,271	2,44,99,548	6,12,76,819	12.16
<b>TOTAL</b>	<b>41,35,98,958</b>	<b>9,01,17,624</b>	<b>50,37,16,582</b>	<b>100.00</b>

Number of Invalid Ballots / E-votes (unsigned / unticked / incomplete / incorrect voting) was 269.

**Resolution No.2**

Particulars	No. of votes cast			% of total votes cast
	Physical	E-Voting	Total	
In favour of the resolution	41,28,63,654	9,00,43,441	50,29,07,095	99.67
Against the resolution	15,28,444	1,38,041	16,66,485	0.33
<b>TOTAL</b>	<b>41,43,92,098</b>	<b>9,01,81,482</b>	<b>50,45,73,580</b>	<b>100.00</b>

Number of Invalid Ballots / E-votes (unsigned / unticked / incomplete / incorrect voting) was 293.

**Resolution No.3**

Particulars	No. of votes cast			% of total votes cast
	Physical	E-Voting	Total	
In favour of the resolution	41,17,06,969	9,00,06,050	50,17,13,019	99.44
Against the resolution	26,73,206	1,43,385	28,16,591	0.56
<b>TOTAL</b>	<b>41,43,80,175</b>	<b>9,01,49,435</b>	<b>50,45,29,610</b>	<b>100.00</b>

Number of Invalid Ballots / E-votes (unsigned / unticked / incomplete / incorrect voting) was 324.

#### Resolution No.4

Particulars	No. of votes cast			% of total votes cast
	Physical	E-Voting	Total	
In favour of the resolution	41,39,50,348	8,99,84,884	50,39,35,232	99.93
Against the resolution	2,37,586	99,606	3,37,192	0.07
<b>TOTAL</b>	<b>41,41,87,934</b>	<b>9,00,84,490</b>	<b>50,42,72,424</b>	<b>100.00</b>

Number of Invalid Ballots / E-votes (unsigned / unticked / incomplete / incorrect voting) was 314.

#### 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. E-voting facility is made available to all the shareholders and instructions for the same are specified under instructions for voting in the Postal Ballot Notice. E-mails are sent to shareholders whose e-mail ids are available with the depositories and the Company alongwith Postal Ballot Notice and Ballot Form. 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 (physical / e-voting), 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 and submitted to Stock Exchanges.

#### Proposal for Postal Ballot:

At present there is no proposal for Postal Ballot.

#### h) Disclosures:

1. During the year, there were no transactions of material nature with the Directors or the Management or relatives or the subsidiaries that had potential conflict with the interests of the Company.
2. Details of all related party transactions form a part of the accounts as required under AS 18 and the same are given on pages 233 to 244 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: <a href="http://www.larsentoubro.com">www.larsentoubro.com</a> .
News Releases	Official news releases are sent to stock exchanges as well as displayed on the Company's website: <a href="http://www.larsentoubro.com">www.larsentoubro.com</a> .
Website	The Company's corporate website <a href="http://www.larsentoubro.com">www.larsentoubro.com</a> provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. 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 also 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 to collect their share certificates which were lying unclaimed / undelivered with the Company. The Company received substantial number of requests to claim these share certificates, which were released after a thorough 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 Wednesday, September 9, 2015 at Birla Matushri Sabhagar, Marine Lines, Mumbai – 400 020 at 3.00 p.m.

### b) Financial calendar:

1. Annual Results of 2014-15	May 30, 2015
2. Mailing of Annual Reports	Second week of August, 2015
3. First Quarter Results	During the last week of July 2015 *
4. Annual General Meeting	September 9, 2015
5. Payment of Dividend	September 11, 2015
6. Second Quarter results	During last week of October, 2015 *
7. Third Quarter results	During last week of January, 2016 *

\* Tentative

### c) Book Closure:

The dates of Book Closure are from Thursday, September 3, 2015 to Wednesday, September 9, 2015 (both days inclusive) to determine the members entitled to the dividend for FY 2014-2015.

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

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

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

### e) Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2015-2016 to the above Stock Exchanges.

### f) Custodial Fees to Depositories:

Annual custodial fees for the year 2015-2016 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) will be paid by the Company on receipt of invoices from them.

### g) Stock Code / Symbol:

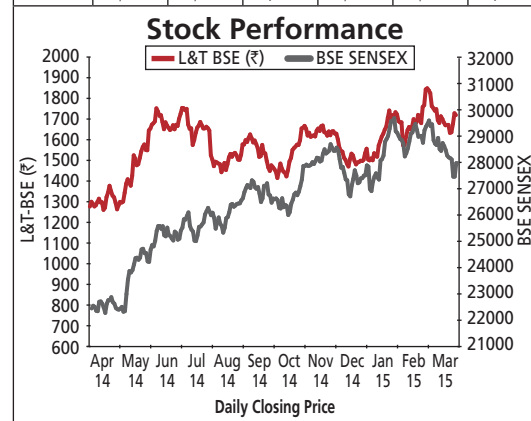
The Company's equity shares / GDRs are listed on the following Stock Exchanges and admitted for trading in London Stock Exchange:

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 BSE Limited as well as NIFTY Index of the National Stock Exchange of India Limited.

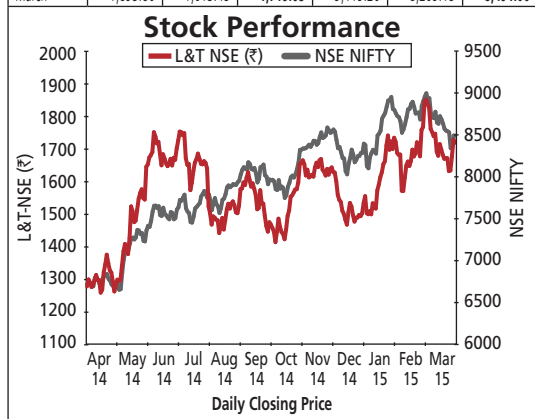
### h) Stock market data for the year 2014-2015:

Month	L&T BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
<b>2014</b>						
April	1,387.85	1,242.45	<b>1,295.55</b>	22,939.31	22,197.51	<b>22,417.80</b>
May	1,622.70	1,251.60	<b>1,548.90</b>	25,375.63	22,277.04	<b>24,217.34</b>
June	1,774.70	1,603.00	<b>1,701.60</b>	25,725.12	24,270.20	<b>25,413.78</b>
July	1,763.00	1,501.00	<b>1,504.10</b>	26,300.17	24,892.00	<b>25,894.97</b>
August	1,556.00	1,439.20	<b>1,526.90</b>	26,674.38	25,232.82	<b>26,638.11</b>
September	1,629.95	1,435.35	<b>1,457.45</b>	27,354.99	26,220.49	<b>26,630.51</b>
October	1,659.95	1,400.00	<b>1,654.85</b>	27,894.32	25,910.77	<b>27,865.83</b>
November	1,692.60	1,593.65	<b>1,640.10</b>	28,822.37	27,739.56	<b>28,693.99</b>
December	1,654.90	1,451.65	<b>1,496.50</b>	28,809.64	26,469.42	<b>27,499.42</b>
<b>2015</b>						
January	1,749.50	1,486.55	<b>1,700.10</b>	29,844.16	26,776.12	<b>29,182.95</b>
February	1,800.00	1,532.00	<b>1,766.90</b>	29,560.32	28,044.49	<b>29,361.50</b>
March	1,892.95	1,616.35	<b>1,719.00</b>	30,024.74	27,248.45	<b>27,957.49</b>





Month	L&T NSE Price ( ₹ )			NIFTY		
	High	Low	Month Close	High	Low	Month Close
<b>2014</b>						
April	1,388.50	1,242.00	<b>1,294.10</b>	6,869.85	6,650.40	<b>6,696.40</b>
May	1,627.35	1,251.20	<b>1,545.50</b>	7,563.50	6,638.55	<b>7,229.95</b>
June	1,776.60	1,539.00	<b>1,701.70</b>	7,700.05	7,239.50	<b>7,611.35</b>
July	1,765.90	1,499.30	<b>1,502.90</b>	7,840.95	7,422.15	<b>7,721.30</b>
August	1,557.90	1,440.00	<b>1,526.50</b>	7,968.25	7,540.10	<b>7,954.35</b>
September	1,632.70	1,431.65	<b>1,458.25</b>	8,180.20	7,841.80	<b>7,964.80</b>
October	1,663.50	1,401.00	<b>1,655.45</b>	8,330.75	7,723.85	<b>8,322.20</b>
November	1,692.90	1,593.50	<b>1,639.35</b>	8,617.00	8,290.25	<b>8,588.25</b>
December	1,655.00	1,450.20	<b>1,494.65</b>	8,626.95	7,961.35	<b>8,282.70</b>
<b>2015</b>						
January	1,750.00	1,485.55	<b>1,700.55</b>	8,996.60	8,065.45	<b>8,808.90</b>
February	1,799.90	1,532.15	<b>1,768.10</b>	8,941.10	8,470.50	<b>8,901.85</b>
March	1,893.80	1,613.45	<b>1,719.65</b>	9,119.20	8,269.15	<b>8,491.00</b>



**i) Registrar and Share Transfer Agents (RTA):**

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.

**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 (DPs) under advice to the shareholders.

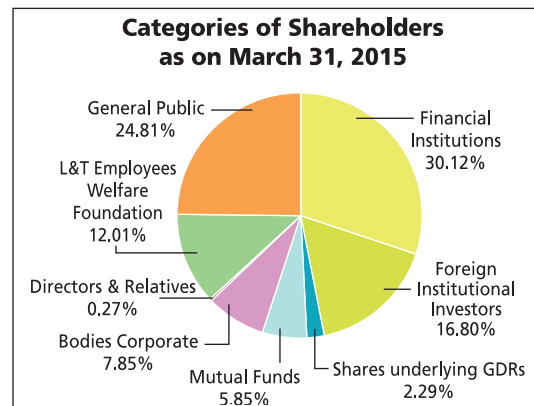
As required under Clause 47C of the Listing Agreement, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

**k) Distribution of Shareholding as on March 31, 2015:**

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	7,81,280	91.51	6,58,86,346	7.09
501 – 1000	39,256	4.60	2,78,31,827	2.99
1001 – 2000	18,171	2.13	2,55,51,969	2.75
2001 – 3000	5,663	0.66	1,40,84,226	1.51
3001 – 4000	2,425	0.28	84,38,946	0.91
4001 – 5000	1,511	0.18	68,17,391	0.73
5001 – 10000	2,836	0.33	1,96,83,512	2.12
10001 & ABOVE	2,682	0.31	76,12,67,844	81.90
<b>TOTAL</b>	<b>8,53,824</b>	<b>100.00</b>	<b>92,95,62,061</b>	<b>100.00</b>

**l) Categories of Shareholders is as under:**

Category	31.03.2015		31.03.2014	
	No. of Shares	%	No. of Shares	%
Financial Institutions	28,00,34,611	30.12	28,57,74,435	30.83
Foreign Institutional Investors	15,61,72,982	16.80	17,12,25,959	18.47
Shares underlying GDRs	2,12,66,473	2.29	2,47,96,796	2.68
Mutual Funds	5,44,05,173	5.85	5,26,61,895	5.68
Bodies Corporate	7,29,24,831	7.85	6,41,75,878	6.92
Directors & Relatives	25,11,947	0.27	34,43,552	0.37
L&T Employees Welfare Foundation	11,16,06,174	12.01	11,16,06,174	12.04
General Public	23,06,39,870	24.81	21,32,27,969	23.00
<b>TOTAL</b>	<b>92,95,62,061</b>	<b>100.00</b>	<b>92,69,12,658</b>	<b>100.00</b>

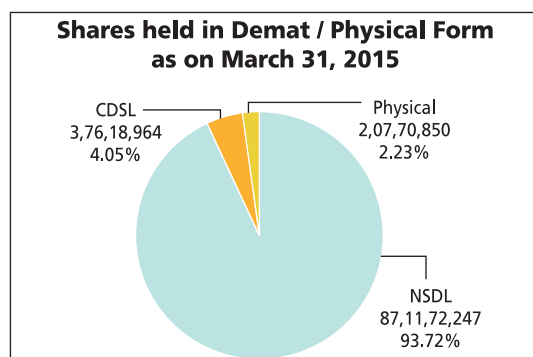


**m) Dematerialization of shares:**

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	87,11,72,247	93.72
Held in dematerialized form in CDSL	3,76,18,964	4.05
Physical	2,07,70,850	2.23
<b>Total</b>	<b>92,95,62,061</b>	<b>100.00</b>



**n) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

The outstanding GDRs are backed up by underlying equity shares which are part of the existing paid-up capital.

The Company has the following Foreign Currency Convertible Bonds outstanding as on March 31, 2015:

0.675% USD 200 million Foreign Currency Convertible Bonds due 2019		
(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, 2015	USD 200 million
(iv)	Underlying Equity Shares / GDRs issued pursuant to conversion as per (ii) above	NIL
(v)	Underlying Equity Shares / GDRs that may be issued pursuant to conversion notices in respect of (iii) above	63,46,986 shares

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

**o) Investor Education & Protection Fund (IEPF):**

Pursuant to the provisions of Investor Education & Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with Company as on August 22, 2014 (date of last AGM) on the Company's website ([www.larsentoubro.com](http://www.larsentoubro.com)) and on the website of MCA.

**p) 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 BSE Limited (BSE).

**q) Debenture Trustees (for privately placed debentures)**

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

**r) Plant Locations:**

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

**s) 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:

- 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](mailto:Lnt@shareproservices.com);  
[Sharepro@shareproservices.com](mailto: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

**t) 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.

**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 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.

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has made amendments to the L&T Securities Dealing Code and the same is effective from May 15, 2015.

The Company has appointed Mr. Arnob Mondal, Vice President (Corporate Accounts & Investor Relations), as Chief Investor Relations Officer. The Company also formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is available on Company's Website.

**v) Awareness Sessions/ Workshops on Governance practices:**

Employees across the Company as well as the group are being sensitized about the various policies and governance practices of the Company. The Company has designed in-house training workshops on Corporate Governance with the help of an external faculty covering basics of Corporate Governance as well as internal policies and compliances under Code of Conduct, Whistle Blower Policy, Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, SEBI Insider Trading Regulations, etc. Workshops were conducted in India as well as abroad to create a batch of trainers across various businesses. These trainers have in turn conducted around 100 training / awareness sessions within their business and covered more than 24,000 employees in supervisory and above cadre. A similar session on Compliance & Governance was also conducted for senior management by external experts.

The Company will continue to conduct such workshops / sessions on a regular basis.

**w) 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.

**x) Secretarial Audit as per SEBI requirements:**

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 is manned by competent and experienced professionals. The Company has a system to review and audit its secretarial and other statutory compliances by competent professionals, who are employees of the Company. Appropriate actions are taken to continuously improve the quality of compliance.

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, 2015 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 and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or propose to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in accounting policies made during the year ended 31<sup>st</sup> March 2015 and that the same have been disclosed suitably in the notes to the financial statements; and
  - (ii) that there were no instances of significant fraud of which we have become aware.

Yours sincerely,

**R. Shankar Raman**  
Chief Financial Officer

**K. Venkataramanan**  
Chief Executive Officer &  
Managing Director

**A. M. Naik**  
Group Executive Chairman

Place: Mumbai  
Date: May 30, 2015

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**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 31<sup>st</sup> March 2015 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, 2015

## Annexure 'D' to the Directors' Report

### CSR ACTIVITIES FOR 2014-15

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company's CSR Policy framework details the mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act, 2013 (the Act) for the benefit of the community.

The Company will primarily focus on '**Building India's Social Infrastructure**' as part of its CSR programme which will include, amongst others, the following areas, viz.

- Water & Sanitation – may include but not limited to program making clean drinking water available, conservation and purification of water or for improving conditions related to sanitation.
- Education - may include but not limited to education infrastructure support to educational Institutions, educational programs & nurturing talent at various levels.
- Health - may include but not limited to community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programs, support to HIV / AIDS, Tuberculosis control programs.
- Skill Development - may include but not limited to vocational training such as skill building, computer training, women empowerment, support to ITIs, support to specially abled (infrastructure support & vocational training), Construction Skills Training Centres and providing employability skills to women and youth.

Governance, Technology and Innovation would be the key enabling factors across all these verticals.

The detailed CSR Policy Framework is given in the Governance section on the website of the Company <http://investors.larsentoubro.com/Listing-Compliance.aspx>

**2. Composition of the CSR Committee.**

The CSR Committee of the Board was constituted on January 22, 2014. It comprises of one Independent

Director and two Executive Directors. The Company Secretary acts as Secretary to the Committee.

The present Committee comprises of Mr. Vikram Singh Mehta as Chairman, Mr. M. V. Kotwal and Mr. R. Shankar Raman as members and Mr. N. Hariharan as the Secretary of the Committee.

**3. Average net profit of the Company for the last three financial years.**

The average net profit of the Company for the last three financial years is ₹ 5,310.29 crore.

**4. Prescribed CSR expenditure (two percent of the amount as in item 3 above).**

The Company is required to spend an amount of ₹ 106.21 crore as CSR expenditure during the financial year 2014-15.

**5. Details of CSR spent during the financial year:**

**a. Total amount to be spent for the financial year**

The Company is required to spend ₹ 106.21 crore during the financial year 2014-15.

**b. Amount unspent, if any**

The Company has not spent ₹ 29.67 crore during the financial year 2014-15.

**c. Manner in which the amount was spent in the financial year is detailed below:**

As per table enclosed

**6. Reasons for not spending the amount during the financial year.**

The Company has spent ₹ 76.54 crore on CSR activities / projects as defined by schedule VII of the Act.

The Company has always taken up social and community development initiatives at its establishments and project sites and has been contributing to the welfare of underprivileged over the last four decades in the areas of health, education and skill building.

Hence, in addition to ₹ 76.54 crore, the Company also spent ₹ 20.92 crore towards other CSR activities which are however not covered in Schedule VII of the Act. Also as a commitment for various social development programs, the Company has contributed ₹ 8.22 crore to Larsen & Toubro Public Charitable Trust.

The Company, while continuing to support its ongoing projects, also intends to expand the CSR initiatives in a systematic manner to achieve maximum impact in the most needy locations.

Integrated community development projects under the theme 'Building India's Social Infrastructure' having a span of 4-5 years have been launched during the current financial year and the spend on such projects will increase considerably in the subsequent years. Towards this, in addition to the amounts mentioned above, the Company has committed and deposited ₹ 2.88 crore for execution cost in an escrow account. The Company envisages an increased CSR spend in a planned manner in the future for which the long term projects have been identified.

#### **7. CSR Committee Responsibility Statement:**

The CSR Committee hereby affirms that:

- The Company has duly formulated a CSR Policy Framework which includes formulation of a CSR Theme, CSR budget and roles and responsibilities of the Committee as well as the various internal

committees formed for implementation of the CSR policy;

- The Company has constituted a mechanism to monitor and report on the progress of the CSR programs;
- The activities undertaken by the Company as well as the implementation and monitoring mechanisms are in compliance with its CSR objectives and CSR policy.

#### **K. VENKATARAMANAN**

Chief Executive Officer  
& Managing Director  
(DIN: 0001647)

#### **VIKRAM SINGH MEHTA**

Chairman – CSR  
Committee  
(DIN: 00041197)



S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programme wise (₹ In Lakh)	Direct expenses (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto the reporting period (₹ In Lakh)	Amount spent: direct or through implementing agency
1	School support programme-Enhancing the quality of education and learning levels in government schools/ schools running for children from underprivileged backgrounds (teachers training, play way methods, support for English and Mathematics, capacity building, promoting extra curricular activities)	Education	Maharashtra (Mumbai, Ahmednagar, Pune), Tamil Nadu (Coimbatore, Kancheepuram), West Bengal (Kolkata), NCR (Faridabad), Gujarat (Vadodara, Hazira)	195.65	188.25	19.68	207.93	Implementing agencies
2	Community based program-Study Centres/ balwadis/anganwadis run for developing pre-school foundation, promoting healthy and hygienic environment for education, developing the learning levels of children at par with their mainstream grades and providing nutritional supplements	Education	Maharashtra (Mumbai), Gujarat (Ahmedabad, Hazira, Vadodara), Orissa (Kansbahal), Tamil Nadu (Villupuram), Delhi	463.00	485.57	50.75	536.33	Implementing agencies
3	Providing infrastructure support for education (drinking water and sanitation facilities, renovation of classrooms, water proofing of school buildings, providing furniture and light fittings, donation of computers, upgradation of libraries, playground development, distribution of solar lamps)	Education	Gujarat (Hazira, Ahmedabad, Kakrapar), Maharashtra (Talegaon, Mumbai, Ahmednagar, Tarapur), Tamil Nadu (Kalpakkam, Coimbatore, Chennai, Puducherry, Kancheepuram), Karnataka (Mysore, Bangalore), Andhra Pradesh (Vishakhapatnam, Hyderabad), Arunachal Pradesh (Subansiri), Uttarakhand, Delhi, Kerala (Kochi, Kollam), Jharkhand (Jamshedpur), Chhattisgarh (Bhillai, Raipur), Orissa (Puri), Bihar (Patna), Rajasthan (Jaipur, Jodhpur), Punjab (Mohali), NCR (Noida, Faridabad), Uttar Pradesh (Noida, Jaunpur, Barabanki), West Bengal (Raiganj), Haryana (Gurgaon)	791.48	615.67	63.42	679.09	Direct
4	Providing educational aids to children-books,stationary, sports equipment, uniforms, school bags, shoes, woollen clothes, raincoats, etc.	Education	Maharashtra (Talegaon, Tarapur, Ahmednagar, Nagpur, Mumbai), Andhra Pradesh (Vishakapatnam, Hyderabad), New Delhi, Gujarat (Bharuch, Kakrapar, Ahmedabad, Vadodara, Sanand), Tamil Nadu (Kalpakkam, Chennai, Pallavaram, Navallur, Kancheepuram), Uttarakhand, West Bengal (Kolkata), Kerala (Kochi), Andhra Pradesh (Hyderabad), Punjab (Chandigarh), Madhya Pradesh (Bhopal), Orissa (Bhubaneshwar, Kansbahal, Sambhalpur), Rajasthan (Jaipur), Uttar Pradesh (Lucknow), Karnataka (Bangalore), Bihar (Patna)	253.35	144.94	15.15	160.09	Direct
5	Awareness programs (health and hygiene, road safety, career guidance, personality development)	Education	Gujarat (Hazira, Mahan, Mundra), Maharashtra (Talegaon, Tiroda), Arunachal Pradesh (Subansiri), Karnataka (Mysore, Bangalore), Rajasthan (Chabra-Baran), Madhya Pradesh (Khandwa, Nigree), Uttar Pradesh (Anpara), Tamil Nadu (Kancheepuram)	106.45	98.45	10.29	108.74	Implementing agencies

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programme wise (₹ In Lakh)	Direct expenses (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto the reporting period(₹ In Lakh)	Amount spent: direct or through implementing agency
6	Community Health Centres(running multi-specialty centre offering diagnostic services including family planning, gynaecological, paediatric, immunization, chest & TB, ophthalmic consultation, dialysis services, HIV/AIDS awareness, detection, treatment, counselling services at free / nominal cost to the community)	Health	Maharashtra (Mumbai, Thane, Ahmednagar), Gujarat (Surat)	296.20	246.69	25.78	272.47	Direct
7	Health Camps(general, eye, dental, vaccinations) and health awareness	Health	Maharashtra (Mumbai, Ahmednagar), Andhra Pradesh (Vizag), Gujarat(Bharuch), Tamil Nadu (Coimbatore)	30.10	17.65	1.84	19.49	Direct
8	Health Camps(general, eye, dental, vaccinations) and health awareness	Health	Gujarat (Hazira, Ahmedabad, Vadodara Bharuch, Kakrapar, Jamnagar, Kandla, Mudra, Mahan, Khandwa), Andhra Pradesh (Vizag, Hyderabad), Arunachal Pradesh (Subhanseri), Punjab (Chandigarh, Mohali), Chhattisgarh (Korba), Jharkhand (Jamshedpur), Karnataka (Bangalore), Kerala (Kochi), Madhya Pradesh (Bhopal, Satna, Nigree), Maharashtra (Tarapur, Pune, Mumbai, Nashik, Amravati, Tiroda), New Delhi, Orissa (Bhubaneshwar, Kansbahal), Tamil Nadu (Puducherry, Kalpakkam, Chennai, Shizhinganallur, Katupalli, Kancheepuram), Rajasthan(Jaipur, Jodhpur, Chabra-Baran), Uttar Pradesh (Lucknow, Anpara, Bara), Uttarakhand, West Bengal (Kolkata)	316.72	201.79	21.09	222.88	Implementing agencies
9	Blood donation camps	Health	Gujarat (Hazira, Vadodara, Ahmedabad), Andhra Pradesh (Vizag, Hyderabad), Punjab (Chandigarh), Chhattisgarh (Korba), Haryana (Gurgaon), Jharkhand (Jamshedpur), Karnataka (Bangalore), Kerala (Kochi), Madhya Pradesh (Bhopal), Maharashtra (Talegaon, Pune, Mumbai, Nagpur), New Delhi, Orissa (Bhubaneshwar), Tamil Nadu (Coimbatore, Chennai), Uttar Pradesh (Lucknow, Ghaziabad), West Bengal(Kolkata)	49.37	28.86	3.02	31.88	Implementing agencies
10	Infrastructure support to medical centres	Health	Maharashtra (Mumbai), Uttar Pradesh (Ghaziabad, Noida), Tamil Nadu (Kalpakkam, Manapakkam, Pudhupakkam), Rajasthan (Pokhran)	26.80	6.24	0.65	6.89	Direct
11	Construction Skill Training Institute - CSTI	Skill Building	Maharashtra (Panvel), Orissa (Cuttack), West Bengal (Kona), Delhi (Pilkhuwa), Andhra Pradesh (Hyderabad), Karnataka (Bangalore), Tamil Nadu (Kanchipuram, Kattupalli)	3677.53	3402.19	645.00	4047.19	Direct
12	Computer training for youth	Skill Building	Gujarat (Hazira, Vadodara)	18.85	13.22	1.38	14.60	Implementing agencies

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programme wise (₹ In Lakh)	Direct expenses (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto the reporting period (₹ In Lakh)	Amount spent: direct or through implementing agency
13	Vocational Training	Skill Building	Gujarat (Ahmedabad, Ankleshwar, Baroda & Hazira), Delhi (Faridabad), Karnataka (Bangalore), Maharashtra (Pune), Uttar Pradesh (Lucknow), Andhra Pradesh (Vizag)	122.70	55.00	5.75	60.75	Implementing agencies
14	Women empowerment through vocational training	Skill Building	Gujarat (Hazira), Maharashtra (Nagpur), Tamil Nadu (Chennai), Delhi (Delhi, Faridabad), Orissa (Kansbahal), Rajasthan (Jaipur), Jharkhand (Jamshedpur)	53.65	40.54	4.24	44.78	Implementing agencies
15	Skill building for differently abled (Project Neev)	Skill Building	Gujarat (Hazira, Ahmedabad), Andhra Pradesh (Vizag), Karnataka (Bangalore, Bellary), Tamil Nadu (Chennai, Coimbatore, Kanchipuram), Maharashtra, (Pune, Nagpur), West Bengal (Kolkata), Jharkhand (Jamshedpur), Kerala (Kochi), Uttar Pradesh (Lucknow), Orissa (Bhubaneswar, Kansbahal), Rajasthan (Jaipur, Chabra-Baran), Madhya Pradesh (Khandwa)	92.13	82.22	8.59	90.81	Implementing agencies
16	Basic infrastructure support in the community (Water, Health, Sanitation, Solar lights, roads etc.)	Community Development	Orissa (Rayagada), Gujarat (Kakarapara), Andhra Pradesh (Vizag), Tamil Nadu (Kalpakkam, Chennai, Kattupalli, Siruseri), Maharashtra (Tarapur), Arunachal Pradesh (Subansiri), West Bengal (Kolkata), Delhi, Haryana (Gurgaon), Jharkhand (Jamshedpur), Rajasthan (Jaipur), Madhya Pradesh (Khandwa)	361.81	304.55	31.83	336.38	Direct
17	** Integrated Community Development Programme	Water & Sanitation, Health, Education, Skill Building	Rajasthan (Rajsamand, Udaipur), Gujarat (Dahod), Maharashtra (Ahmednagar), Tamil Nadu (Coimbatore)	500.00	20.88	2.18	23.06	Implementing agencies
18	Development of gardens and maintenance of public spaces	Environment	Maharashtra (Mumbai, Talegaon, Ahmednagar), Gujarat (Hazira, Vadodara), Madhya Pradesh (Bhopal), Rajasthan (Chabra-Baran), Tamil Nadu (Kancheepuram), NCR (Faridabad)	272.60	261.92	27.38	289.29	Direct
19	Tree plantation and environment protection	Environment	Andhra Pradesh (Vishakapatnam, Hyderabad), Arunachal Pradesh (Subhansiri), Bihar (Patna), Punjab (Chandigarh, Ludhiana), Chhattisgarh, Gujarat (Bharuch, Ahmedabad, Jamnagar, Mahan, Kandla, Mudra), Jammu & Kashmir (Jammu), Jharkhand (Jamshedpur), Karnataka (Bangalore), Kerala (Kochi), Madhya Pradesh (Satna, Gwalior, Khandwa, Nigree), Maharashtra (Talegaon, Tarapur, Pune, Mumbai, Nashik, Amravati, Tiroda), Delhi, Orissa (Bhubaneswar), Rajasthan (Jaipur, Chabra-Baran), Tamil Nadu (Kalpakkam, Chennai, Coimbatore, Navallur, Neyveli, Kancheepuram), Uttar Pradesh (Lucknow, Ghaziabad, Meerut), Uttarakhand, West Bengal (Kolkata)	105.08	52.70	5.51	58.21	Direct

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or programme wise (₹ In Lakh)	Direct expenses (₹ In Lakh)	Overhead (₹ In Lakh)	Cumulative expenditure upto the reporting period(₹ In Lakh)	Amount spent: direct or through implementing agency
20	Awareness programs- environment, energy conservation, road safety	Environment	Delhi, Jharkhand (Jamshedpur), Maharashtra (Nagpur, Ahmednagar), Andhra Pradesh (Hyderabad), Tamil Nadu (Tuticorin)	18.50	11.90	1.24	13.14	Implementing agencies
21	Employee Volunteering	Employee volunteering	PAN India	85.00	63.55	6.64	70.19	Direct
22	Donation to Prime Minister's Relief Fund		PAN India	-	360.00	-	360.00	Direct
			<b>Total</b>	<b>7836.97</b>	<b>6702.78</b>	<b>951.42</b>	<b>7654.20</b>	

\*\*Notes: ₹ 288.3 lakhs has been committed and deposited towards execution cost of first year, of this project in an ESCROW account.

## Annexure 'E' to the Directors' Report

### A) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15, the percentage increase in remuneration of each Director & Company Secretary during the financial year 2014-15 and comparison of the remuneration of each of the Key Managerial Personnel against the performance of the company

₹ crore

Name of the Director/ KMP	Designation	2014-15			Comparison of the Remuneration of the KMP against the performance of the Company
		Total Remuneration	Ratio of remuneration of director to the median remuneration \$	Percentage increase in Remuneration	
A M Naik	Group Executive Chairman	27.32	453.75	(3.84)	Profit before tax decreased by 7.8% and Profit after tax decreased by 8.0% in the financial year 2014-15
K Venkataramanan	Chief Executive Officer & Managing Director	13.58	225.62	2.42	
M V Kotwal	Whole-time Director & President (Heavy Engineering)	9.25	153.62	1.16	
S N Subrahmanyam	Whole-time Director & Senior Executive Vice President (Infrastructure & Construction)	12.83	213.19	(3.26)	
R Shankar Raman	Whole-time Director & Chief Financial Officer	10.37	172.17	(3.89)	
Shailendra N Roy	Whole-time Director & Senior Executive Vice President (Power, Minerals & Metals)	7.90	131.18	3.12	
S Rajgopal	Non-Executive Director	0.38	16.10	*	The sitting fees for Board and Committee meetings were increased from ₹ 20,000/- per meeting to ₹ 50,000/- for Board meetings and ₹ 25,000/- for Committee meetings during the year. The remuneration policy is given in Annexure 'C' of this Board Report. Please refer to page 62 of the Annual Report.
S N Talwar	Non-Executive Director	0.29	12.10	**	
M M Chitale	Independent Director	0.45	7.47	7.02	
Subhodh Bhargava	Independent Director	0.53	8.76	16.19	
A K Jain	Non-Executive Director	0.30	5.71	***	
M Damodaran	Independent Director	0.43	7.14	7.93	
Vikram Singh Mehta	Independent Director	0.48	8.03	74.79	
Sushobhan Sarker <sup>^</sup>	Nominee of Life Insurance Corporation of India	0.31	5.14	8.56	
Adil Zainulbhai	Independent Director	0.35	8.56	#	
Akhilesh Gupta	Independent Director	0.21	6.37	##	
N Hariharan	Company Secretary	0.89	NA	12.98	

\* Details not given as S Rajgopal was a director for only part of the financial year 2014-15 i.e., upto August 22, 2014.

\*\* Details not given as S N Talwar was a director for only part of the financial year 2014-15 i.e., upto August 22, 2014.

\*\*\* Details not given as A K Jain was a director for only part of the financial year 2014-15 i.e., upto February 10, 2015;

# Details not given as Adil Zainulbhai was a director for only part of the financial year 2014-15 i.e., w.e.f. May 30, 2014.

## Details not given as Akhilesh Gupta was a director for only part of the financial year 2014-15 i.e., w.e.f. September 9, 2014.

\$ Ratio of remuneration of director to the median remuneration is calculated on pro-rata basis for those directors who served for only part of the financial year 2014-15.

<sup>^</sup> Part of the remuneration has been paid to the financial institution he represents.

### B) Percentage increase in the median remuneration of all employees in the financial year 2014-15:

The median remuneration of employees of the Company during the financial year was ₹ 6.02 lakh. In the financial year, there was an increase of 12.1% in the median remuneration of employees;

### C) Number of permanent employees on the rolls of Company as on 31st March 2015

There were 44081 permanent employees on the rolls of Company as on March 31, 2015;

**D) Explanation on the relationship between average increase in remuneration and company performance**

The average increase in remuneration per employee was 9.8%. The Profit after Tax for the year 2014-15 decreased by 8.0%. The average increase in remuneration per employee is in line with normal pay revisions and variable component forming integral part of remuneration which is linked to individual performance apart from Company's performance.

**E) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

The remuneration of Key Managerial Personnel for the year declined by 1.55% and the Profit after Tax decreased by 8.0%. The remuneration to Key Managerial Personnel is designed to be competitive in the market for highly qualified executives.

**F) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies**

The market capitalisation as on 31st March, 2015 was ₹ 159791 crore (₹ 117964 crore as on 31st March, 2014). The price earnings ratio of the Company was 31.56 as at 31st March, 2015 and was 21.44 as at 31st March, 2014.

The Company had made a public issue of fully convertible debentures in November 1989 @ ₹ 300 per debenture. These debentures were fully converted into 5 equity share of ₹ 10 each in tranches in 1992. Taking into consideration the adjustments for the demerger of the cement business in June 2004, bonus issues in 1:1 ratio in October 2006 and October 2008 and bonus issue in 1:2 ratio in July 2013, the closing share price of the Company at BSE Limited on 31st March 2015, at ₹ 1719.00 per equity share of face value ₹ 2 each is 342 times the price of the share issued in 1992.

**G) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration**

Average percentage increase made in the salaries of employees other than the managerial personnel for the year 2014-15 was 10.1% whereas there is decline in the managerial remuneration by 1.55% because a substantial portion of managerial remuneration is linked to Company performance during the financial year 2014-15. As stated above, the Profit after Tax for the year 2014-15 decreased by 8.0% directly impacting the variable component of managerial remuneration.

**H) The key parameters for any variable component of remuneration availed by the directors**

The key parameters for the variable component of remuneration availed by the Key Management Personnel are (a) profit after tax of the Company and (b) profit after tax of the respective business divisions (including subsidiary and associate companies of those business divisions) and (c) leadership initiatives undertaken during the year. These parameters are approved by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee and resolution passed by Annual General Meeting as per the Remuneration Policy for Key Management Personnel. The variable component of remuneration of Key Management Personnel is subject to maximum limit approved by the shareholders in the Annual General Meeting.

The non-executive directors are paid remuneration by way of commission & sitting fees. The Company pays sitting fees of ₹ 50,000 per meeting of the Board and ₹ 25,000 per meeting of the Committee to the non-executive directors 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 198 of the Companies Act, 2013). The commission to non-executive directors is distributed broadly on the basis of their attendance, contribution at the Board, the Committee meetings, Chairmanship of Committees and participation in meetings of the business divisions. In the case of nominees of Financial Institutions, the commission is paid to the Financial Institutions.



## **Annexure 'F' to the Directors' Report**

To,  
The Members,  
Larsen & Toubro Limited  
CIN L9999MH1946PLC004768  
L&T House,  
Ballard Estate,  
Mumbai – 400001

Our Secretarial Audit Report of even date is to be read along with this letter.

### **Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### **Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S. N. ANANTHASUBRAMANIAN & CO.**

**S N Ananthasubramanian**

Place: Thane  
Date : May 20, 2015

## Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Larsen & Toubro Limited**  
CIN L9999MH1946PLC004768  
L&T House, Ballard Estate,  
Mumbai – 400 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Larsen & Toubro Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- i. The Companies Act, 1956 and Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable as the Company has not issued further capital during the financial year under review;**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review;**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought**

**back/propose to buy-back any of its securities during the financial year under review.**

- vi. The Company has informed that there are no laws, which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(not applicable as not notified during the period under review)**.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that: -**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent sufficiently in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Unanimous decision is carried through hence there are no dissenting members' views to be captured and recorded as part of the minutes.

**We further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company

which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines: -

- As informed, the Company has responded to notices for demands, claims, penalties etc., levied by various statutory /regulatory authorities and initiated actions for corrective measures, wherever found necessary.

**We further report that** during the audit period:

- The Company has on October 21, 2014 raised USD 200 million by issuing and allotting Foreign Currency Convertible Bonds.
- The members have inter alia passed Special Resolutions by way of Postal Ballot on 14<sup>th</sup> July 2014:
  - i. accorded the consent to the creation by the Board of Directors of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate or any other entities and Trustees for the holders of debentures / bonds and / or other instruments which may be issued on private placement basis or otherwise, to secure loans, debentures, bonds, working capital facilities and other instruments in any currency of an outstanding aggregate value not exceeding the total assets of the Company;
  - ii. amended the Articles of Association of the Company.

For **S. N. ANANTHASUBRAMANIAN & CO**

**S N Ananthasubramanian**

FCS No.4206

C P No. 1774

Place: Thane

Date: May 20, 2015

## Annexure 'G' to the Directors' Report

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i) CIN	L99999MH1946PLC004768
ii) REGISTRATION DATE	FEBRUARY 7, 1946
iii) NAME OF THE COMPANY	LARSEN & TOUBRO LIMITED
iv) CATEGORY	PUBLIC LIMITED COMPANY
v) SUB-CATEGORY OF THE COMPANY	COMPANY HAVING SHARE CAPITAL
vi) ADDRESS OF THE REGISTERED OFFICE AND CONTACT DETAILS	L&T HOUSE, N. M. MARG, BALLARD ESTATE, MUMBAI - 400 001 TEL : 022-67525656 FAX: 022-67525893
vii) WHETHER LISTED COMPANY	YES
viii) NAME, ADDRESS AND CONTACT DETAILS OF REGISTRAR AND TRANSFER AGENT, IF ANY	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, SAKI NAKA, MUMBAI - 400 072. TEL : 022-6772 0300 / 6772 0400 FAX: 022-28591568 / 285008927

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company#
1	Construction of buildings	410	26%
2	Construction of roads and railways	421	16%
3	Construction of utility projects	422	35%

# On the basis of Gross Turnover

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	BHILAI POWER SUPPLY COMPANY LIMITED	9 <sup>TH</sup> FLOOR, AMBADEEP BUILDING, 14, KASTURBA GANDHI MARG, CONNAUGHT PLACE, NEW DELHI-110001	U74899DL1995PLC070704	SUBSIDIARY	99.90	Section 2(87)(ii)
2	CHENNAI VISION DEVELOPERS PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U70101TN2008PTC068877	SUBSIDIARY	100.00	Section 2(87)(ii)
3	CONSUMER FINANCIAL SERVICES LIMITED	UNIT NO.505 & 506, DLF TOWER B, DISTRICT CENTRE, JASOLA, NEW DELHI-110025	U67120DL2001PLC199088	SUBSIDIARY	72.95	Section 2(87)(ii)
4	CSJ INFRASTRUCTURE PRIVATE LIMITED	PLOT NO 178-178A, INDUSTRIAL AREA PHASE-I, CHANDIGARH-160002	U70101CH2006PTC029576	SUBSIDIARY	100.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
5	EWAC ALLOYS LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI- 400001	U74999MH1962PLC012315	SUBSIDIARY	100.00	Section 2(87)(ii)
6	FAMILY CREDIT LIMITED	TECHNOPOLIS, 7 <sup>TH</sup> FLOOR, A- WING, PLOT NO. - 4, BLOCK - BP, SECTOR - V, SALT LAKE, KOLKATA-700091	U65910WB1993FLC060810	SUBSIDIARY	72.95	Section 2(87)(ii)
7	GDA TECHNOLOGIES LIMITED	NO.9-A, CHINTHAMANI NAGAR, K.K. PUDUR, COIMBATORE-641038	U72200TZ1997PLC008145	SUBSIDIARY	100.00	Section 2(87)(ii)
8	HENIKWON CORPORATION SDN. BHD	2A-03-2, LORONG BATU NILAM 4A, BANDAR BUKIT TINGGI, 41200, KLANG, SELANGOR, MALAYSIA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
9	HI-TECH ROCK PRODUCTS & AGGREGATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U14290TN2008PLC065900	SUBSIDIARY	100.00	Section 2(87)(ii)
10	HYDERABAD INTERNATIONAL TRADE EXPOSITIONS LIMITED	HITEX EXHIBITION CENTRE, N A C, IZZAT NAGAR, HYDERBAD-500032	U52520TG2001PLC037105	SUBSIDIARY	51.72	Section 2(87)(ii)
11	INFORMATION SYSTEMS RESOURCE CENTRE PRIVATE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U72200MH1996PTC100517	SUBSIDIARY	100.00	Section 2(87)(ii)
12	KANA CONTROLS GENERAL TRADING & CONTRACTING COMPANY WLL	OFFICE NO. 14, 5 <sup>TH</sup> FLOOR, AL-FARWANIYA, BLOCK NO. 44, BLDG. NO. 6, GHASHAM FAHED AL-BASMAN, KUWAIT	NA	SUBSIDIARY	49.00	Section 2(87)(i)
13	KESUN IRON AND STEEL COMPANY PRIVATE LIMITED	L&T ENERGY CENTRE, NEAR CHHANI JAKAT NAKA, VADODARA-390002	U27100GJ2009PTC055901	SUBSIDIARY	95.00	Section 2(87)(ii)
14	KUDGI TRANSMISSION LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U40106DL2012GOI245339	SUBSIDIARY	97.45	Section 2(87)(ii)
15	L&T - GULF PRIVATE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U74140MH2008PTC177765	SUBSIDIARY	50.0002	Section 2(87)(ii)
16	L&T ACCESS DISTRIBUTION SERVICES LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U65100TN2011PLC083348	SUBSIDIARY	72.95	Section 2(87)(ii)
17	L&T AHMEDABAD-MALIYA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069211	SUBSIDIARY	97.45	Section 2(87)(ii)
18	L&T ARUNACHAL HYDROPOWER LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U40300MH2010PLC204778	SUBSIDIARY	100.00	Section 2(87)(ii)
19	L&T AVIATION SERVICES PRIVATE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U62100MH2009PTC196917	SUBSIDIARY	100.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
20	L&T BPP TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2011PLC080786	SUBSIDIARY	97.45	Section 2(87)(ii)
21	L&T CAPITAL COMPANY LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U67190MH2000PLC125653	SUBSIDIARY	100.00	Section 2(87)(ii)
22	L&T CAPITAL MARKETS LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U67190MH2013PLC240261	SUBSIDIARY	72.95	Section 2(87)(ii)
23	L&T CASSIDIAN LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U29253MH2011PLC216258	SUBSIDIARY	74.00	Section 2(87)(ii)
24	L&T CHENNAI TADA TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45309TN2008PLC066938	SUBSIDIARY	97.45	Section 2(87)(ii)
25	L&T CONSTRUCTION EQUIPMENT LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U29119MH1997PLC109700	SUBSIDIARY	100.00	Section 2(87)(ii)
26	L&T CUTTING TOOLS LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U28920MH1952PLC008893	SUBSIDIARY	100.00	Section 2(87)(ii)
27	L&T DECCAN TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2011PLC083661	SUBSIDIARY	97.45	Section 2(87)(ii)
28	L&T DEVIHALLI HASSAN TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC075491	SUBSIDIARY	97.45	Section 2(87)(ii)
29	L&T ELECTRICAL & AUTOMATION FZE	WAREHOUSE NO. FZS2ABO5 262158, JEBEL ALI FREE ZONE, DUBAI, UNITED ARAB EMIRATES	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
30	L&T ELECTRICAL AND AUTOMATION SAUDI ARABIA COMPANY LIMITED LLC	MH-4, PLOT NO. 17+19, IIND INDUSTRIAL CITY, DAMMAM, P.O. BOX 77186, AL KHOBAR 31952, KINGDOM OF SAUDI ARABIA	NA	SUBSIDIARY	75.00	Section 2(87)(ii)
31	L&T ELECTRICALS AND AUTOMATION LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U31501MH2007PLC176667	SUBSIDIARY	100.00	Section 2(87)(ii)
32	L&T FINANCE HOLDINGS LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	L67120MH2008PLC181833	SUBSIDIARY	72.95	Section 2(87)(ii)
33	L&T FINANCE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U65990MH1994PLC083147	SUBSIDIARY	72.95	Section 2(87)(ii)
34	L&T FINCORP LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U65910MH1997PLC108179	SUBSIDIARY	72.95	Section 2(87)(ii)
35	L&T GENERAL INSURANCE COMPANY LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U66030MH2007PLC177117	SUBSIDIARY	100.00	Section 2(87)(ii)



S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
36	L&T HALOL-SHAMLAJI TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069210	SUBSIDIARY	97.45	Section 2(87)(ii)
37	L&T HIMACHAL HYDROPOWER LIMITED	RAMA COTTAGE, KANLOG, SHIMLA-171001	U40102HP2010PLC031697	SUBSIDIARY	100.00	Section 2(87)(ii)
38	L&T HITECH CITY LIMITED	AQ4-A1, CYBER TOWER, HITEC CITY, MADHAPUR, HYDERABAD-500081	U70102TG2007PLC053938	SUBSIDIARY	65.86	Section 2(87)(ii)
39	L&T HOUSING FINANCE LIMITED	UNIT NO.505 & 506, DLF TOWER B, DISTRICT CENTRE, JASOLA, NEW DELHI-110025	U45200DL1994PLC198639	SUBSIDIARY	72.95	Section 2(87)(ii)
40	L&T HOWDEN PRIVATE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U31401MH2010PTC204403	SUBSIDIARY	50.10	Section 2(87)(ii)
41	L&T HYDROCARBON ENGINEERING LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U11200MH2009PLC191426	SUBSIDIARY	100.00	Section 2(87)(ii)
42	L&T IDPL TRUSTEE MANAGER PTE. LTD.	8 CROSS STREET, #10-00, PWC BUILDING, SINGAPORE (048424)	NA	SUBSIDIARY	97.45	Section 2(87)(ii)
43	L&T INFOCITY LIMITED	1-Q4-A1, CYBER TOWER, HITEC CITY, MADHAPUR, HYDERABAD, TELANGANA-500081	U72200TG1997PLC026885	SUBSIDIARY	89.00	Section 2(87)(ii)
44	L&T INFORMATION TECHNOLOGY SERVICES (SHANGHAI) CO., LTD.	ROOM 1100, BUILDING 2, NO.1388, XINGXIAN ROAD, JIADING DISTRICT, SHANGHAI	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
45	L&T INFOTECH FINANCIAL SERVICES TECHNOLOGIES INC	2810, MATHESON BLVD EAST SUITE 500, MISSISSAUGA, ONL4W 4X7 CANADA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
46	L&T INFRA DEBT FUND LIMITED	3B, LAXMI TOWERS, C - 25, 'G' BLOCK, BANDRA - KURLA COMPLEX, BANDRA (EAST), MUMBAI-400051	U67100MH2013PLC241104	SUBSIDIARY	72.95	Section 2(87)(ii)
47	L&T INFRA INVESTMENT PARTNERS ADVISORY PRIVATE LIMITED	3B, LAXMI TOWERS, C - 25, 'G' BLOCK, BANDRA - KURLA COMPLEX, BANDRA (EAST), MUMBAI-400051	U67190MH2011PTC218046	SUBSIDIARY	72.95	Section 2(87)(ii)
48	L&T INFRA INVESTMENT PARTNERS TRUSTEE PRIVATE LIMITED	3B, LAXMI TOWERS, C - 25, 'G' BLOCK, BANDRA - KURLA COMPLEX, BANDRA (EAST), MUMBAI-400051	U65900MH2011PTC220896	SUBSIDIARY	72.95	Section 2(87)(ii)
49	L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LANKA (PRIVATE) LIMITED	NO.5 - 4/1, 19 <sup>TH</sup> LANE, COLOMBO - 03, SRI LANKA	NA	SUBSIDIARY	93.44	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
50	L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U65993TN2001PLC046691	SUBSIDIARY	97.45	Section 2(87)(ii)
51	L&T INFRASTRUCTURE ENGINEERING LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U74140TN1998PLC039864	SUBSIDIARY	100.00	Section 2(87)(ii)
52	L&T INFRASTRUCTURE FINANCE COMPANY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U67190TN2006PLC059527	SUBSIDIARY	72.95	Section 2(87)(ii)
53	L&T INTERSTATE ROAD CORRIDOR LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2006PLC058735	SUBSIDIARY	97.45	Section 2(87)(ii)
54	L&T INVESTMENT MANAGEMENT LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U65991MH1996PLC229572	SUBSIDIARY	72.95	Section 2(87)(ii)
55	L&T KOBELCO MACHINERY PRIVATE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U29253MH2010PTC210325	SUBSIDIARY	51.00	Section 2(87)(ii)
56	L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC057930	SUBSIDIARY	97.45	Section 2(87)(ii)
57	L&T KRISHNAGIRI WALAJHPET TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC075446	SUBSIDIARY	97.45	Section 2(87)(ii)
58	L&T METRO RAIL (HYDERABAD) LIMITED	1-Q4-A1, CYBER TOWER, HITEC CITY, MADHAPUR, HYDERABAD-500081	U45300AP2010PLC070121	SUBSIDIARY	97.48	Section 2(87)(ii)
59	L&T MODULAR FABRICATION YARD LLC	PO BOX 236, P.C 322, FALAZ AL QABAIL, SOHAR, SULTANATE OF OMAN	NA	SUBSIDIARY	65.00	Section 2(87)(ii)
60	L&T MUTUAL FUND TRUSTEE LIMITED	DAREHOUSE, N.S.C. BOSE ROAD, PARRYS, CHENNAI, TAMIL NADU-600001	U65993MH1996PLC211198	SUBSIDIARY	72.95	Section 2(87)(ii)
61	L&T NATURAL RESOURCES LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U74900MH2008PLC182601	SUBSIDIARY	100.00	Section 2(87)(ii)
62	L&T OVERSEAS PROJECTS NIGERIA LIMITED	252E, MURI OKUNOLA STREET, VICTORIA ISLAND, LAGOS, NIGERIA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
63	L&T PANIPAT ELEVATED CORRIDOR LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC056999	SUBSIDIARY	97.45	Section 2(87)(ii)
64	L&T PORT KACHCHIGARH LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC067551	SUBSIDIARY	97.45	Section 2(87)(ii)
65	L&T POWER DEVELOPMENT LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U40101MH2007PLC174071	SUBSIDIARY	100.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
66	L&T POWER LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U40100MH2006PLC160413	SUBSIDIARY	100.00	Section 2(87)(ii)
67	L&T POWERGEN LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U40103MH2010PLC209313	SUBSIDIARY	100.00	Section 2(87)(ii)
68	L&T RAJKOT-VADINAR TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2008PLC069184	SUBSIDIARY	97.45	Section 2(87)(ii)
69	L&T REALTY FZE	EXECUTIVE SUITE, P.O.BOX 121576, SAIF ZONE, SHARJAH, U.A.E.	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
70	L&T REALTY LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U74200MH2007PLC176358	SUBSIDIARY	100.00	Section 2(87)(ii)
71	L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2010PLC074501	SUBSIDIARY	97.45	Section 2(87)(ii)
72	L&T SAMBALPUR - ROURKELA TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45206TN2013PLC093395	SUBSIDIARY	97.45	Section 2(87)(ii)
73	L&T SAPURA OFFSHORE PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U11200TN2010PTC077214	SUBSIDIARY	60.00	Section 2(87)(ii)
74	L&T SAPURA SHIPPING PRIVATE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U61100TN2010PTC077217	SUBSIDIARY	60.00	Section 2(87)(ii)
75	L&T SEAWOODS LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U45203MH2008PLC180029	SUBSIDIARY	100.00	Section 2(87)(ii)
76	L&T SHIPBUILDING LIMITED	GROUND FLOOR, TC-1 BUILDING, L&T CONSTRUCTION CAMPUS, MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U74900TN2007PLC065356	SUBSIDIARY	97.00	Section 2(87)(ii)
77	L&T SOLAR LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U40109MH2010PLC205058	SUBSIDIARY	100.00	Section 2(87)(ii)
78	L&T SOUTH CITY PROJECTS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U70101TN2006PLC058866	SUBSIDIARY	51.00	Section 2(87)(ii)
79	L&T SPECIAL STEELS AND HEAVY FORGINGS PRIVATE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U27109MH2009PTC193699	SUBSIDIARY	74.00	Section 2(87)(ii)
80	L&T TECHNOLOGY SERVICES LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U72900MH2012PLC232169	SUBSIDIARY	100.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
81	L&T TECHNOLOGY SERVICES LLC	200, WEST ADAMS STREET, CHICAGO, ILLINOIS-60606	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
82	L&T THALES TECHNOLOGY SERVICES PRIVATE LIMITED	RR V TOWER, 6TH FLOOR, 33A, DEVELOPED PLOTS, SIDCO INDUSTRIAL ESTATE, GUINDY, CHENNAI-600032	U72200TN2006PTC059421	SUBSIDIARY	74.00	Section 2(87)(ii)
83	L&T TRANSPORTATION INFRASTRUCTURE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN1997PLC039102	SUBSIDIARY	98.12	Section 2(87)(ii)
84	L&T TRUSTEE COMPANY PRIVATE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U74990MH2009PTC193936	SUBSIDIARY	100.00	Section 2(87)(ii)
85	L&T UTTARANCHAL HYDROPOWER LIMITED	6, GAVNI VILLAGE, NEXT TO JALAGAM OFFICE, CHANDRAPURI, UTTARKHAND-246425	U31401UR2006PLC032329	SUBSIDIARY	100.00	Section 2(87)(ii)
86	L&T VADODARA BHARUCH TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC058417	SUBSIDIARY	97.45	Section 2(87)(ii)
87	L&T VALVES LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U74999MH1961PLC012188	SUBSIDIARY	100.00	Section 2(87)(ii)
88	L&T VISION VENTURES LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U74210TN2006PLC061845	SUBSIDIARY	68.00	Section 2(87)(ii)
89	L&T VRINDAVAN PROPERTIES LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U70200TN2011PLC081100	SUBSIDIARY	72.95	Section 2(87)(ii)
90	L&T WESTERN ANDHRA TOLLWAYS LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2005PLC057931	SUBSIDIARY	97.45	Section 2(87)(ii)
91	L&T WESTERN INDIA TOLLBRIDGE LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN1999PLC042518	SUBSIDIARY	97.45	Section 2(87)(ii)
92	L&T-MHPS BOILERS PRIVATE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U29119MH2006PTC165102	SUBSIDIARY	51.00	Section 2(87)(ii)
93	L&T-MHPS TURBINE GENERATORS PRIVATE LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U31101MH2006PTC166541	SUBSIDIARY	51.00	Section 2(87)(ii)
94	L&T-SARGENT & LUNDY LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U74210MH1995PLC088099	SUBSIDIARY	50.0001	Section 2(87)(ii)
95	L&T-VALDEL ENGINEERING LIMITED	NO 19, PRIMROSE ROAD, BANGALORE-560025	U74210KA2004PLC035094	SUBSIDIARY	100.00	Section 2(87)(ii)
96	LARSEN & TOUBRO (EAST ASIA) SDN. BHD	SUITE 702, 7 <sup>TH</sup> FLOOR, WISMA HANGSAM, JALAN HANG LEKIR, 50000 KUALA LUMPUR, MALAYSIA	NA	SUBSIDIARY	30.00	Section 2(87)(i)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
97	LARSEN & TOUBRO (QINGDAO) RUBBER MACHINERY COMPANY LIMITED	388, LINGANG 14 ROAD, LINGANG, LINGANG ECONOMIC DEVELOPMENT ZONE, JIAONAN CITY, QINGDAO, SHANDONG PROVINCE, PEOPLE'S REPUBLIC OF CHINA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
98	LARSEN & TOUBRO ATCO SAUDIA LLC	AL-TURKI BUILDING, KING KHALED STREET, P.O. BOX 91, DAMMAM	NA	SUBSIDIARY	75.00	Section 2(87)(ii)
99	LARSEN & TOUBRO CONSULTORIA E PROJETO LTDA	RUA DO CARMO 43, 9 ANDAR, PARTE,CENTRO, ZIP CODE 20011-020,RIO DE JANEIRO, BRAZIL	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
100	LARSEN & TOUBRO ELECTROMECH LLC	P.O. BOX 1999, RUWI, POSTAL CODE 112, MUSCAT	NA	SUBSIDIARY	65.00	Section 2(87)(ii)
101	LARSEN & TOUBRO HEAVY ENGINEERING LLC	P.O. BOX 281, POSTAL CODE 325, W LIWA, SULTANATE OF OMAN	NA	SUBSIDIARY	70.00	Section 2(87)(ii)
102	LARSEN & TOUBRO HYDROCARBON INTERNATIONAL LIMITED LLC	P.O. BOX 6391, AL KHOBAR 34423, KINGDOM OF SAUDI ARABIA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
103	LARSEN & TOUBRO INFOTECH CANADA LIMITED	2810, MATHESON BLVD EAST SUITE 500, MISSISSAUGA, ONL4W 4X7 CANADA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
104	LARSEN & TOUBRO INFOTECH GMBH	EURO-ASIA BUSINESS CENTRE, MESSE-ALLEE 2, D-04356, LEIPZIG, GERMANY	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
105	LARSEN & TOUBRO INFOTECH LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U72900MH1996PLC104693	SUBSIDIARY	100.00	Section 2(87)(ii)
106	LARSEN & TOUBRO INFOTECH LLC	1220, N. MARKET ST., SUITE 806, WILMINGTON, DE 19801, USA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
107	LARSEN & TOUBRO INTERNATIONAL FZE	OFFICE LOB 16 G 08, POST BOX 41558, HAMRIYAH FREE ZONE, SHARJAH, UNITED ARAB EMIRATES	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
108	LARSEN & TOUBRO KUWAIT CONSTRUCTION GENERAL CONTRACTING COMPANY, WITH LIMITED LIABILITY	PLOT NO. 3, BUILDING NO.1, SHARQ, KUWAIT	NA	SUBSIDIARY	49.00	Section 2(87)(i)
109	LARSEN & TOUBRO LLC	113, BARKSDALE PROFESSIONAL CENTRE, NEWARK CITY, COUNTRY OF NEW CASTLE, G56 ZIP CODE-19711, U.S.A	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
110	LARSEN & TOUBRO OMAN LLC	P.O. BOX 1127, RUWI, POSTAL CODE 112, SULTANATE OF OMAN	NA	SUBSIDIARY	65.00	Section 2(87)(ii)

S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
111	LARSEN & TOUBRO QATAR LLC	P.O. BOX 24399, SH. THAMOUR BLDG., MEZZANINE FLOOR, AL-HANDASA AREA, NEAR JAIDAH FLYOVER, B RING ROAD, DOHA, QATAR	NA	SUBSIDIARY	49.00	Section 2(87)(i)
112	LARSEN & TOUBRO READYMIX AND ASPHALT CONCRETE INDUSTRIES LLC	JEBEL ALI INDUSTRIAL AREA, JEBEL ALI, DUBAI	NA	SUBSIDIARY	49.00	Section 2(87)(i)
113	LARSEN & TOUBRO SAUDI ARABIA LLC	P.O. BOX NO.20, RIYADH 11351, KINGDOM OF SAUDI ARABIA 11351	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
114	LARSEN & TOUBRO TANDD SA (PTY) LIMITED	2 <sup>ND</sup> FLOOR, 4 PENCARROW CRESCENT, LA LUCIA RIDGE OFFICE ESTATE, SOUTH AFRICA 4019	NA	SUBSIDIARY	72.50	Section 2(87)(ii)
115	LARSEN AND TOUBRO INFOTECH SOUTH AFRICA (PTY) LIMITED	6TH FLOOR, 119 HERTZOG BOULEVARD, FORESHORE, CAPETOWN, SOUTH AFRICA 8001	NA	SUBSIDIARY	74.90	Section 2(87)(ii)
116	LARSEN TOUBRO ARABIA LLC	ALMADA TOWER, PRINCE TURKI STREET, AL KHOBAR, SAUDI ARABIA	NA	SUBSIDIARY	75.00	Section 2(87)(ii)
117	MUDIT CEMENT PRIVATE LIMITED	UNIT NO.505 & 506, DLF TOWER B, DISTRICT CENTRE, JASOLA, NEW DELHI-110025	U26942DL1990PTC041941	SUBSIDIARY	72.95	Section 2(87)(ii)
118	NABHA POWER LIMITED	PO BOX NO-28, NEAR VILLAGE NALASH, RAJPURA-140401	U40102PB2007PLC031039	SUBSIDIARY	100.00	Section 2(87)(ii)
119	PNG TOLLWAY LIMITED	MOUNT POONAMALLE ROAD, POST BOX NO 979, MANAPAKKAM, CHENNAI - 600089	U45203TN2009PLC070741	SUBSIDIARY	72.77	Section 2(87)(ii)
120	PT TAMCO INDONESIA	JALAN RAYA PASAR SERANG, NO. 15, KANDANG RODA, CIKARANG BEKASI 17330, INDONESIA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
121	PT. LARSEN & TOUBRO HYDROCARBON ENGINEERING INDONESIA	THE CITY TOWER, 12 <sup>TH</sup> FLOOR, UNIT 1-N, J1.MH., THAMRIN NO.81, CENTRAL JAKARTA, INDONESIA 10310	NA	SUBSIDIARY	95.00	Section 2(87)(ii)
122	RAYKAL ALUMINIUM COMPANY PRIVATE LIMITED	ANNAPURNA COMPLEX, 559, LEWIS ROAD, BHUBANESWAR, ODIHSA-751014	U13203OR1999PTC005673	SUBSIDIARY	75.50	Section 2(87)(ii)
123	SERVOWATCH SYSTEMS LIMITED	THE WOODROPE BUILDING, WOODROLFE ROAD, TOLLESBURY, MALDONESSEX CM9 8SE, UNITED KINGDOM	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
124	SPECTRUM INFOTECH PRIVATE LIMITED	LANDT HOUSE, 38, CUBBON ROAD, BANGALORE-560001	U72200KA1995PTC018112	SUBSIDIARY	100.00	Section 2(87)(ii)
125	TAMCO ELECTRICAL INDUSTRIES AUSTRALIA PTY LTD	31, KITCHEN ROAD, DANDENONG, VICTORIA 3175, AUSTRALIA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)



S. No	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
126	TAMCO SWITCHGEAR (MALAYSIA) SDN BHD	UNIT C508, BLOCK C, KELANA SQUARE, JALAN SS7/26, KELANA JAYA 47301, PETALING JAYA SELANGOR DAR UL EHSAN, MALAYSIA	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
127	THALEST LIMITED	ENDEAVOUR HOUSE, BENTALLS INDUSTRIAL ESTATE, HOLLOWAY ROAD, MALDON, ESSEX, C9 4ER, UNITED KINGDOM	NA	SUBSIDIARY	100.00	Section 2(87)(ii)
128	FEEDBACK INFRA PRIVATE LIMITED	311, 3rd Floor, Vardhaman Plaza, Pocket 7, Plot No. 6, Sector 12, Dwarka, New Delhi -110078	U74899DL1990PTC040630	ASSOCIATE	16.89	Section 2(6)
129	GUJARAT LEATHER INDUSTRIES LIMITED	NO 3001, GIDC INDUSTRIAL ESTATE, ANKLESHWAR, GUJARAT	U18104GJ19785GC003134	ASSOCIATE	50.00	Section 2(6)
130	INDIRAN ENGINEERING PROJECTS AND SYSTEMS KISH PJSC	POST BOX 1267, NEHA APARTMENT, BAZAAR-E-DANOOS, KISH ISLAND, IRAN	NA	ASSOCIATE	50.00	Section 2(6)
131	INTERNATIONAL SEAPORTS (HALDIA) PRIVATE LIMITED	FLAT NO. 27, 5TH FLOOR, KOHINOOR BUILDING, 105, PARK STREET, KOLKATA 700016	U45205WB1999PTC090733	ASSOCIATE	21.74	Section 2(6)
132	JSK ELECTRICALS PRIVATE LIMITED	B-31, BASEMENT, VISHAL ENCLAVE, NEW DELHI 110027	U31908DL2008PTC182292	ASSOCIATE	26.00	Section 2(6)
133	L&T CAMP FACILITIES LLC	P. O. BOX 44357, DUBAI, UNITED ARAB EMIRATES	NA	ASSOCIATE	49.00	Section 2(6)
134	L&T-CHIYODA LIMITED	L&T HOUSE, N M MARG, BALLARD ESTATE, MUMBAI-400001	U28920MH1994PLC083035	ASSOCIATE	50.00	Section 2(6)
135	LARSEN & TOUBRO QATAR & HBK CONTRACTING LLC	P. O. BOX 1362, DOHA, QATAR	NA	ASSOCIATE	24.50	Section 2(6)
136	MAGTORQ PRIVATE LIMITED	NO. 58-C, SIPCOT INDUSTRIAL COMPLEX, HOSUR-635126	U02520TZ1989PTC002458	ASSOCIATE	42.85	Section 2(6)
137	RISHI CONSFAB PRIVATE LIMITED	611, VEENA KILLEDAR INDUSTRIAL ESTATE, 10-14, PAIS STREET, BYCULLA (WEST), MUMBAI 400011	U28112MH2008PTC178448	ASSOCIATE	26.00	Section 2(6)
138	SALZER ELECTRONICS LIMITED	SAMICHETTI PALAYAM, JOTHIPURAM POST, COIMBATORE 641047	L03210TZ1985PLC001535	ASSOCIATE	26.06	Section 2(6)
139	VIZAG IT PARK LIMITED	GANDHI PLACE, VUDA COMPOUND, SIRIPURAM JUNCTION, VISHAKHAPATTANAM, ANDHRA PRADESH 530003	U45200AP2003PLC041374	ASSOCIATE	23.14	Section 2(6)

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>(2) Foreign</b>									
a) NRIs -Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other -Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>B Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	52,657,191	4,704	52,661,895	5.68	54,399,863	5,310	54,405,173	5.85	0.17
b) Banks / FI	240,973,815	43,770	241,017,585	26.00	237,695,842	43,205	237,739,047	25.58	-0.43
c) Central Govt	337,656	0	337,656	0.04	609,148	0	609,148	0.07	0.03
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	45,247,201	0	45,247,201	4.88	42,708,526	0	42,708,526	4.59	-0.29
g) FIs	171,185,591	40,368	171,225,959	18.47	156,132,914	40,068	156,172,982	16.80	-1.67
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	510,401,454	88,842	510,490,296	55.07	491,546,293	88,583	491,634,876	52.89	-2.18
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	65,961,592	311,307	66,272,899	7.15	74,346,035	304,497	74,650,532	8.03	0.88
ii) Overseas	0	3,432	3,432	0.00	0	3,432	3,432	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	165,838,967	21,495,860	187,334,827	20.21	163,550,672	19,885,971	183,436,643	19.73	-0.48

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	14,825,906	0	14,825,906	1.60	13,911,234	0	13,911,234	1.50	-0.10
c) Others (specify)									
i) Directors & Relatives	3,440,804	2,748	3,443,552	0.37	2,509,799	2,148	2,511,947	0.27	-0.10
ii) Foreign Nationals	367,506	20,826	388,332	0.04	364,782	20,826	385,608	0.04	0.00
iii) Foreign Portfolio Investors	0	0	0	0.00	22,419,444	0	22,419,444	2.41	2.41
iv) Non-Residents	7,263,112	487,233	7,750,345	0.84	7,288,071	447,627	7,735,698	0.83	0.00
v) Trust	111,588,408	17,766	111,606,174	12.04	111,588,408	17,766	111,606,174	12.01	-0.03
vi) Qualified Foreign Investor	99	0	99	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>369,286,394</b>	<b>22,339,172</b>	<b>391,625,566</b>	<b>42.25</b>	<b>395,978,445</b>	<b>20,682,267</b>	<b>416,660,712</b>	<b>44.82</b>	<b>2.57</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>879,687,848</b>	<b>22,428,014</b>	<b>902,115,862</b>	<b>97.32</b>	<b>887,524,738</b>	<b>20,770,850</b>	<b>908,295,588</b>	<b>97.71</b>	<b>0.39</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>24,796,796</b>	<b>0</b>	<b>24,796,796</b>	<b>2.68</b>	<b>21,266,473</b>	<b>0</b>	<b>21,266,473</b>	<b>2.29</b>	<b>-0.39</b>
<b>Grand Total (A+B+C)</b>	<b>904,484,644</b>	<b>22,428,014</b>	<b>926,912,658</b>	<b>100.00</b>	<b>908,791,211</b>	<b>20,770,850</b>	<b>929,562,061</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sl	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the beginning of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1		NIL			NIL			
2								
3								
4								
	<b>Total</b>	NIL			NIL			

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/sweat equity etc):	NIL		NIL	
	At the End of the year	NIL		NIL	

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
<b>1</b>	<b>LIFE INSURANCE CORPORATION OF INDIA</b>	At the beginning of the year	157,556,923	17.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	13.02.2015	(110,000)	(0.01)	157,446,923	16.94
		20.02.2015	(160,846)	(0.02)	157,286,077	16.92
		27.02.2015	(234,648)	(0.03)	157,051,429	16.90
		6.03.2015	(397,091)	(0.04)	156,654,338	16.85
		13.03.2015	(218,167)	(0.02)	156,436,171	16.83
		20.03.2015	(119,393)	(0.01)	156,316,778	16.82
		27.03.2015	(544,493)	(0.06)	155,772,285	16.76
		31.03.2015	(250,000)	(0.03)	155,522,285	16.73
		At the End of the year			155,522,285	16.73
<b>2</b>	<b>L&amp;T EMPLOYEES WELFARE FOUNDATION</b>	At the beginning of the year	111,606,174	12.04		
		At the End of the year			111,606,174	12.01
<b>3</b>	<b>ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA</b>	At the beginning of the year	75,925,962	8.19		
		At the End of the year			75,925,962	8.17
<b>4</b>	<b>HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND</b>	At the beginning of the year	12,151,009	1.31		0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	11.04.2014	(98,140)	(0.01)	12,052,869	1.30
		18.04.2014	358	0.00	12,053,227	1.30
		25.04.2014	(273)	(0.00)	12,052,954	1.30
		02.05.2014	80,627	0.01	12,133,581	1.31
		09.05.2014	210,789	0.02	12,344,370	1.33
		16.05.2014	81,140	0.01	12,425,510	1.34
		23.05.2014	14,283	0.00	12,439,793	1.34
		30.05.2014	110,565	0.01	12,550,358	1.35
		06.06.2014	370,563	0.04	12,920,921	1.39
		13.06.2014	92,534	0.01	13,013,455	1.40
		20.06.2014	253,011	0.03	13,266,466	1.43
		30.06.2014	153,449	0.02	13,419,915	1.45
		04.07.2014	21,575	0.00	13,441,490	1.45
		11.07.2014	31,572	0.00	13,473,062	1.45
		18.07.2014	119,634	0.01	13,592,696	1.47
		01.08.2014	(227,250)	(0.02)	13,365,446	1.44
		08.08.2014	275,122	0.03	13,640,568	1.47
	15.08.2014	(30,000)	(0.00)	13,610,568	1.47	
	22.08.2014	2,875	0.00	13,613,443	1.47	

Sl. No.	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	29.08.2014	436,661	0.05	14,050,104	1.51
		05.09.2014	42	0.00	14,050,146	1.51
		12.09.2014	99,097	0.01	14,149,243	1.52
		30.09.2014	349,728	0.04	14,498,971	1.56
		17.10.2014	202,580	0.02	14,701,551	1.58
		31.10.2014	914	0.00	14,702,465	1.58
		07.11.2014	(314)	(0.00)	14,702,151	1.58
		14.11.2014	100,000	0.01	14,802,151	1.59
		21.11.2014	257,000	0.03	15,059,151	1.62
		28.11.2014	521,362	0.06	15,580,513	1.68
		05.12.2014	500,000	0.05	16,080,513	1.73
		12.12.2014	326,677	0.04	16,407,190	1.77
		19.12.2014	615,805	0.07	17,022,995	1.83
		31.12.2014	256,062	0.03	17,279,057	1.86
		02.01.2015	(28,609)	(0.00)	17,250,448	1.86
		09.01.2015	875	0.00	17,251,323	1.86
		16.01.2015	1,517	0.00	17,252,840	1.86
		23.01.2015	435,718	0.05	17,688,558	1.90
		30.01.2015	84,155	0.01	17,772,713	1.91
		06.02.2015	307,000	0.03	18,079,713	1.95
		13.02.2015	648,308	0.07	18,728,021	2.01
		20.02.2015	15,352	0.00	18,743,373	2.02
		27.02.2015	59,836	0.01	18,803,209	2.02
		6.03.2015	99,188	0.01	18,902,397	2.03
		13.03.2015	49,633	0.01	18,952,030	2.04
	27.03.2015	(874)	(0.00)	18,951,156	2.04	
	31.03.2015	300,014	0.03	19,251,170	2.07	
		At the End of the year			19,251,170	2.07
<b>5</b>	<b>GENERAL INSURANCE CORPORATION OF INDIA</b>	At the beginning of the year	18,485,000	1.99		0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	11.04.2014	(20,000)	(0.00)	18,465,000	1.99
		18.04.2014	(30,000)	(0.00)	18,435,000	1.99
		02.05.2014	(38,397)	(0.00)	18,396,603	1.98
		16.05.2014	(11,603)	(0.00)	18,385,000	1.98
		23.05.2014	(96,000)	(0.01)	18,289,000	1.97
		06.06.2014	(75,000)	(0.01)	18,214,000	1.96
		13.06.2014	(25,000)	(0.00)	18,189,000	1.96
		30.06.2014	(40,000)	(0.00)	18,149,000	1.96
		04.07.2014	(47,814)	(0.01)	18,101,186	1.95
		05.12.2014	(75,000)	(0.01)	18,026,186	1.94
		12.12.2014	(15,000)	(0.00)	18,011,186	1.94
		23.01.2015	(75,000)	(0.01)	17,936,186	1.93

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	<b>For Each of the top 10 shareholders</b>					
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	30.01.2015	(25,000)	(0.00)	17,911,186	1.93
		20.02.2015	(114,605)	(0.01)	17,796,581	1.91
		27.02.2015	(35,395)	(0.00)	17,761,186	1.91
		6.03.2015	(115,000)	(0.01)	17,646,186	1.90
		13.03.2015	(20,000)	(0.00)	17,626,186	1.90
		20.03.2015	(90,000)	(0.01)	17,536,186	1.89
		31.03.2015	(55,000)	(0.01)	17,481,186	1.88
		At the End of the year			17,481,186	1.88
<b>6</b>	<b>GOVERNMENT OF SINGAPORE</b>	At the beginning of the year	10,347,435	1.12		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	04.04.2014	206,369	0.02	10,553,804	1.14
		11.04.2014	(118,315)	(0.01)	10,435,489	1.13
		18.04.2014	(157,760)	(0.02)	10,277,729	1.11
		25.04.2014	788,266	0.08	11,065,995	1.19
		02.05.2014	2,134,477	0.23	13,200,472	1.42
		30.05.2014	67,892	0.01	13,268,364	1.43
		06.06.2014	(27,879)	(0.00)	13,240,485	1.43
		13.06.2014	201,899	0.02	13,442,384	1.45
		20.06.2014	(15,630)	(0.00)	13,426,754	1.45
		30.06.2014	(32,205)	(0.00)	13,394,549	1.44
		04.07.2014	(11,316)	(0.00)	13,383,233	1.44
		11.07.2014	(266,189)	(0.03)	13,117,044	1.41
		18.07.2014	(193,072)	(0.02)	12,923,972	1.39
		01.08.2014	(151,114)	(0.02)	12,772,858	1.38
		08.08.2014	(80,541)	(0.01)	12,692,317	1.37
		29.08.2014	(153,083)	(0.02)	12,539,234	1.35
		05.09.2014	(41,258)	(0.00)	12,497,976	1.35
		12.09.2014	3,152	0.00	12,501,128	1.35
		30.09.2014	(129,878)	(0.01)	12,371,250	1.33
		03.10.2014	22,311	0.00	12,393,561	1.34
		10.10.2014	40,121	0.00	12,433,682	1.34
		17.10.2014	(3,253)	(0.00)	12,430,429	1.34
		24.10.2014	(79,148)	(0.01)	12,351,281	1.33
		31.10.2014	67,363	0.01	12,418,644	1.34
	07.11.2014	136,674	0.01	12,555,318	1.35	
	14.11.2014	(76,366)	(0.01)	12,478,952	1.34	
	21.11.2014	(4,175)	(0.00)	12,474,777	1.34	
	28.11.2014	(86,256)	(0.01)	12,388,521	1.33	
	05.12.2014	(22,048)	(0.00)	12,366,473	1.33	
	12.12.2014	10,337	0.00	12,376,810	1.33	
	19.12.2014	108,647	0.01	12,485,457	1.34	
	31.12.2014	(28,254)	(0.00)	12,457,203	1.34	



Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	<b>For Each of the top 10 shareholders</b>					
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	16.01.2015	97,444	0.01	12,554,647	1.35
		23.01.2015	53,231	0.01	12,607,878	1.36
		13.02.2015	89,158	0.01	12,697,036	1.37
		20.02.2015	224,222	0.02	12,921,258	1.39
		6.03.2015	6,304	0.00	12,927,562	1.39
		27.03.2015	23,481	0.00	12,951,043	1.39
		At the End of the year			12,951,043	1.39
<b>7</b>	<b>ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD</b>	At the beginning of the year	8,747,810	0.94		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	04.04.2014	37,994	0.00	8,785,804	0.95
		11.04.2014	(588,541)	(0.06)	8,197,263	0.88
		18.04.2014	(7,691)	(0.00)	8,189,572	0.88
		25.04.2014	(528,081)	(0.06)	7,661,491	0.83
		02.05.2014	(35,586)	(0.00)	7,625,905	0.82
		09.05.2014	240,055	0.03	7,865,960	0.85
		16.05.2014	488,700	0.05	8,354,660	0.90
		23.05.2014	248,781	0.03	8,603,441	0.93
		30.05.2014	(170,355)	(0.02)	8,433,086	0.91
		06.06.2014	(483,865)	(0.05)	7,949,221	0.86
		13.06.2014	(325,645)	(0.04)	7,623,576	0.82
		20.06.2014	(31,716)	(0.00)	7,591,860	0.82
		30.06.2014	22,932	0.00	7,614,792	0.82
		04.07.2014	92,712	0.01	7,707,504	0.83
		11.07.2014	133,478	0.01	7,840,982	0.85
		18.07.2014	(14,735)	(0.00)	7,826,247	0.84
		25.07.2014	119,526	0.01	7,945,773	0.86
		01.08.2014	(93,930)	(0.01)	7,851,843	0.85
		08.08.2014	111,262	0.01	7,963,105	0.86
		15.08.2014	146,992	0.02	8,110,097	0.87
		22.08.2014	936,472	0.10	9,046,569	0.97
		29.08.2014	687,167	0.07	9,733,736	1.05
		05.09.2014	601,545	0.06	10,335,281	1.11
		12.09.2014	305,049	0.03	10,640,330	1.15
		19.09.2014	222,865	0.02	10,863,195	1.17
		30.09.2014	183,758	0.02	11,046,953	1.19
	03.10.2014	(3,747)	(0.00)	11,043,206	1.19	
	10.10.2014	(51,588)	(0.01)	10,991,618	1.18	
	17.10.2014	296,604	0.03	11,288,222	1.22	
	24.10.2014	193,727	0.02	11,481,949	1.24	
	31.10.2014	229,215	0.02	11,711,164	1.26	
	07.11.2014	(47,700)	(0.01)	11,663,464	1.26	
	14.11.2014	(325,438)	(0.04)	11,338,026	1.22	

Sl. No.	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	21.11.2014	6,572	0.00	11,344,598	1.22
		28.11.2014	(125,642)	(0.01)	11,218,956	1.21
		05.12.2014	(20,690)	(0.00)	11,198,266	1.21
		12.12.2014	(18,420)	(0.00)	11,179,846	1.20
		19.12.2014	388,093	0.04	11,567,939	1.25
		31.12.2014	79,688	0.01	11,647,627	1.25
		02.01.2015	19,935	0.00	11,667,562	1.26
		09.01.2015	188,674	0.02	11,856,236	1.28
		16.01.2015	64,608	0.01	11,920,844	1.28
		23.01.2015	53,409	0.01	11,974,253	1.29
		30.01.2015	(5,084)	(0.00)	11,969,169	1.29
		06.02.2015	15,487	0.00	11,984,656	1.29
		13.02.2015	191,323	0.02	12,175,979	1.31
		20.02.2015	(14,570)	(0.00)	12,161,409	1.31
		27.02.2015	(15,395)	(0.00)	12,146,014	1.31
		6.03.2015	(76,951)	(0.01)	12,069,063	1.30
		13.03.2015	(144,221)	(0.02)	11,924,842	1.28
		20.03.2015	(100,257)	(0.01)	11,824,585	1.27
		27.03.2015	302,225	0.03	12,126,810	1.30
	31.03.2015	233,485	0.03	12,360,295	1.33	
		At the End of the year			12,360,295	1.33
<b>8</b>	<b>ABU DHABI INVESTMENT AUTHORITY - BEHAVE</b>	At the beginning of the year	10,124,574	1.09		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	04.04.2014	(68,869)	(0.01)	10,055,705	1.08
		02.05.2014	(34,107)	(0.00)	10,021,598	1.08
		09.05.2014	(83,500)	(0.01)	9,938,098	1.07
		23.05.2014	181,352	0.02	10,119,450	1.09
		30.05.2014	(71,500)	(0.01)	10,047,950	1.08
		06.06.2014	369,940	0.04	10,417,890	1.12
		13.06.2014	21,485	0.00	10,439,375	1.13
		20.06.2014	236,211	0.03	10,675,586	1.15
		30.06.2014	176,947	0.02	10,852,533	1.17
		04.07.2014	40,453	0.00	10,892,986	1.17
		11.07.2014	105,484	0.01	10,998,470	1.19
		18.07.2014	34,157	0.00	11,032,627	1.19
		25.07.2014	(135,658)	(0.01)	10,896,969	1.17
		29.08.2014	40,275	0.00	10,937,244	1.18
		05.09.2014	61,687	0.01	10,998,931	1.18
		19.09.2014	20,307	0.00	11,019,238	1.19
		30.09.2014	11,127	0.00	11,030,365	1.19
	17.10.2014	(100,461)	(0.01)	10,929,904	1.18	
	14.11.2014	(42,398)	(0.00)	10,887,506	1.17	

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	<b>For Each of the top 10 shareholders</b>					
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	21.11.2014	13,644	0.00	10,901,150	1.17
		28.11.2014	(88,687)	(0.01)	10,812,463	1.16
		05.12.2014	95,000	0.01	10,907,463	1.17
		12.12.2014	29,390	0.00	10,936,853	1.18
		19.12.2014	(195,000)	(0.02)	10,741,853	1.16
		23.01.2015	(191,999)	(0.02)	10,549,854	1.14
		30.01.2015	(150,000)	(0.02)	10,399,854	1.12
		06.02.2015	(3,292)	(0.00)	10,396,562	1.12
		13.02.2015	(153,032)	(0.02)	10,243,530	1.10
		27.02.2015	(16,116)	(0.00)	10,227,414	1.10
		6.03.2015	(134,276)	(0.01)	10,093,138	1.09
		20.03.2015	88,500	0.01	10,181,638	1.10
		At the End of the year			10,181,638	1.10
<b>9</b>	<b>THE NEW INDIA ASSURANCE COMPANY LIMITED</b>	At the beginning of the year	9,647,590	1.04		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	11.04.2014	(17,500)	(0.00)	9,630,090	1.04
		18.04.2014	(15,000)	(0.00)	9,615,090	1.04
		25.04.2014	(31,000)	(0.00)	9,584,090	1.03
		02.05.2014	(10,000)	(0.00)	9,574,090	1.03
		09.05.2014	(35,000)	(0.00)	9,539,090	1.03
		16.05.2014	(48,500)	(0.01)	9,490,590	1.02
		23.05.2014	(43,000)	(0.00)	9,447,590	1.02
		30.05.2014	(35,180)	(0.00)	9,412,410	1.01
		06.06.2014	(7,500)	(0.00)	9,404,910	1.01
		13.06.2014	(57,000)	(0.01)	9,347,910	1.01
		20.06.2014	(10,000)	(0.00)	9,337,910	1.01
		30.06.2014	(38,223)	(0.00)	9,299,687	1.00
		04.07.2014	(25,000)	(0.00)	9,274,687	1.00
		11.07.2014	(10,000)	(0.00)	9,264,687	1.00
		12.09.2014	(35,000)	(0.00)	9,229,687	0.99
		07.11.2014	(5,000)	(0.00)	9,224,687	0.99
		14.11.2014	(2,500)	(0.00)	9,222,187	0.99
		21.11.2014	(10,392)	(0.00)	9,211,795	0.99
		28.11.2014	(50,317)	(0.01)	9,161,478	0.99
		05.12.2014	(21,233)	(0.00)	9,140,245	0.98
		12.12.2014	(5,000)	(0.00)	9,135,245	0.98
		06.02.2015	(17,500)	(0.00)	9,117,745	0.98
		13.02.2015	(7,500)	(0.00)	9,110,245	0.98
		20.02.2015	(15,429)	(0.00)	9,094,816	0.98
	27.02.2015	(22,500)	(0.00)	9,072,316	0.98	
	6.03.2015	(55,000)	(0.01)	9,017,316	0.97	
	13.03.2015	(5,000)	(0.00)	9,012,316	0.97	
		At the End of the year			9,012,316	0.97

Sl. No.	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
10	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	At the beginning of the year	7,451,563	0.80		
		04.04.2014	92,182	0.01	7,543,745	0.81
		11.04.2014	11,183	0.00	7,554,928	0.81
		18.04.2014	36,425	0.00	7,591,353	0.82
		25.04.2014	(269,327)	(0.03)	7,322,026	0.79
		02.05.2014	(50,000)	(0.01)	7,272,026	0.78
		09.05.2014	190,023	0.02	7,462,049	0.80
		16.05.2014	(5,462)	(0.00)	7,456,587	0.80
		23.05.2014	(20,939)	(0.00)	7,435,648	0.80
		06.06.2014	26,860	0.00	7,462,508	0.80
		13.06.2014	30,000	0.00	7,492,508	0.81
		20.06.2014	49,750	0.01	7,542,258	0.81
		30.06.2014	(113,143)	(0.01)	7,429,115	0.80
		04.07.2014	67,915	0.01	7,497,030	0.81
		11.07.2014	(69,142)	(0.01)	7,427,888	0.80
		18.07.2014	283,000	0.03	7,710,888	0.83
		25.07.2014	63,251	0.01	7,774,139	0.84
		01.08.2014	(17,731)	(0.00)	7,756,408	0.84
		08.08.2014	65,000	0.01	7,821,408	0.84
		15.08.2014	1,727	0.00	7,823,135	0.84
		22.08.2014	6,476	0.00	7,829,611	0.84
		29.08.2014	24,408	0.00	7,854,019	0.85
		05.09.2014	(1,540)	(0.00)	7,852,479	0.85
		12.09.2014	33,842	0.00	7,886,321	0.85
		19.09.2014	39,075	0.00	7,925,396	0.85
		30.09.2014	7,506	0.00	7,932,902	0.85
		10.10.2014	3,654	0.00	7,936,556	0.86
		24.10.2014	7,355	0.00	7,943,911	0.86
		31.10.2014	(12,230)	(0.00)	7,931,681	0.85
		07.11.2014	(17,331)	(0.00)	7,914,350	0.85
		14.11.2014	(7,414)	(0.00)	7,906,936	0.85
		21.11.2014	25,433	0.00	7,932,369	0.85
		28.11.2014	25,036	0.00	7,957,405	0.86
		05.12.2014	88,729	0.01	8,046,134	0.87
		12.12.2014	36	0.00	8,046,170	0.87
		19.12.2014	(132,555)	(0.01)	7,913,615	0.85
		31.12.2014	35,528	0.00	7,949,143	0.86
		02.01.2015	3,492	0.00	7,952,635	0.86
		09.01.2015	1,613	0.00	7,954,248	0.86
		16.01.2015	80	0.00	7,954,328	0.86
		23.01.2015	28,838	0.00	7,983,166	0.86

Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):

Sl. No.	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	30.01.2015	23,102	0.00	8,006,268	0.86
		06.02.2015	150,500	0.02	8,156,768	0.88
		13.02.2015	645	0.00	8,157,413	0.88
		20.02.2015	23,046	0.00	8,180,459	0.88
		27.02.2015	(121,780)	(0.01)	8,058,679	0.87
		6.03.2015	55,509	0.01	8,114,188	0.87
		13.03.2015	(223,093)	(0.02)	7,891,095	0.85
		20.03.2015	(22,000)	(0.00)	7,869,095	0.85
		27.03.2015	63,680	0.01	7,932,775	0.85
		31.03.2015	(94,393)	(0.01)	7,838,382	0.84
		At the End of the year			7,838,382	0.84
<b>11</b>	<b>SBI LIFE INSURANCE COMPANY LIMITED</b>	At the beginning of the year	8,811,922	0.95		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	04.04.2014	384,645	0.04	9,196,567	0.99
		11.04.2014	(92,699)	(0.01)	9,103,868	0.98
		18.04.2014	(173,450)	(0.02)	8,930,418	0.96
		25.04.2014	(61,013)	(0.01)	8,869,405	0.96
		02.05.2014	(72,308)	(0.01)	8,797,097	0.95
		09.05.2014	(36,189)	(0.00)	8,760,908	0.94
		16.05.2014	(50,312)	(0.01)	8,710,596	0.94
		23.05.2014	137,295	0.01	8,847,891	0.95
		30.05.2014	(295,993)	(0.03)	8,551,898	0.92
		06.06.2014	(130,978)	(0.01)	8,420,920	0.91
		13.06.2014	(195,557)	(0.02)	8,225,363	0.89
		20.06.2014	(19,924)	(0.00)	8,205,439	0.88
		30.06.2014	(30,543)	(0.00)	8,174,896	0.88
		04.07.2014	(24,066)	(0.00)	8,150,830	0.88
		11.07.2014	(134,265)	(0.01)	8,016,565	0.86
		18.07.2014	(139,741)	(0.02)	7,876,824	0.85
		25.07.2014	(38,044)	(0.00)	7,838,780	0.84
		01.08.2014	(118,144)	(0.01)	7,720,636	0.83
		08.08.2014	132,083	0.01	7,852,719	0.85
		15.08.2014	40,014	0.00	7,892,733	0.85
		22.08.2014	98,729	0.01	7,991,462	0.86
		29.08.2014	(704)	(0.00)	7,990,758	0.86
		05.09.2014	(16,953)	(0.00)	7,973,805	0.86
		12.09.2014	(76,244)	(0.01)	7,897,561	0.85
		19.09.2014	(81,186)	(0.01)	7,816,375	0.84
		30.09.2014	(319,912)	(0.03)	7,496,463	0.81
	03.10.2014	(49,500)	(0.01)	7,446,963	0.80	
	10.10.2014	(61,735)	(0.01)	7,385,228	0.80	
	17.10.2014	10,499	0.00	7,395,727	0.80	

Sl. No.	For Each of the top 10 shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	24.10.2014	(128,238)	(0.01)	7,267,489	0.78
		31.10.2014	(85,385)	(0.01)	7,182,104	0.77
		07.11.2014	(140)	(0.00)	7,181,964	0.77
		14.11.2014	93,451	0.01	7,275,415	0.78
		21.11.2014	74,698	0.01	7,350,113	0.79
		28.11.2014	(128,842)	(0.01)	7,221,271	0.78
		05.12.2014	48,155	0.01	7,269,426	0.78
		12.12.2014	(166,460)	(0.02)	7,102,966	0.76
		19.12.2014	(75,778)	(0.01)	7,027,188	0.76
		31.12.2014	(4,038)	(0.00)	7,023,150	0.76
		02.01.2015	6,166	0.00	7,029,316	0.76
		09.01.2015	(105,766)	(0.01)	6,923,550	0.75
		16.01.2015	29,055	0.00	6,952,605	0.75
		23.01.2015	(59,485)	(0.01)	6,893,120	0.74
		30.01.2015	(152,609)	(0.02)	6,740,511	0.73
		06.02.2015	(173,298)	(0.02)	6,567,213	0.71
		13.02.2015	84,128	0.01	6,651,341	0.72
		20.02.2015	80,555	0.01	6,731,896	0.72
		27.02.2015	140,834	0.02	6,872,730	0.74
		6.03.2015	55,082	0.01	6,927,812	0.75
	13.03.2015	(10,736)	(0.00)	6,917,076	0.74	
	20.03.2015	(69,337)	(0.01)	6,847,739	0.74	
	27.03.2015	(34,950)	(0.00)	6,812,789	0.73	
	31.03.2015	18,907	0.00	6,831,696	0.73	
		At the End of the year			6,831,696	0.73

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1	<b>A. M. NAIK</b>	At the beginning of the year	1,900,000	0.20		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	31-Mar-14	(55,000)	(0.01)	1,845,000	0.20
		09-Jun-14	(345,000)	(0.04)	1,500,000	0.16
		02-Mar-15	(350,000)	(0.04)	1,150,000	0.12
		04-Mar-15	(125,000)	(0.01)	1,025,000	0.11
		At the End of the year			1,025,000	0.11



Sl. No.	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
2	<b>K. VENKATARAMANAN</b>	At the beginning of the year	842,873	0.09		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	06-Jun-14	(4,000)	(0.00)	838,873	0.09
		09-Jun-14	(10,000)	(0.00)	828,873	0.09
		28-Feb-15	(6,000)	(0.00)	822,873	0.09
		02-Mar-15	(19,000)	(0.00)	803,873	0.09
		03-Mar-15	(2,000)	(0.00)	801,873	0.09
		At the End of the year			801,873	0.09
3	<b>M. V. KOTWAL</b>	At the beginning of the year	393,540	0.04		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
		At the End of the year			393,540	0.04
4	<b>S. N. SUBRAHMANYAN</b>	At the beginning of the year	37,056	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
		At the End of the year			37,056	0.00
5	<b>R. SHANKAR RAMAN</b>	At the beginning of the year	159,000	0.02		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
		At the End of the year			159,000	0.02
6	<b>SHAIENDRA N. ROY</b>	At the beginning of the year	52,550	0.01		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	05-Jun-14	(500)	(0.00)	52,050	0.01
		09-Jun-14	(500)	(0.00)	51,550	0.01
		21-Nov-14	(200)	(0.00)	51,350	0.01
		27-Feb-15	(2,000)	(0.00)	49,350	0.01
		28-Feb-15	(1,000)	(0.00)	48,350	0.01
		02-Mar-15	(3,000)	(0.00)	45,350	0.00
		At the End of the year			45,350	0.00
7	<b>M. M. CHITALE</b>	At the beginning of the year	1,629	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
		At the End of the year			1,629	0.00

Sl. No.	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
8	<b>SUBODH BHARGAVA</b>	At the beginning of the year	750	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
		At the End of the year			750	0.00
9	<b>M. DAMODARAN</b>	At the beginning of the year	150	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
		At the End of the year			150	0.00
10	<b>VIKRAM SINGH MEHTA</b>	At the beginning of the year	885	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
		At the End of the year			885	0.00
11	<b>SUSHOBHAN SARKER</b>	At the beginning of the year	150	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
		At the End of the year			150	0.00
12	<b>ADIL ZAINULBHAI</b>	At the beginning of the year	-	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	25-Jul-14	100		100	
		At the End of the year			100	0.00
13	<b>AKHILESH GUPTA</b>	At the beginning of the year	-	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	03-Oct-14	200		200	
		At the End of the year			200	0.00

Sl. No.	Name of Director / KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
14	<b>BAHRAM VAKIL</b>	At the beginning of the year	-	-		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(Share holding on the date of appointment - 16-Mar-15)	3640	0.00	3640	0.00
		At the End of the year			3,640	0.00
15	<b>N. HARIHARAN</b>	At the beginning of the year	23,140	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
		At the End of the year			23,140	0.00

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

All amounts in ₹ crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1307.23	10151.69	-	11458.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.51	114.35	-	123.86
<b>Total (i+ii+iii)</b>	<b>1316.74</b>	<b>10266.04</b>	<b>-</b>	<b>11582.78</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	137288.77	9496.88	-	146785.65
Reduction	(137933.35)	(7591.94)	-	(145525.29)
Exchange gain/(loss)	0.50	251.03	-	251.53
<b>Net Change</b>	<b>(644.08)</b>	<b>2155.97</b>	<b>-</b>	<b>1511.89</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	664.04	12272.55	-	12936.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.62	149.46	-	158.08
<b>Total (i+ii+iii)</b>	<b>672.66</b>	<b>12422.01</b>	<b>-</b>	<b>13094.67</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

All amounts in ₹ crore

**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
		A M NAIK	K VENKATARAMANAN	M V KOTWAL	S N SUBRAHMANYAN	R SHANKAR RAMAN	SHAIENDRA ROY	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.35	2.19	1.59	1.40	1.28	1.07	10.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.03	1.46	1.02	0.01	0.02	0.89	3.43
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Commission - as % of profit - others, specify...	18.19	7.39	4.91	8.73	6.91	4.48	50.61
5	Others (Contribution to Provident Fund & Superannuation Fund)	5.75	2.54	1.73	2.69	2.16	1.46	16.33
	<b>Total (A)</b>	<b>27.32</b>	<b>13.58</b>	<b>9.25</b>	<b>12.83</b>	<b>10.37</b>	<b>7.90</b>	<b>81.25</b>
	<b>Ceiling as per the Act</b>							<b>643.75</b>

**B. REMUNERATION TO OTHER DIRECTORS**

Sl. no.	Particulars of Remuneration	Name of Directors									Total Amount
		S RAJGOPAL @	S N TALWAR @	M M CHITALE	SUBODH BHARGAVA	A K JAIN #	M DAMODARAN	VIKRAM SINGH MEHTA	SUSHOBHAN SARKER	ADIL ZAINULBHAI	
1	Independent Directors										
	Fee for attending board / committee meetings	0.04	0.04	0.08	0.06		0.07	0.05		0.03	0.02
	Commission	0.34	0.25	0.37	0.47		0.36	0.43		0.32	0.19
	Others, please specify										
	<b>Total (1)</b>	<b>0.38</b>	<b>0.29</b>	<b>0.45</b>	<b>0.53</b>	<b>0.00</b>	<b>0.43</b>	<b>0.48</b>	<b>0.00</b>	<b>0.35</b>	<b>0.21</b>
2	Other Non-Executive Directors										
	Fee for attending board / committee meetings					0.07			0.05		
	Commission *					0.23			0.26		
	Others, please specify										
	<b>Total (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.31</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total (B)=(1+2)</b>	<b>0.38</b>	<b>0.29</b>	<b>0.45</b>	<b>0.53</b>	<b>0.30</b>	<b>0.43</b>	<b>0.48</b>	<b>0.31</b>	<b>0.35</b>	<b>0.21</b>
	<b>Total Managerial Remuneration (A) + (B)</b>										<b>84.98</b>
	<b>Overall Ceiling as per the Act</b>										<b>708.13</b>

@ Ceased to be Director w.e.f. 22.08.2014

# Ceased to be Director w.e.f. 10.02.2015

\* Commission is payable to the respective Institutions they represent

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

All amounts in ₹ crore

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (N. Hariharan)	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	0.83	Not Applicable	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.00		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		0.00		
2	Stock Option		0.00		
3	Sweat Equity				
4	Commission - as % of profit - others, specify...		0.00		
5	Others (Contribution to Provident Fund & Superannuation Fund)		0.06		
	<b>Total</b>		<b>0.89</b>		

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

## Management Discussion & Analysis 2014-15

The global economy is expected to grow 3.5% in 2015 with improved economic indicators in US. However, fragility may continue in Euro zone and the pace of development is expected to slow down in China in 2015. Although new investments in Oil & Gas Sector in the Middle East may get impacted due to low crude oil prices, infrastructure development would remain in focus. Successful demand recovery process in the key emerging market economies and a staggered roll back of the accommodative monetary policies of the advanced economies hold the key for a more stable and growth oriented outlook for the global economy.

### Overview of Indian Economy:

The investment climate remained sluggish throughout the year 2014-15. The GDP growth of Indian economy was 7.3% in the year 2014-15 vis-a-vis 6.9% recorded in 2013-14 based on the new series. The new government in the centre, assumed the office with the high expectations. In order to improve macroeconomic parameters, the government has taken certain policy initiatives such as enhancing limits of FDI in defence, insurance, real estate, reduction of subsidies, decontrol of petroleum pricing, transparent mechanism for allocation of telecom and natural resources etc. The government has also significantly stepped up budgetary allocation for infrastructure development with several new initiatives like development of Smart cities, Digital India, High Speed Rail Corridors, new Industrial Clusters and has announced ambitious projects such as linking of rivers and Clean Ganga along with the measures for revival of power sector.

Investment climate, however, remained subdued during 2014-15, as the reform process would take some more time to gain ground. Industrial demand was weak and capacity utilisation remained low across the sectors. Tight liquidity position prevailed throughout the year with elevated interest rates.

The government is addressing policy hurdles by fast-tracking decision-making and is putting in place some crucial building blocks for enhancing the ease of doing business. Going forward, sectors like Roads, Railways, Security Systems, Communication, and Water offer good opportunities in short to the medium term. With its significant capabilities in defence equipment

manufacturing, the Company sees opening up of significant opportunities in the defence sector under 'Make in India Program' in the medium term. Lower oil prices, higher FDI inflows and the reform initiatives of the new government at the centre, along with its commitment to sound fiscal management and consolidation augur well for the growth prospects and the overall macroeconomic situation.

### Business Scenario:

The Company has sustained the growth momentum in the order inflows amidst a difficult business environment over the last 2-3 years on the back of its diversified portfolio, timely mapping of emerging opportunities and proven capabilities. The year 2014-15 witnessed sluggish demand and sectoral bottlenecks, impacting the revenue and margins of certain core businesses of the Company. Cost overruns and close-out costs of international jobs pulled down the overall expected consolidated profits during 2014-15. Increasing levels of net working capital and limited fresh cash flows exerted pressure on availability of surplus funds.

The Company has identified certain key thrust areas and strategies for leveraging on the capabilities in order to benefit from the emerging growth opportunities. Major thrust areas and growth strategies are enumerated below.

### Growth Strategies and Thrust Areas:

- **Focus on Quality of new orders:** The businesses are selective in order intake and are focusing on robust due diligence of prospects, especially in International markets, as a part of risk management process so that the execution and other risks are mitigated.
- **Profitable and efficient execution:** Efficient contract management, sound execution strategies, cost competitiveness and improved operational efficiency are pre-requisites for achieving profitable growth in the competitive business environment. Close monitoring, timely deployment of resources, efficient sourcing strategies, reduction in the fixed costs and rigorous negotiation of service contracts are some of the major initiatives that are pursued to enhance the execution efficiencies.



- **Working Capital:** To address the increasing levels of working capital, the Company has embarked upon tightening of capital allocation to various businesses. Regular focus on day-to-day cash management, monitoring of exposures to customers and maximization of vendor credits are being pursued to bring down the funds deployed in working capital. Specific measures for liquidation of sticky receivables, accelerating invoicing of work completed and liquidation of surplus / unserviceable inventories are also being pursued.
- **Manpower:** People are the key enablers in translating growth aspirations into reality. Manpower resource planning is accordingly being focussed on building up and retention of talent with the requisite skill sets

and managerial / leadership bandwidth. Given the challenging business environment and increasingly demanding customers, the focus is on strengthening the performance-oriented culture and identification of redundancies.

The Company with its healthy balance sheet, diversified presence and proven capabilities is well placed to benefit early as sustainable growth opportunities emerge over the next few years.

In this background, the Company's various businesses present their operations review for the year 2014-15 as follows:

## Infrastructure Business



*Salalah International Airport, Oman. L&T has constructed a Passenger Terminal Building, Air Traffic Control Tower, the Royal Oman Police building, management complex, ancillary buildings and other infrastructure including car park facilities.*

The Infrastructure business segment is the construction arm of the Company and enjoys leadership position in the construction sector in India. It has been ranked among the world's top 30 contractors. 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, Heavy Civil Infrastructure, Transportation Infrastructure, Power Transmission & Distribution and Water, Smart World & Communication.

With a proven track record of over seven decades, the business segment has been transforming cityscapes and landscapes with structures of immense size and

grandeur. The company's capabilities span the entire gamut of construction - civil, mechanical, electrical and instrumentation engineering - and its services extend to all core sector industries and infrastructure projects.

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 and African countries. A few recent prestigious projects of the Infrastructure business segment under execution include the Statue of Unity, the Riyadh Metro in KSA, the Doha metro in Qatar, the Western Dedicated Freight Corridor (WDFC) CTP 1 & 2 and EMP 4 in India, Al Wakrah Bypass road project in Qatar, Optical fibre cable

network for BSNL, Kahramaa Phase XI substations in Qatar and Mumbai city surveillance project.

### **Infrastructure Business Scenario India**

India remains rich with potential. With a stable government in place coupled with improving business sentiments and a rapidly emerging environment that is conducive for policy making, the future looks promising especially for the Infrastructure and Construction sector.

The total order announcements/ awards have marginally improved during 2014-15 and the trend is expected to strengthen during 2015-16.

As regards the competitive landscape, many prominent players continue to reel under high debt and some are under Corporate Debt Restructuring (CDR) which is evident from the recent financial results published by them. An increasing number of PPP and real estate assets are up for sale in a 'buyers' market. Such companies with stressed balance sheets will take time to recoup. To fill the gap, a number of foreign players have come in making competition more robust.

Going forward, there is a good possibility of the CAPEX cycle recovering within 2-3 quarters. Only players with strong delivery capabilities and a stable balance sheet will be better placed to leverage this upturn.

### **Middle East**

The Middle East also poses a challenging scenario and growth rates have been conservatively pegged lower primarily because of the steep fall in crude oil prices though analysts believe that these prices will settle in 2015. There is a strong likelihood that the GCC countries will be able to tide over these testing times thanks to the huge surplus funds that they have at their disposal.

Opportunities will still be available in the Middle East though it would be prudent to seek growth from other new geographies like Africa and South East Asia that have remained largely insulated from the slowdown.

### **Global**

Available results reveal a modest showing by the global construction industry in 2014 though there has been an aggressive adoption of 'big ticket' infrastructure projects in the Middle East and the release of pent up demand in

the US. While the Euro zone failed to rev up, the sharp decline in oil prices has led oil majors to announce CAPEX reductions. Most global contractors are therefore focusing on select, growing overseas markets resulting in increased competition.

Orders were improving from the Middle East for a major portion of 2014, though there has been a perceptible slowing down in the later part of the year both in on-going projects and new announcements. The real estate markets of Dubai and Abu Dhabi are also seeing some correction.

Going forward, although falling crude oil prices could be a dampener, there is a widespread feeling that the Middle East construction sector will hold its own and drive demand albeit at extremely competitive levels. Risk evaluation and proactive mitigation will remain the focus.

## **Buildings and Factories**

### **Overview:**

Buildings & Factories (B&F) is a business vertical that is equipped with the domain knowledge, expertise and wide-ranging experience to undertake Engineering, Procurement and Construction (EPC) of Airports, IT Parks, Office buildings, Institutional spaces, Hospitals, Stadiums, Hotels, Elite residential buildings, High rise structures, Mass housing complexes, Factory structures, Cement plants and Industrial warehouses. B&F is a pioneer in offering 'Total engineering solutions' right from "concept to commissioning" across all the business lines cited above.

B&F's competitive advantages include dedicated engineering design centers, competency cells, advanced formwork systems, mechanized projects execution and a rich talent pool of employees.

### **Business Environment:**

The previous calendar year was a tough one for the Indian economy. Almost all customers deferred their projects / investments during first half of the year due to the parliamentary elections. The federal bank's cues to end quantitative easing led to foreign investors panicking and impulsively pulling out their investments from all emerging markets including India. This drastically reduced liquidity in the capital market in turn affecting the progress of ongoing projects. However, the formation of a strong central government in the second quarter of the financial year revived positivity amongst the investors.





*Terminal 2, Mumbai International Airport. L&T successfully overcame the challenges of modernizing and expanding a brownfield airport on turnkey basis in this busy metropolis without disrupting air schedules.*

The new government is keen on bolstering infrastructure development by announcing projects like SMART cities, Industrial Corridors, etc.

Against all odds, B&F has registered steady growth and continued to maintain its leadership position in the industry. B&F also expanded its footprint in the Middle East countries to diversify business portfolio.

#### **Significant Initiatives:**

B&F implemented operational excellence initiatives across all levels to enhance profitability, like the introduction of value engineering techniques to cut down cost and improve productivity. Project cycle times were brought down by embracing technology and mechanized execution. Safety is imbibed as a 'way of culture' and the concept of 'Golden



*All India Institute of Medical Sciences Hospital, Bhubaneswar - one of the many healthcare institutions built by L&T in India and the Gulf.*

Rule' was implemented across all projects to educate and sensitize everyone on hazardous project activities and the corresponding preventive measures.

A team of experts was formed to study futuristic businesses potential and formulate suitable strategies to evolve a competitive edge.

Key moves have been taken to strengthen the international organization and follow a focused approach towards projects that complement the strengths of B&F.

The projects executed by B&F continued to bag various awards & recognitions during 2014-15. Two Projects bagged Awards from The Royal Society for Prevention of Accidents (RoSPA). Six Projects bagged Awards from British Safety Council. Twelve Projects bagged Awards from National Safety Council, India. Four Projects bagged



*L&T is helping cities soar skywards by building a wide range of residential projects, from elite towers to mass-housing complexes.*

Awards from Indian Concrete Institute. Three Projects bagged Awards for Quality Excellence from CII and Construction Week.

The prestigious 'Statue of Unity' project has been won which will be a global iconic structure. This re-affirms B&F's capabilities of executing challenging and technically complex projects.

B&F has maintained its leadership in the construction of super-specialty hospitals and medical colleges in the country. Major hospital projects have been secured in the eastern and northern parts of India.

Repeat orders were received from loyal customers in the IT and residential business lines. Kannur and Cochin green field airports were secured during the year emphasizing its expertise in building aviation infrastructure.

Major orders were secured from esteemed customers like Bombay Realty, Omkar developers, Oberoi and DLF group for the construction of elite high rise residential towers in western and northern India. In southern India, prestigious orders were received from Prestige, Provident and Skylark group for the construction of residential towers.



*L&T has built over 150 IT parks and commercial complexes in India and neighbouring countries.*

Some of the key projects commissioned by B&F this year are Commercial complexes for IT giants like Cognizant, TCS, HCL and iGate, Boeing MRO facility at Nagpur, High rise residential towers for DLF, Godrej, IREO and Olympia clients, Cement plants for Rajashree & Century Cements and Factory establishments for JCB, Maruti Suzuki, North Central Railway & VSF Grasim.

#### **Outlook:**

B&F is upbeat about the Indian business scenario and is well positioned to capture the momentum. The realty sector will stimulate growth in view of easing out of interest rates, relaxation in FDI norms and revived investor sentiments. Rapid urbanization and the rising middle class are driving huge demands for affordable houses. The 'Make in India' initiative is expected to bolster the manufacturing industry. Raising quality and awareness in healthcare is expected to generate more investments.

Modernization of Tier 1 & 2 city airports and the kick start of Navi Mumbai green field airport will drive growth in



*A large residential complex in Ahmedabad. L&T builds residential projects for all segments of society.*

domestic aviation sector. Strong IT & BPM industry growth will drive commercial space requirement.

In the international arena, though falling oil prices may have some impact on the Middle East economy, there is hope that infrastructure spending will continue strongly in view of Expo 2020 (UAE) & FIFA 2022 (Qatar) and good business prospects are envisaged for Stadiums, Metro Rail and Healthcare related projects.

B&F is poised for sustained growth in the forthcoming years against the backdrop of a reviving economy and an improving business climate. B&F is also placed



*A mall in Kolkata*

advantageously with respect to a healthy order book, wide customer network, strong organizational setup, efficient supply chain management, requisite resources and skilled workforce.



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

LTO, a JV with Zubair Corporation LLC, have been providing engineering, construction and contracting services for two decades in the 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.

Against stiff competition from international players, LTO has successfully secured major orders for the construction of air base, airport and hotel projects.

Prospects for the upcoming year seem to be attractive in segments like airports, hospitals, Institutional space and commercial buildings as major orders are in the pipeline. Based on the region's economic scenario and LTO's past performance, the company is confident of expanding its business portfolio in the region.

**Heavy Civil Infrastructure IC**

**Overview:**

Heavy Civil Infrastructure IC undertakes Design, Engineering, and Construction of projects in Metros, Nuclear, Hydel, Ports, Special Bridges, Tunnels and Defence segments. The goal of the business is to become a total infrastructure solutions provider, not just in India, but abroad as well. The in-house design strength and unique construction methodology cell give Heavy civil infrastructure business an edge over its competitors and help it serve customers from concept to commissioning.



*Perspective of a cable stay bridge over the Mandovi river in Goa*

**Business Environment:**

During the current year, Heavy civil infrastructure business turned in a very good performance and succeeded in achieving most of its plans in spite of challenging market and investment conditions. The operational and financial performance of the business reflects healthy growth.

The year 2015-16 is expected to be challenging though encouraging due to a recovery of the Indian economy on account of reform measures being initiated by GOI. Positive announcements on Infrastructure and Defence Sectors in the Union Budget should also revive infrastructure projects.

The international market, more particularly, the Middle East, appears to be challenging due to the fall in international oil prices which may force some rethinking on the growth plans of a few countries but generally ongoing projects are expected to continue as per budget allocation.

**Metros & Defence sector:**

Tier-2 cities are presently implementing metro projects, but the environment is becoming more challenging due to intense competition and stringent contract conditions. In view of the policy direction from GOI for increased thrust on defence expenditure, more prospects are expected in the years to come.

The Riyadh & Doha Metro projects which are being operated in a JV structure are progressing satisfactorily.

Hyderabad Metro Stage 1 Viaduct trial run was completed with Uppal and Miapur Depots energized.



*L&T is constructing the elevated and underground sections of the Chennai Metro and is involved in the Kochi and Lucknow Metro projects.*





*Hydroelectric power plant at the foothills of the Himalayas*

**Hydel, Ports & Tunnels sector:**

GOI has initiated the development of Hydro projects in Nepal and signed 2 Power Development Agreements (PDA) with the Nepal Government, while continuing Hydro-power developments in Bhutan. GOI plans to expedite the water linking projects across the country and have already identified priority links to be taken up immediately. GOI is also focusing on developing strategic and all weather tunnels. Opportunities in these areas are also emerging in Middle East region

**Nuclear & Special Bridges sector:**

The nuclear segment is promising with the development/ expansion of projects in existing locations like Kudankulam

3 & 4, Tarapur and Kalpakkam. Many new bridge projects in Western and Northern India, a few more special bridge packages from DFCC and High Speed Rail network are expected in India.

In the Year 2014-15, the business bagged a major order in the Defence segment which helped to maintain its growth in Order Inflow. The business also tasted success in various other segments like Special Bridges and Metros. Some of the orders booked include Mandovi Cable-stay Bridge, Barapulla Extradosed Bridge, Lucknow Metro, CC-77 etc. Hydel and Ports segments saw only limited tenders mainly due to environmental clearance issues for various projects in the country.

Three packages of the Delhi Metro, an elevated package of the Chennai Metro and a few defence projects were completed during the course of the year.

**Significant Initiatives:**

During the year, certain initiatives were implemented to improve the operational efficiency of the business.

Environment, Health and Safety (EHS): With Heavy Civil Infrastructure business expanding operations beyond boundaries, the aim was to improve safety standards to world class level. A framework called L&T LIFE is being implemented for safety management with a vision of 'Zero Harm' throughout global operations.



*Construction of a critical structure in progress at Kakrapar Nuclear Power Project in Gujarat*



*Perspective of the bridge over the Narmada, Gujarat - one of the longest of its kind to be built in India.*

Many EHS awards and honors have been won at different levels and categories. The Kakrapar Atomic Power Project bagged the prestigious Golden Shield Award from the National Safety Council for the third consecutive year. 7 British Safety Council awards were won apart from the ROSPA gold for KAPP, DMRC CC-06, HMRL projects and ROSPA Silver for CMRL UG, DMRC CC-27 projects. 2 IEI Safety Innovation Awards were bagged for CC-28 & KAPP. Further, three sites have achieved more than 10 million safe hours (KAPP, CC06 and Singoli Bhatwari HEP).

**Risk Management Committee:** With several international and domestic mega projects having long gestation periods and entering into more Joint Ventures, risk assessment and mitigation become crucial functions to safe guard interests during the execution of such projects. There is now a Risk Management Committee at the business level integrated with the central Contracts Management team.

**HR Training:** The Training team conducted 309 programs (5,986 staff and 30,133 man-days) during the year. Training Man Days grew by 39% as compared to the last year.

**Workman Management Centre (WMC):** The business employs about 32,000 workmen across various projects for its operations. Through WMCs at Chennai and Hyderabad, the business has been able to streamline the process of subcontractor and labour movement, conducting training programs for workmen at site level and standardizing welfare arrangements.

**Increase Frontline Supervisors:** Frontline supervisors are the backbone for project sites and the plan is to increase their numbers that are proportional to the project size as it directly affects productivity.

**Outlook:**

More international jobs are being targeted and the business is confident of achieving a higher share of revenues from the international operations.

On the domestic front, the business sees bright prospects in Tunnels/Ports/Bridges segment which are being actively pursued. The business will continue to be selective in Hydro projects and will focus more on private Hydro projects with equitable contracts. In the coming year, the Defence and Nuclear sectors have some very interesting prospects which will continue to be key areas.

There are bright prospects for Metros domestically and some in the Gulf region.

Recently, the business signed an MOU with the French firm Areva for cooperation to maximize localization for the 9000 MW Jaitapur Nuclear Plant in Maharashtra.

The strength of Heavy Civil Infrastructure business is its team which is presently 3956 with an increase of ~ 375 people compared to last year. More training programmes focusing on technical, leadership and soft skills will be introduced to develop more future leaders.

With the commissioning of Kudankulam Atomic Power project Unit I & II, prospects for further units are looking bright. Heavy Civil infrastructure business is expected to have a healthy year on the domestic front. With a healthy order book backed by a strong team spread geographically, the Heavy civil infrastructure business is confident of achieving the revenue targets for 2015-16.



*Major international metro systems being built by L&T include the Riyadh Metro (above) and the Doha Metro.*



## Major Subsidiary Company

### L&T Geostructure LLP (LTGS):

L&T GeoStructure LLP (LTGS) is a subsidiary entity - a Joint Venture with Transworld Infraprojects Private Limited. LTGS has a strong and a professional, foundation specialist team with the knowledge of design, equipment and methods to execute and supervise sophisticated works. The company was formed with focus on marine foundations, deep foundation-supported bridges, mining shafts and other ground-related businesses. LTGS also has expertise in the areas of large diameter piling, diaphragm walls, cut-off walls, secant pile walls, sheet piles, intake structures, ground improvement, hard-rock boring and water retaining structures.

Major orders secured in 2014-15 by LTGS include Intake well works for CW system and makeup water system civil works in Nabinagar power project from NTPC, Bridges for MBL Infrastructure at Kolkata and Sheet pile wall for RIL and coffer dam at Hazira

LTGS achieved 3.39 million safe man hours during 2014-15. LTGS also completed 12000 nos. of piling in BPCL Kochi refinery, well within the contract period. Ground improvement work - stone column 3500 nos. was completed in World Trade Centre, Noida for SpireTech

## Transportation Infrastructure

### Overview:

Transportation Infrastructure business comprises Roads, Runways (Airside Infrastructure) & Elevated Corridors (RREC), Railways Construction, Railways Systems & International Infrastructure. It has sustained growth over the years in the past by securing prestigious orders in Roads & Railways despite sluggish domestic economic growth. The business team has vast experience in Project Management, Engineering Design & Construction Management which gives it a competitive edge over competitors. The business has a pan-India presence and is also in GCC countries with multiple projects. Engineering Research & Design Centers in Mumbai, Faridabad and Chennai and an Offshore Engineering Centre in Mumbai caters to the requirements of international projects besides Area Offices in India/GCC countries.

### Business Environment:

RREC has been successful in expanding its customer base during the year by securing an order for the construction of an Expressway from Lucknow to Unnao measuring



*The Sheikh Khalifa Interchange linking Abu Dhabi and Dubai. One of the many infrastructure projects constructed by L&T in the GCC region.*

63 km for ₹ 1630 crore from Uttar Pradesh Expressway Industrial Development Authority.

Further, RREC has been successful in adding new clients for bidding projects under PPP mode - namely TRIL Roads Private Limited & Uniquet Infra Ventures Private Limited and is expect to bag some major projects in 2015-16.

The international jobs which the business bagged in the roads sector in the recent past are also progressing well.

The Railway business has been awarded a major order by DFCCIL (Dedicated Freight Corridor Corporation of India Limited) for the Electrification of 914 Rkms from Rewari to Vadodara for ₹ 3097 crore (Package EMP 4), which is the largest ever electrification contract in the history of the Indian Railways. In the Railway construction business, a new customer has been added by way of securing a



*Automated track-laying machine deployed at the prestigious Dedicated Freight Corridor project.*

project for construction of Railway line & Water pipeline from the thermal power station to Manoharpur Coal mines for Odisha Power Generation Corporation Limited for ₹ 1090 crore through EPC mode.

The other major orders secured during the year on the domestic front include Rewa-Katni-Jabalpur Road Projects in Madhya Pradesh from NHAI - 4 packages, Bijapur Gulbarga Homnabad Road Project in Karnataka from NHAI.

On the international front, the major orders secured during the year include Doha Industrial Package 6 (LRDP) in Qatar and Advanced People Mover Tunnel from Abu Dhabi Airports Company in UAE.

The projects completed during the year were Beawar Pali Pindwara Road Project (244 kms in Rajasthan), Samkhiali Gandhidham Road Project (56 km, Gujarat) and VIP Flyover in Kolkata

During the year, Transportation Infrastructure business bagged 14 International Safety awards i.e., 4 RoSPA (Royal Society for the Prevention of Accidents) Gold, 1 RoSPA Bronze & 9 British Safety Council awards along with 7 prestigious safety awards from National Safety Council (NSC), India & 1 Safety Innovation Award.

### Significant Initiatives:

There was continuous thrust on operational excellence through efficient supply chain management, resource utilization and cost optimization by adopting improved engineering models i.e., Mechanized Pavement Design, use of Reclaimed Asphalt Pavement, integral design for flyovers and flexible wire rope safety barriers.

On the International front, Transportation Infrastructure business has undertaken special initiatives towards organization building in Oman, UAE, Qatar & Saudi Arabia. More emphasis is being given for the recruitment of expatriates as Country Heads, Business Development Leaders and Project Directors.

Special focus is being given for the selection of international Joint Venture partners to get pre-qualified in high value/ advanced technical projects in the GCC countries.

Various strategic initiatives have been undertaken in the international business to strengthen procurement / asset management / cost control teams to provide immediate onshore support to project teams.

### Outlook:

The government has ambitious plans of awarding around 9000 Kms of road projects in both EPC and PPP modes amounting to around ₹ 75000 crore in the year 2015-16.

In addition, the near term outlook for the sector looks highly promising in terms of massive business opportunities, as the government is keeping ready around 500 Projects worth ₹ 3 Lakh crore to bid out in the next 2- 3 years to achieve the ambitious target of construction of 30kms of road/day set by the Ministry of Road Transport & Highways (MORTH).

In PPP mode, government is working on the Model Concession Agreement (MCA) to bring in changes to the existing contract clauses which will make PPP projects more attractive. Besides, the Ministry is in discussion with the RBI / Financial institutions to ease out the lending norms to the sector.



*The 72 km, 3 line, Hyderabad Metro Rail Project is the world's largest public-private-partnership project in the urban transportation sector.*

Apart from NHAI projects, the Government's 'Make in India' initiative will demand the development of industrial corridors, which requires huge investment for basic infrastructure such as Roads, Bridges and Flyovers. Further, the Ministry of Defence (MOD) is proposing to award road projects along the borders of India, which would provide good business opportunities for the road business.

The future for the Railways SBG continues to be promising with the Western Dedicated Freight Corridor being the mainstay for growth. The Balance Civil and Track packages valuing around ₹ 5500 crore are expected to be awarded in the year 2015-16 by DFCCIL on the Western Dedicated Freight Corridor. The remaining Civil and Track works

worth ₹ 3900 crore are expected to be awarded in the year 2015-16 in the Eastern Dedicated Freight Corridor with World Bank funding.

Rapid urbanization and traffic congestion have fueled the demand for Mass Rapid Transit Systems (MRTS). Cities like Mumbai (Line-3), Lucknow, Ahmedabad, Noida/Greater Noida, Nagpur, and Bangalore (Phase-2) have announced metro projects. Some of these projects are expected to be tendered during the current fiscal.



*Rigid Overhead Contact System of Delhi Metro Rail Corporation*

Monorail projects announced in Delhi, Kozhikode & Trivandrum are likely to add more business opportunities to the Railway business in the coming years.

The GCC Railway network valuing in excess of USD 15 Bn. cutting across Saudi Arabia, Qatar, UAE and Oman is an important infrastructure investment in the Middle East. These projects offer huge opportunities for the Railway business in the international market.

The World Expo 2020 in Dubai and the FIFA World Cup -2022 in Qatar together with Saudi Arabia's ongoing expansion and diversification plans are likely to be the key business opportunities for the infrastructure sector in the coming years. The Expo related infrastructure development and operations alone are expected to cost approximately over USD 9 Bn in UAE.

The Kingdom of Saudi Arabia has been investing heavily in infrastructure, development of new economic zones, airports, ports and rail-road infrastructure and adopting the latest technologies for sustainable development to meet the growing demands of the expanding economy.

## Power Transmission & Distribution

### Overview

L&T's Power Transmission and Distribution business is a leading EPC player in the field of Power Transmission and Distribution offering integrated solutions and end-to-end services ranging from Design, Manufacturing, Supply, Installation and Commissioning of Transmission Lines, Underground Cable Networks (both Power & Control), Substations, Distribution Networks, Electrical & Instrumentation works for Power, Process & Infrastructure Projects, in both the domestic and 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, complete Electrical, Instrumentation & Communication (EI&C) solutions for large Thermal & Nuclear Power Plants and 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 EPC solutions in overhead lines for power evacuation and transmission, bolstered by its state-of-the-art tower manufacturing units at Puducherry and Pithampur supplying over 1.3 lakh tonnes of tower components annually. The Design & Testing center at Kanchipuram accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) is one of the largest in ASIA and also amongst the renowned testing centers in the world. Solar Business Unit provides single point EPC turnkey solutions for solar related projects (both solar PV & concentrated solar thermal). Experience spans across all terrains (sandy,



*765 kV DC transmission lines at Kudgi, Karnataka*



rocky, etc.), all technologies (Thin Film Frameless and Framed, Crystalline, Tracker, etc.) and various Contract Structures including Turnkey EPC and BoS Contracts. The business unit provides Optimized Power Plant design and is the Channel Partner of Ministry of New & Renewable Energy (MNRE) with highest rating in the System Integrator and RESCO categories.

PT&D's International Business Units offer complete solutions in the field of power transmission and distribution including High Voltage Substations, Power Transmission Lines, Extra High Voltage Cabling and Electrical, Instrumentation and Controls (EI&C) works for infrastructure projects such as Airports, Oil & Gas Industries etc. in countries like UAE, Qatar, Kuwait, Oman, Saudi Arabia, Bahrain, Algeria and Kenya.

**Business Environment:**

For FY 2014-15, the power transmission and distribution sector in India saw the distribution sector maintaining the

momentum it had gained during the year 2013-14 backed by significant investments.

Against the backdrop of several governmental initiatives in the distribution sector, endorsed by central funding agencies, state utilities have laid emphasis on strengthening their respective distribution networks for better efficiency, accountability and management. PT&D has positioned itself to capitalize on these emerging opportunities and was successful in bagging major orders. In addressed markets, Extra High Voltage (EHV) Sub-station Systems & Power Distribution Business Unit enjoys considerable market share and is the clear numero-uno in terms of volume.

The opportunities in the transmission sector were steady as central and select state utilities concentrated on Power System Strengthening Schemes to meet their demands. Policy issues and a general lull continued in the power and industry segment. Steel, Cement & Power generation continue to see adverse impact with little expansion



*400 kV Bab Asab - Habshan Transmission Line in Abu Dhabi. L&T is one of the industry leaders in turnkey construction of power transmission and distribution systems in the Middle East.*



announced and ongoing Greenfield projects moving at a slow pace.

Transmission Line projects are spread across the Indian sub-continent and encompass varied and composite terrains. The contours of the Transmission Line business have changed from PGCIL & Utilities to Tariff-based competitive bidding (TBCB) process. Several players are planning to enter TBCB projects. Strengthening of networks is going to take place. Land acquisition for the same is in the step of re-promulgation by the Union Cabinet and will have an impact on the Right of Way clearances in transmission line projects.

Projects have been executed for Central Transmission Utilities like PGCIL, NHPC, etc. and for various State Transmission Utilities like those in Maharashtra, Gujarat, Chhattisgarh, West Bengal, Punjab, Tamil Nadu, etc. EPC projects have also been undertaken for various Independent Power Producers pan India. The business has dedicated, experienced construction teams to take up projects at various voltage levels and are presently executing various projects at 765kV AC, 400kV AC & 800kV High Voltage Direct Current (HVDC) levels in various parts of the country.

In the Solar Business, the year witnessed reduced capacity addition due to delays in policy implementation. Nevertheless, the new government has shown deep interest in developing solar power plants across India and has initiated plans to achieve its target of 100 GW by 2022.

On the International front, during the year 2014-15, PT&D Business in Middle East had mixed fortunes in the prevailing economic and political scenario. The political scenario was optimistic in general. The positive investment climate was aided by FIFA 2022 related investments in Qatar, Expo 2020 related plans in UAE and continued T&D investment plans of Kuwait & Oman. Key focus on Saudi Arabia has resulted in substantial growth for the T&D Business as their central power utility has gone ahead with its vast expansion plans so as to meet its demand forecast. Though the overall scenario looks optimistic, there were concerns in the Middle East region on account of the recent developments in the neighboring countries of Iraq, Syria & Yemen. Further, the drop in oil prices during the latter part of the year also contributed to some anxiety in terms of the investments/ developments planned in the region with a little slowdown witnessed in Brown field/ Green field Industrial Electrical works related to the Oil & Gas market.

The untapped African market is steadily opening up in the Comolec and Sub Saharan regions providing a breakthrough for the T&D business in Algeria & Kenya. Fronts are also opening up for increased power generation and evacuation aided by specific funding agencies in place.

Major orders secured in the domestic market included 400 kV Gas Insulated Substations at Lahal for Himachal Pradesh Power Transmission Corporation Limited (HPPTCL), Pandiabil, Baripada and Parbati for Power Grid Corporation of India Limited (PGCIL); 765kV Gas Insulated Substations at Hyderabad and Nizamabad for Power Grid Corporation of India Limited (PGCIL) and 400 kV Air Insulated Substation at Karamadai for Tamil Nadu Transmission Corporation Limited (TANTRANSCO). Other Orders were bagged in Power Distribution & Quality



*Electrical installations at a gas-based industrial substation in Doha*

improvement works under the Restructured Accelerated Power Development and Reforms Program (RAPDRP), Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) & Rural Electrification schemes for various DISCOMs in the states of Uttar Pradesh, West Bengal and Odisha. Opportunities are growing in the Odisha DISCOM segment.

Further, a breakthrough was made in telecom cabling infrastructure segment with the bagging of an order for a mega network worth ₹ 2442 crore from BSNL (project implementation agency for Ministry of Defence) for Optical Fiber Cable Laying Works (OFC). This will form the backbone optical highway infrastructure and serve as dedicated communication media for the defence sector in lieu of vacating spectrum.

In the Transmission Line business, prospects from PGCIL increased by nearly 40% and PT&D was one of the highest

market-share holders by securing ₹ 1500 crore orders for the construction of 765kV / 400kV & 220kV lines across India. Orders were won from the state utilities of Bihar, Tamil Nadu & Uttar Pradesh. The Business also entered tariff bidding by bagging 2 projects with Sterlite, one each in Rajasthan and Madhya Pradesh.

The Solar Business secured orders to the tune of 85 MW with key clients being Sun Edison, Aditya Birla Group, Alkyl Amines Chemicals Ltd. and GRT Jewellers.

The Middle East business bagged a major order in Qatar for turnkey construction of 6 EHV GIS substations for Qatar General Electricity & Water Corporation (KAHRAMAA). The business also successfully bagged a breakthrough order in Oman for the 400 kV GIS Substations from Oman Electricity & Transmission Company (OETC). One more EHV GIS substation was bagged from the same customer resulting in a premium position for the Company with the customer. The Business has also bagged substantial volume of 115 kV Transmission Line projects in Saudi Arabia from Saudi Electricity Company (SEC). Prestigious orders to execute Power Development of Electrical facilities were bagged in Saudi Arabia. EHV GIS substation orders from private customers were also secured in UAE.



*India's first 1200 kV substation at Bina, Madhya Pradesh. L&T offers complete solutions in high-voltage substations and power transmission lines.*

Further, the year marks a noteworthy achievement in PT&D's Africa initiative. The business received a major transmission Line order in the East African market for constructing a 500kV Transmission line from Isiolo to Marsabit in Kenya as part of the Ethiopia – Kenya Link for regional interconnection & creating transmission capacity needed in interchange of Electric Power between Ethiopia

and Kenya in the long run. The business also secured a repeat order in Algeria for building a 220kV Substation from SONELGAZ, a federal utility in Algeria.

The key projects commissioned during the year include major EHV substations viz. 765 kV GIS at Pune; 765 kV AIS at Dharamjaygarh; Bhiwani & Jind; Jabalpur, Bina & Indore - for PGCIL and 765 kV AIS at Phagi for RRVPNL; 400 kV GIS at Bokaro and Nagapattinam for PGCIL; 400 kV AIS at Tutucorin for PGCIL; 400 kV AIS at Thiuvallam & Kayathar for TANTRANSCO. 765 kV GIS at Pune is the first 765 kV GIS to be commissioned in India. Further, in the process of executing 4 more 765 kV GIS projects, the business ensured market leadership in the EHV Gas Insulated Substation business in India. More than 14000 villages were electrified across India as part of 'Electricity for All' Program. Further, 7 Units of 660 to 800 MW Super Critical Power Plants were commissioned and commenced commercial operations.

In the Transmission Line business, a series of corridors were executed, primarily the 800kV HVDC line from Nidhura to Agra (130km), 765kV D/C line from Raipur to Wardha of PGCIL (126km), 765kV D/C line from Wardha to Aurangabad of PGCIL (100km), 400kV D/C line from Pugalur : Pandiyankuppam of TANTRANSCO (150km) and 400kV D/C line from Mettur : Thiruvallam of TANTRANSCO (102km). The tallest tower in Asia (472 mtrs) was executed by Transmission line business unit and successfully handed over to the Indian Navy.

The Solar business commissioned around 82 MWp which is the highest by any pure play EPC player in India. L&T commissioned its first i-LSTK based solar PV project capacity of 11 MWp in Warangal district, Telangana. The 65 MWp Solar PV was also commissioned for Sun Edison under NSM Phase 2 batch 1 located in Rajasthan (39 MWp) and Madhya Pradesh (26 MWp) respectively. Also recently successfully commissioned was the first solar PV project (6 MWp) under Tamil Nadu state policy for GRT Jewellers.

In the International market, the Middle East business commissioned two 220 kV Substations at Doha Industrial Super & Duhail in Qatar for KAHRAMAA, 16 Nos. 132 kV GIS Substations across the countries of operation, 110 KM of 220 kV Cabling works in Qatar for KAHRAMAA, 292 KMs of 380 kV OHL in Saudi Arabia for SEC, 234 KMs of 220 kV OHL in UAE for Abu Dhabi Transmission & Despatch Company.

### Significant Initiatives:

In view of PT&D's 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 such as :

- Innovative Project management software to monitor the Progress of Transmission Line projects has been taken up. Dedicated software to track real time project key cost elements / major deliverables is being developed. The software will be capable of working across Mobile/ Tablet/ Computer platforms and across all operating systems.
- Real time monitoring of progress/ workmen deployment through camera at sites and monitoring at centralized location is being implemented on trial basis for projects in Qatar.

Operational excellence initiatives in the areas of on-time delivery, profitability enhancement, cost reduction and process implementation at project sites are being undertaken to have control over effective contracts and efficient working capital management.

Committed Business Development teams have been formed to tap the business potential across Domestic and International markets. A strategy to expand into African and ASEAN market is being vigorously pursued as a key initiative.

PT&D has been certified ISO in Quality Management, OHSAS, Environment and Energy Management.

Awards and recognitions won during the year include:

- Suraksha Puraskar and Sahabhagyatha award from M/s. PGCIL.
- Plaque of Honor Award from M/S BAPL for rerouting WBSETCL lines.
- ROSPA Safety Awards for 5 Projects.
- Appreciation from British Safety Council for 8 Projects.

As part of PT&D's internationalization strategy to expand into key African economies, it has strengthened its talent base to vigorously pursue emerging potential, create corporate brand awareness & preference.

As part of Powering Africa initiative, PT&D participated in key events & conferences in Tanzania, Ethiopia, Kenya, and South Africa for brand building in the East African region.

### Outlook:

The emphasis placed by the incumbent government on providing thrust to domestic manufacturing would necessitate manifold increase in power requirements. With



*World's largest single rooftop (7.5 MWp) solar power plant in Punjab*

its experience and core competencies, the EHV Substation & Power Distribution business is in an optimal position to exploit the opportunities accruing as a result.

For the year 2015-16, the EHV substation segment is expecting a high capital expenditure from central utility for Substations with emphasis on 765/400 kV GIS. The Central Government has launched Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) with investment laid as per the Planning Commission. These schemes aim to continue the reforms in Power Distribution sector over the next 5 years. This will provide a great opportunity every year in the DISCOM (Utility) segment. Further, with the start of coal block auctions in Feb'15, stalled Power, Steel & Cement Projects are expected to take off in the year 2015-16.

In the Transmission Business, while the state and central utilities will continue to attract the routine packages for grid strengthening, Major Transmission Packages will also come in through the Tariff Based competitive bidding.

In the Solar business, while the first half of 2014 was very uncertain due to the elections, the second half was promising, and laid a good foundation for a vastly better 2015. The Ministry of New and Renewable Energy (MNRE) started the process for allocating 3 GW of solar projects under the state specific programme. Several Central Public Sector Undertakings and government organizations are also in the process of setting up solar power plants. Three southern states – Karnataka, Andhra Pradesh and

the newly carved Telangana – allotted 500 MW of solar projects each, and if all goes well, a majority of these projects will be commissioned by end of 2015/early 2016.

Apart from these, several public sector tenders are coming up to meet the India's energy requirement. Around 1500 MW tenders have been released and there are plans to install 5000 MW in the coming 3 years.

After two years of sluggishness, annual solar installations are expected to cross 2 GW in 2015, and another 3-4 GW is likely to be allotted this year. More clarity will emerge during the year as to how exactly the 100 GW target will be achieved. The domestic PV manufacturing industry will benefit once the demand increases. Financing cost, which has been one of the major challenges for setting up solar projects, is also expected to gradually reduce as a result of the easing of inflation. Overall, 2015 promises to be a good year for the Indian solar sector and the start of a potential era for solar, considering the fructification of Government policies.



*Asia's largest (125 MWe) solar thermal power plant in Rajasthan, based on high efficiency, CSP technology. L&T is the country's largest player in the field of solar plant construction.*

The Middle East Business expects a stable political environment across the GCC countries. Also Infrastructure, Transmission & Distribution spends are expected to continue to be aided by the major events like FIFA 2022, Expo 2020 and other ambitious events being hosted across the region. In UAE, there is a shift towards investment opportunities in the Dubai region. Also opportunities on Enhancement & Refurbishment of Electrical Network are expected across the GCC countries.

With cautious decision making/ relook on non-priority investments, fast track delivery of projects is expected to meet needs and deadlines. With criticism from watchdog agencies, stress on Labor reforms and Human rights are on the raise resulting in various macro changes in the operational structure.

Further, Africa is experiencing an unprecedented economic boom and is being seen as the next investment destination. There has been an increased focus on better macroeconomic management by the govt. bodies & good policies to attract investments from foreign companies. There has been a huge inflow of investments in the infrastructure and Oil & Gas sectors. Africa's Power Infrastructure deficit may serve as an impediment to the continent's economic growth, but it represents a major opportunity. Regional integration in terms of power pools and promotion of renewable generation are game changers that could shape the energy landscape in sub-Saharan Africa. The Power infrastructure is being ramped up. T&D is concentrated on key economies such as Algeria, Morocco, Tunisia, Kenya, Tanzania, Ethiopia, Zambia, Uganda, Mozambique & Malawi. These countries have a clear road map to build Substations & Transmission lines to meet their ever increasing demand for electricity.

The overall outlook of PT&D sector given the above domestic and international scenario looks promising. PT&D needs to look forward to strengthen its position to tap these opportunities by ramping up and leveraging the synergies across geographies to improve its growth levels both on top line as well as on bottom line.

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

LTO is a Joint Venture with Muscat Trading Company (Zubair Corporation Group), providing engineering, construction and contracting services in the Sultanate of Oman. LTO made its maiden venture into Oman in 1994 and has completed 21 years emerging as one of the leading EPC construction companies. During the past year, the Company has won breakthrough orders for 400 kV GIS Substations. 4 Nos 132 kV S/S were commissioned during the year.

LTO expects a stable political/ economic scenario in Oman with growing opportunities in the T&D segment.

**Larsen & Toubro Saudi Arabia LLC (LTSA):**

LTSA is a wholly owned subsidiary providing engineering, construction and contracting services in the sphere of



T&D in the Kingdom of Saudi Arabia. During the past year, the company had taken on a significant volume of Transmission line jobs with Saudi Electricity Company (SEC) and orders for Power development/ data center with Saudi Aramco. The company had commissioned more than 500 KMs of Transmission Line works (380 kV & 220 kV) during the past year.

With a stable political environment, huge surplus/ reserves, and the need for increased Power Transmission & Distribution network, LTSA is well poised to reap the growth and increased volumes in the coming year.

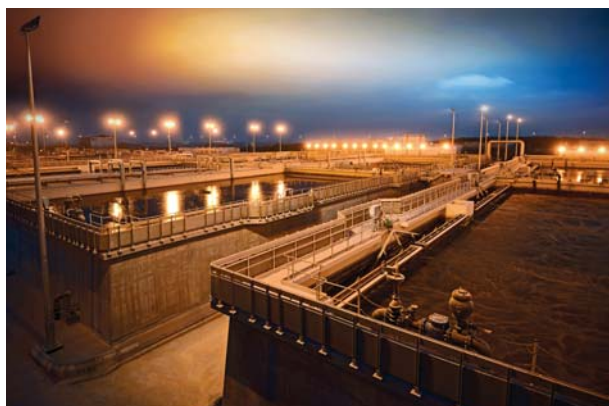
## Water, Smart World & Communication

### Water & Effluent Treatment

#### Overview:

On a global scale, the demand for fresh water is rising owing to increased population, urbanization and rapid industrialization. There is a rising awareness on the importance and urgency of optimum management of scarce water resources.

The Water & Effluent Treatment Business 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.



180 MLD waste-water treatment plant at Doha, Qatar - one of multiple projects that affirm L&T's broad spectrum of capabilities in the water sector.

#### Business Environment:

The Water & Effluent Treatment business has commissioned several important water projects in the year

2014-15. These include (a) Melur and Attur Combined Water Supply Schemes for Tamil Nadu Water Supply & Drainage Board, which shall provide drinking water to more than 2700 rural habitations in Madurai and Salem districts of Tamil Nadu (b) Water Supply Project for over 100 habitations of Puttaparthi, Andhra Pradesh (c) 25 MGD Dahej Water Supply Project for Gujarat Industrial Development Corporation (d) Rajanahalli and Shiggaon Lift Irrigation Schemes for Karnataka Neeravari Nigam Limited (Government of Karnataka) and (e) Botad Branch Canal Lift Irrigation Project for Narmada Water Resources, Water Supply & Kalpsar Department (Govt. of Gujarat).

The business has also been successful in securing orders from various business domains like lift irrigation, drinking water supply, plant water systems, common effluent treatment plants and municipal waste water collection & treatment. Some of these include:

- a) Lift Irrigation Schemes in various districts of Odisha and Madhya Pradesh for their respective State Water Resources Departments



172 MLD Lift Water Supply Project, Rajasthan. L&T has designed and constructed numerous water reservoirs, pipelines and distribution systems.

- b) Plant Water Systems for NMDC, Chhattisgarh and Bakreshwar Thermal Power Plant (WBPDCL), West Bengal
- c) Agra Water Supply Project and Allahabad Waste Water Scheme for UP Jal Nigam
- d) Dindigul Water Supply Scheme for Tamil Nadu Water Supply & Drainage Board and
- e) Ranchi Water Supply Scheme for Public Health & Engineering Department, Jharkhand.

On the International front, the Business has received fresh orders in Qatar and Oman including

- a) Waste Water Treatment Plant at Al Shamal, Qatar based on Sequential Batch Reactor (SBR) & Ultrafiltration (UF) technologies for ASHGHAL
- b) Water Infrastructure Works at Sumail and Salalah, Oman for Public Establishment of Industrial Estates and Salalah Free Zone Company respectively.

### Significant Initiatives:

With huge opportunities in the water and effluent treatment space, significant initiatives have been taken to ensure that the business continues to be ahead of competition, both in terms of market share and profitability. Some of these initiatives are:-

- Participation in water management tenders, which include reduction in unaccounted-for water and water metering.
- Strategic tie-ups with technology partners for upcoming desalination projects and for large-scale waste water treatment plants.
- Focus on prospective segments such as water re-use and canal modernization.



*Water pre-treatment plant at Sagardighi, West Bengal*

### Outlook:

Large investments have been proposed by multi-lateral funding agencies for water & waste water schemes in India. Nearly 500 cities and towns are expected to be covered under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for development of urban infrastructure. Coming to irrigation, mega projects have been proposed across major states along with proposals to connect rivers with 15000 km of canals. The government has already set in motion an integrated Ganga conservation plan - 'Namami Gange' which envisages investments for sewage infrastructure across several urban habitations along the river. Stringent implementation of pollution

norms are in place to encourage setting up of common effluent treatment plants.

In the International market, opportunities have been identified for desalination and sewage treatment plants in GCC. FIFA 2022 is an important driver for water infrastructure prospects in Qatar. Similar water infrastructure prospects are visible in Oman, UAE and KSA.

### Smart World & Communication

#### Overview:

The world is seeking smarter, secure and intelligent solutions to enhance quality of life, which has led to the rise of smart cities, advanced security solutions and communication infrastructure in several advanced economies. India is also rapidly gearing up to create smart infrastructure that will soon be the backbone of the economy.

The Smart World & Communication Business provides EPC services in the areas of city surveillance, intelligent traffic management systems, transport & logistics, border security, communication networks, telecom infrastructure, building management systems, smart grids and smart city development.

#### Business Environment:

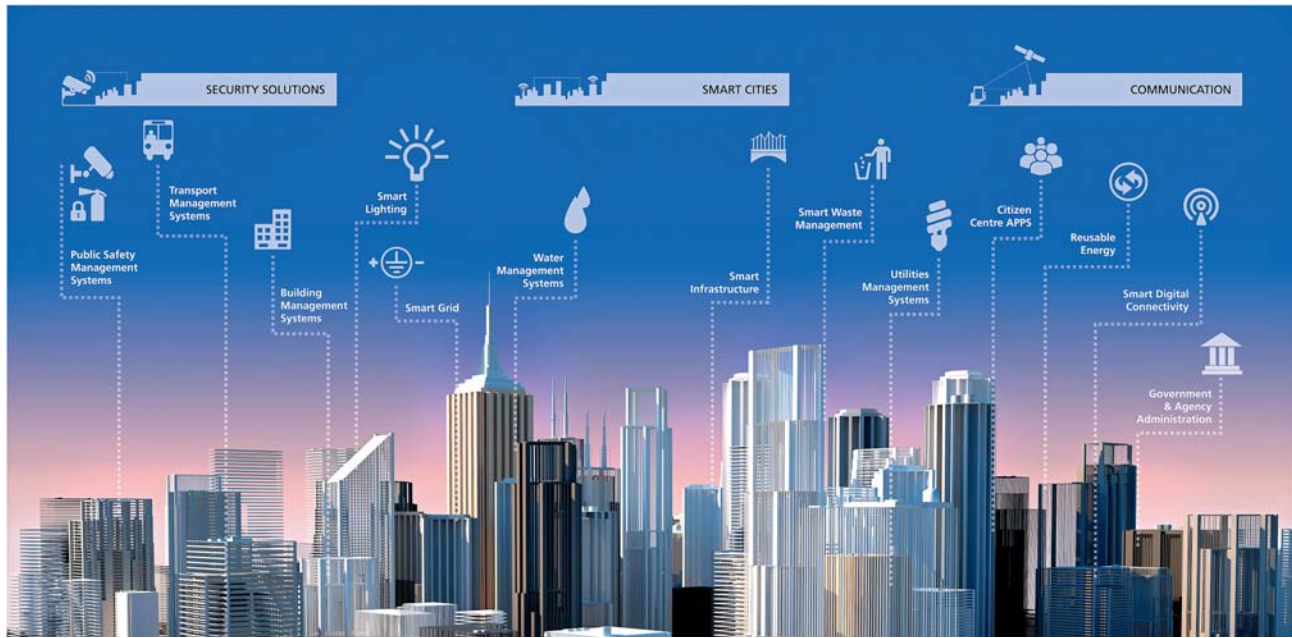
The Smart World & Communication Business has recently signed a contract with the Home Department, Government of Maharashtra for a CCTV-based Surveillance Project in Mumbai city. This project is the largest of its kind in India, which involves design, development, implementation and maintenance of CCTV cameras, data centers, command & control centers, viewing centers and network connectivity across multiple locations of strategic importance in Mumbai city.

The Business has recently commissioned a City Surveillance and Intelligent Traffic Management Project for Home Department, Government of Gujarat, which covers three key cities of Gujarat namely Ahmedabad, Gandhinagar and Vadodara. A unique project facilitating better surveillance and management of critical infrastructure at Sabarmati Jail, Ahmedabad has also been completed in the year 2014-15.

#### Significant Initiatives:

The Smart World & Communication Business has been formed to exclusively cater to security solutions, smart cities, communication network and telecom Infrastructure.





*L&T offers integrated capabilities drawn from L&T Construction, L&T Electrical & Automation, L&T Infotech and L&T Technology Services*

The Business will channelize internal resources to effectively tap the specific requirements of a wide range of customers including central and state governments, railways, airports, seaports, transport & logistics providers, telecommunication service providers, IT companies and residential building/city developers in a focused manner as a Master Systems Integrator (MSI).

**Outlook:**

Several tenders for city surveillance, intelligent traffic management systems and emergency response systems have been floated by various state governments, especially in cities and at certain places of pilgrimage. Security and management of critical infrastructure set-ups like airports, ports and jails are also gaining importance. The business expects finalization of other active infrastructure packages

of NFS (Network for Spectrum) for implementation of optical fiber communication network and last mile connectivity for defence establishments. Other government initiatives viz., Digital India, National Optical Fiber Network and E-Governance provide opportunities for development of broadband telecom infrastructure as a platform for smart services and utilities. As far as smart cities are concerned, the Central Government has announced the development of 100 smart cities in India. Countries like USA, Japan and France will, most probably, provide investments and technology support for the development of many of these smart cities across India. Some of the smart city packages which are in advanced stages include Naya Raipur-Chhattisgarh, Bandra-Kurla Complex-Mumbai, Dholera-Gujarat and Ujjain-Madhya Pradesh.

## Power Business



2x800 MW supercritical thermal power plant, Krishnapatnam, Andhra Pradesh. L&T provides EPC solutions for coal and gas-based power plants

### Overview:

Power business undertakes construction of coal and gas-based power plants on a lump sum turnkey basis. It provides an integrated concept-to-commissioning solutions to its customers.

The business has world class in-house manufacturing facilities in Hazira for supercritical Boilers, Turbines & Generators, Pressure Piping, Axial Fans, Air-Preheaters and Electrostatic Precipitators. It has rich experience in Project Management, Engineering & Construction Management which gives it an edge over its competitors. It has project management offices at Vadodara, Faridabad and Chennai and project sites across India. Further, the business has strengthened its international presence by securing the second EPC order for a Gas based power project in Bangladesh.

Power business continued to demonstrate its unmatched execution capabilities in super critical technology for its projects. This was proven by commencement of commercial

operations of 3420 MW of new power generation capacity during the year that was built by the business.

### Business Environment:

Business Environment continued to be challenging for the power sector. During the year, projects of a meagre 7540 MW in the supercritical space were awarded against the domestic supercritical manufacturing capacity of about 24000 MW. The excess manufacturing capacity built-up is leading to aggressive competition with players bidding all-time low prices coupled with extremely tight completion schedule to bag awards in the shrunk market. However, with the political stability, improved consumer confidence, expectations of a modest recovery in growth and decline in inflation expectations, the business environment has shown the signs of improvement. Kick-start of stalled projects demonstrates such positive environment.

On the policy front, Government's thrust for economic growth through 'Make in India' campaign, transparency in coal block allocation/auction and impetus on distribution

reforms will lead to revival of Indian Power sector in the coming years. It is expected that in line with its 'Make in India' philosophy, the government would extend 'Phased Manufacturing Program' beyond October 2015 and retain Mandatory Domestic Sourcing clause for critical equipment in the revised Standard Bidding Documents (SBD) for UMPPs to ensure optimum utilization of domestic manufacturing facilities for Power equipment.

For the year 2015-16, the market scenario is likely to improve with multiple Central as well as State Government utilities coming up with new tenders. A few UMPPs are also expected to be tendered with revised SBDs giving impetus to thermal power sector. Opportunities are also expected in Nuclear Power generation segment after durable risk mitigation solutions (Insurance Pool) are made available.

In view of the uncertain gas supply situation in the country, the Power business continued its endeavour to tap export markets for gas-based power projects and has been successful in securing two EPC orders in Bangladesh. The business will continue to explore gas-based power project opportunities in Bangladesh and the Middle East.

During the year 2014-15, the Power business secured its first full EPC order from NTPC for 2x660 MW Khargone TPP in Madhya Pradesh. The business will supply Ultra-Supercritical technology for the first time in India for the Khargone project. Further, Steam Generator order was also received from NTPC for 2x660 MW Tanda II TPP in Uttar Pradesh.

The business also got an EPC order from MPPGCL for full EPC package of 2x660 MW SSTPP – II (Malwa) in Madhya Pradesh. It had successfully executed BoP EPC package for 2x600 MW SSTPP – I (Malwa).

The business strengthened its presence in Bangladesh by securing an EPC order for BPDB 225 MW Sikalbaha CCPP. In the previous year, it bagged an order for NWPGL 360 MW Bheramara CCPP in Bangladesh. The business is also pursuing other prospects in that country.

The business secured fresh orders worth over ₹ 15,000 crore in the year 2014-15.

#### **Significant Initiatives:**

The business, in order to counter pressure on price and project completion schedule, took several measures during the year to improve its cost competitiveness and operational excellence. It received award for Excellence in Power

Project Execution from the Central Board of Irrigation and Power (CBIP). The citation lauds the execution of Nabha Power's 2x700 MW supercritical thermal power plant at Rajpura, Punjab, by the business in record time. Securing two full EPC coal power projects and one Boiler Island job during the year proves business efforts in this direction.

During the year, the business undertook re-organization of its business structure with the help of a leading consultancy agency to achieve operational excellence and optimal staffing in the business. Innovative IT tools have been deployed for effective project management. The business continued its focus on high quality safety standards and practices resulting in receiving accolades not only in domestic but also from international clients.

The focus on exports and international markets was further sharpened during the year. The business has strengthened its presence in Bangladesh. Various businesses such as piping, boiler, turbine and engineering were successful in bagging several prestigious export orders which are being executed to the complete satisfaction of the clients.

#### **Outlook:**

The Indian power sector is undergoing important changes that are redefining the industry outlook.

The business sentiment has improved. As economic growth rate improves, it will drive power demand in India. Several tenders from central and state utilities are in pipeline and are expected to be awarded during the coming years. The Government of India's focus to attain 'Power For All' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing on market side as well as supply side - fuel, logistics, finances and manpower. The financial health of power distribution companies remains a concern. This, in turn, is impacting financial health of power generating companies and further investment from private sector.

In order to achieve power generation target for the year 2015-16, Government has taken various initiatives which focus on maximization of capacity utilization of existing as well as stranded power generating assets, controlling input costs, optimization of fuel mix, technology upgrades and utilization of non-conventional energy sources.

Stringent environment norms will call for cutting edge super critical technology and new product innovations and the business will be in fore-front to take advantage of these opportunities.



### Major Subsidiary Companies:

#### **L&T-MHPS BOILERS PRIVATE LIMITED (LMB):**

LMB is a joint venture between L&T and Mitsubishi Hitachi Power Systems Limited (MHPS), Japan incorporated in India for the engineering, design, manufacture, erection and commissioning of supercritical 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 centers at Faridabad and Chennai. The company can manufacture supercritical boilers up to a single unit of 1000 MW at its Hazira complex.

During the year, LMB achieved commercial operation of Second unit of NPL Rajpura and both units of Jaypee Nigrie plant. These units are operating successfully delivering industry leading performance parameters. Various projects under execution have achieved several milestones and a few of them are in advanced stage of being commissioned. The Company also completed execution of export order for supplying pressure parts to M/s Upper Egypt Electricity Production Company, Egypt.

LMB bagged crucial order for NTPC Tanda (2 x 660 MW) for supply of SG package during the year 2014-15. The company further strengthened its position in export market with 8 prestigious export order from MHPS, Japan for supplying Boiler pressure parts and pulverizers matching global quality standards.

#### **L&T-MHPS TURBINE GENERATORS PRIVATE LIMITED (LMTG):**

LMTG is a joint venture between L&T, Mitsubishi Hitachi Power Systems Limited (MHPS), Japan and Mitsubishi Electric Corp. (MELCO). The company is engaged in the engineering, design, manufacture, erection and commissioning of supercritical 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.

During the year, the second unit of 700 MW of 2X700 MW supercritical Nabha Power Plant, both units of 660 MW of Jaypee Nigrie plant and the first unit of 800 MW of 2X800 MW supercritical APPDCL plant started commercial operations with turbines and generators manufactured and supplied by LMTG. With successful running of these units, LMTG has established its credentials in the market place.

The Company has manufactured and tested the first Generator rotor from the newly established state of the art Generator Rotor machining, Stator & Rotor Coil facility

during the year. During the year, the Company has also won the Gold Award in site assessment by National Awards for Manufacturing Competitiveness, a body governed by International Research Institute for Manufacturing. LMTG is recipient of National Energy Management Award 2014 – CII Energy Efficient Unit.

Further, the Company has trained the talent pool with latest manufacturing processes and enhanced the skills in Turbine & Generator manufacturing. The Company since inception has focused on localisation as a fundamental principle and achieved major milestones, which has resulted in achieving the targeted localisation of Steam Turbine and Generator components.

As a part of constant up-gradation of the product, the Company has introduced high performance Turbine equipment for new projects and is further working on the most advanced Ultra-Supercritical Steam Turbines.

#### **L&T HOWDEN PRIVATE LIMITED (LTH) :**

LTH is a joint venture between L&T and Howden Group, UK. The company is in the business of supplying high end



*Supercritical boiler made at L&T's state-of-the-art facility at Hazira*



*Enclosed turbine at a supercritical power project*

fans and air pre-heaters for supercritical power plants. 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 center at Faridabad near New Delhi.

Howden's acquisition of Flaktwood's GII division globally and TLT Babcock (in USA and India) has significantly increased the probability of the Company securing new equipment orders. It has also increased the market potential for the after-market spares and services. The company can now cater to the spares of Flaktwood design and TLT design in India apart from its VARIAX fan spares.

The company has secured a breakthrough order for supply of element baskets to BWE towards NTPC's upcoming Meja 2 x 660 MW STPP in 2015. The company is currently executing various projects for Boiler and FGD OEMs.

The company has successfully type tested the ID and the PA fans at its manufacturing works at Hazira for the NTPC Kudgi 3 x 800 MW STPP for which it received the contract from M/s Doosan Power Systems India earlier.

**L&T-SARGENT & LUNDY LIMITED (LTSL) :**

LTSL, established in 1995, is a premier engineering & consultancy firm in the power sector, born out of shared vision of two renowned companies - Larsen & Toubro Limited (L&T) and Sargent & Lundy LLC, USA (S&L), a global consulting firm in power industry since 1891. L&T has a stake of just over 50% in the joint venture.

LTSL's main Design Centre is located in Vadodara and Faridabad. LTSL has a present strength of around 650 experienced professionals.

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 supercritical coal based projects and forms the engineering base for L&T's thrust into turnkey execution of supercritical technology. As of now, it has engineered around 20000 MW of generation capacity of gas-turbine based power plants and around 21000 MW of generation capacity of coal-based power plants across the globe.

During the year, LTSL added new customers to its client list. This year's addition included a major EPC contractor in South Korea, one of the world's largest IPP based in France, a Malaysian Power Player and a Saudi Arabia based EPC player. LTSL also received breakthrough orders in new areas of business in Transmission & Distribution, Substation Engineering and Renewables (Solar) and R&M Segments. It also received the Golden Peacock National Quality Award for excellence in Quality Systems and Processes, conferred by Institute of Directors, India

For the year 2015-16, LTSL will continue to focus on addressing clients' need for cost optimized engineering services within a tight execution schedule.



2x700 MW supercritical thermal power plant, Rajpura, Punjab. L&T provides EPC solutions for thermal power projects



## Metallurgical & Material Handling Business



*Sinter Plant at Bhilai. L&T offers a single, dependable source from engineering to commissioning for every phase of steel making*

### Overview:

Metallurgical and Material Handling (MMH) business provides EPC (Engineering, Procurement & Construction) solutions for ferrous (iron & steel making), non-ferrous (aluminium, copper, lead and zinc) as well as bulk material handling systems in the power, port, steel and mining sectors. MMH business also offers Ash Handling Plant (AHP) solutions to the power plants sector. MMH business has comprehensive and robust design and engineering capabilities to cater to the EPC needs across all disciplines. It also has in-house facilities to manufacture high-end equipment for the metallurgical and material handling industries involving heavy fabrication, precision machining, critical assemblies, etc. These manufacturing facilities are located at Kansbahal (Odisha) and Kanchipuram (Tamil Nadu).

### Business Environment:

Business environment in India continues to remain sluggish as industry debt is at all-time high, stressed margins in

spite of low raw material price and steel & power industries continue to face multiple sectoral issues. All these factors have impacted investments in new projects. The year 2014-15 was very challenging for power industry with no major power plant expansions announced by private players.

Government initiatives and commitment to bring transparency is, however, expected to boost mining sector. Coal Ministry plans to boost Coal India's annual production to the level of 1 billion MT by 2019. Thrust on Ultra Mega Power Projects (UMPPs) 12000-16000 MW ordering is expected in the year 2015-16.

Plants commissioned across various business units during the year 2014-15 are:-

- Material Handling package for Adani at Vizag,
- Electric Arc Furnace for JSIS at Oman,
- EMAL Aluminium Smelter expansion at Abu Dhabi,
- Aditya Aluminium Smelter expansion at Lapanga,



Pulverized Coal Injection for HBF Tata Steel at Jamshedpur, Coke Oven for Bhushan Steel at Angul, Pickling Line and Tandem Cold Mill at Tata Steel Jamshedpur, and Drywall Gypsum Board plant for Zawawi Minerals at Oman.

Material Handling Business Units of MMH business continues to support the major power producers and some of the projects either completed or in the advanced stages of commissioning in the year 2014-15 include Coal Handling Plants (CHP) for Jaypee Nigrie, DB Power, NTPL Tuticorin and GMR Energy.

MMH business has secured two large EPC orders in the GCC countries and is actively pursuing some other prospects in this region.

MMH business managed to stay ahead of its competitors in major bids in the year 2014-15 which include Hot Strip Mill package for SAIL at Rourkela, BOF and Slab Caster for SAIL at Bokaro, S&T Coal Washery at Dhanbad, and CHP & AHP for NTPC at Khargone.

MMH business is currently executing major Metallurgical projects for Tata Steel Limited at Kalinganagar, for SAIL at Bhilai & Durgapur and for DPCL at Dolvi. Material Handling packages for RRVUNL at Chhabra, MPPGCL Malwa, Reliance Jamnagar, for Adani at Kandla & Mundra, Northern & Mahanadi Coal field jobs at Nighai, Khadia and Lingaraj and 10 other packages are concurrently under execution for various other customers.

Mineral Beneficiation is seen as the major area of investment in near future.

Industrial Machinery & Foundry Business Unit, Kansbahal, has forayed into high end customised manufacturing for



*Steel Melt Shop for a steel major in Oman*

steel, power, metallurgical, mining and other industrial sectors. The primary products of Kansbahal include surface miners, crushing systems, paper machinery, apron feeders, sand plants and key equipment for coke oven, pellet and steel making segment. The foundry section caters to coal mill parts for thermal power such as grinding elements and other cast parts.

The business is now fully equipped to manufacture high end equipment involving heavy fabrication, intricate castings, precision machining and critical assembly.

In the year 2014-15, Kansbahal unit supplied one large size (1600 Tons per Hour) rotary breaker type crusher to Rio Tinto, Mount Thorley Mines at Singleton, Australia, custom built to suit specific site requirements. Another prestigious international order received by the unit included supply of 4 Nos. Apron Feeders for GRINDROD, South Africa. Continuing the dominance in supplying limestone crushing solutions to Indian cement Industry, Kansbahal Unit also supplied biggest size Compound Impactor in India with capacity of 1500 Tons per hour this year to ACC, Jamul. It also launched its new range of eco-friendly 'Advanced Sand Manufacturing Solutions' in technical collaboration with Kemco, Japan. The 1<sup>st</sup> sand classifier was supplied to L&T's Western Dedicated Freight Corridor project.

The manufacturing facility is strategically planning to further augment and enhance its product portfolio with new products like Grinding Track Carrier for pulverising Mills and cast component for sinter plant, pallet plant and Roll Chocks etc

The fabrication shop at Kanchipuram continues to provide the support and strength of critical & heavy fabrication



*3600 TPH Stacker Reclaimer, Rajpura, Punjab. One of the many industry-wide bulk material handling solutions provided by L&T*

and assembly works of Material Handling Equipment like Stackers, Reclaimers and host of other mid precision level equipment catering to the Steel, Mining, Power and other process plants.

Key success factors for the MMH business are customer satisfaction, operational efficiency and consistent performance. MMH has also established offices in the Gulf countries to address international customer needs and further increase its business potential.

### Significant Initiatives:

MMH business has made strategic alliances with leading global technologists as a part of its business line diversification across various segments, which include:

- Paul Wurth - in Blast Furnace, Coke Oven, CDQ and By-Product Plant.
- Outotec - in Sinter and Pellet plant.
- Primetals - in steel making caster and rolling
- Brass - in slurry pipe line
- METSO - in iron ore beneficiation
- DRA - in iron ore and base metals ore beneficiation
- Hatch, USA - in Iron Ore Beneficiation Plants
- Norwest and Kellogg Brown & Root - in Coal Washery
- UCC, USA - in ash and mill reject handling system
- Peninsula Alloys Inc., Canada - in Metal Matrix Composite Casting
- ARD Crushing Ltd, UK - in Cone Crusher technology
- KEMCO, Japan - in advanced sand plant technology
- Ashton Bulk, U.K. – in high end Material Handling Equipment
- Doppelmayr for Ropecon

As part of business augmentation drive, material handling sector has envisaged opportunities in:

- Ash Handling including retrofit (Wet to Dry)
- EPC support for MDO (Mining, Development and Operation)
- Rail Freight Handling System
- Operation & Maintenance for power plants.

The non-ferrous sector has started to expand its portfolio into by-product plants for Zinc & Copper. Manufacturing facility at Kanchipuram is exploring opportunities in Wind Power Generation in India, wherein capacity addition expected is at 11000 MW in next five years. Kansbahal unit has also taken initiatives to explore business opportunities in East & South Africa and GCC countries with a target of 15% sales through exports and is also expecting 20-25% sales through new products.

Constant efforts are on to further strengthen the in-house capabilities. The Material Handling unit has taken the help of Delft University, Netherlands to enhance engineering capability of Long Belt Conveyor (LBC), Pipe conveyor & Shiftable Conveyors. Operational excellence initiatives implemented across all job sites are poised to impact and improve the profitability.

During the year, MMH business has initiated various cost control measures like restructuring of business operations, right sizing manpower, improve productivity through operation excellence. Going forward, these initiatives will benefit the organisation in a better manner.

### Outlook:

Steel Sector is currently facing sectoral challenges with global steel prices at rock bottom and high level of industry debt across steel players. Some of the positive regulatory interventions such as allocation of coal mines and increase in import duty on steel have, however, started to show signs of improvement in domestic steel sector.

The Ministry of Steel has set ambitious plan to invest in modernization and expansion of steel plants in various PSUs and has also taken several initiatives like setting up of Inter-Ministerial Group and Project Monitoring Group for effective coordination and expediting implementation of various investment projects in the steel sector. All these initiatives provide greater opportunities in steel sector.

Power sector has an investment potential of more than 200 billion USD in the next five years. The Ministry of Power has set ambitious target to double production capacity to two trillion units of energy by 2019. All these initiatives are expected to provide lot of opportunities for MMH business.



1600 TPH Rotary Breaker

## Heavy Engineering Business



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

### Overview:

The Heavy Engineering business is involved in design, engineering, production, delivery and commissioning of custom designed critical equipment & systems to core sectors like Fertilizer, Refinery, Petrochemical, Chemical, Oil & Gas, Thermal & Nuclear Power, Aerospace and Defence. The business has a good track record in executing large, complex projects with a high technology base on account of its capabilities consisting of in-house engineering, R&D centers, world class production facilities, experienced and competent project team and safe work culture.

The Heavy Engineering business is structured into two Strategic Business Groups (SBGs):

- Process Plant Equipment and Nuclear
- Defence and Aerospace

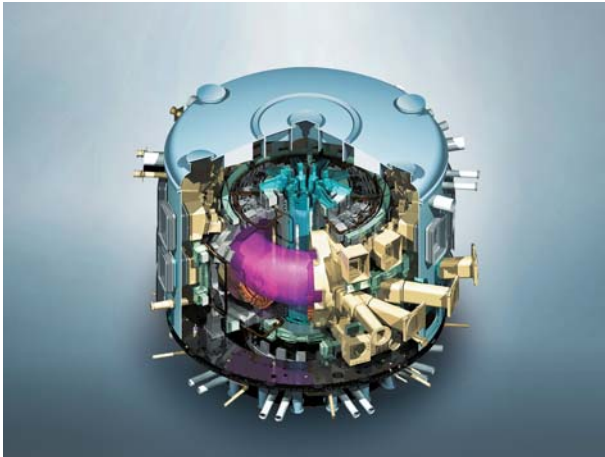
Process Plant Equipment and Nuclear (PP&N) SBG is involved in manufacture of large complex equipment such as Heat exchangers for process plants and equipment for the Nuclear Power sector. Heavy manufacturing is

undertaken at work centers located in Mumbai, Hazira and at Sohar in Oman. The business has also put in place a team for capturing opportunities in Modification Revamp & Upgrade (MRU). Ranoli near Vadodara handles precision fabrication in Stainless Steel and titanium on process plant side.

The business is proud to be associated with International Thermonuclear Experimental Reactor (ITER), the world's largest 'first-of-its-kind' fusion reactor. While sections of the 30 M diameter, 3700 MT stainless steel cryostat for ITER project are being manufactured at the Hazira facility, the business has setup a workshop in France for assembly of these sections.

Defence and Aerospace (D&A) SBG is involved in conceptualisation, design, development and production of complex systems including Artillery systems, Land & Naval Weapon systems, Fire Control Systems, Naval equipment and systems, Underwater Platforms, Engineering Systems for Land & Marine forces, C4I systems, Missile systems





*L&T will build the cryostat for the prestigious ITER project. The cryostat will be the world's largest high-vacuum pressure chamber*

and Combat Management Systems. The SBG operations span five dedicated and world class production facilities which include the Strategic Systems Complex at Talegaon near Pune, Precision Manufacturing Facility in Coimbatore, Advanced Composites Facility at Ranoli, Military Communications & Avionics centers at Bangalore and a special facility at Vishakhapatnam.

**Business Environment:**

During the year 2014-15, the Process Plant Equipment segment has been impacted by a weak global economic

scenario triggered by slump in oil prices, currency fluctuations and intense competition. The sudden & steep drop in oil price has resulted into cancellation, suspension and deferment of capex projects of oil producing countries. As a result, there is a slowdown in demand and margins are under pressure due to aggressive pricing from competitors having idle capacities.

The situation has got aggravated due to 25% – 50% depreciation of certain foreign currencies as compared to 6% depreciation of INR in the year 2014-15. Also, high cost of working capital affects competitiveness of Indian companies. The localisation policies of certain countries, and preference to local suppliers by some of the EPC companies & customers due to socio-political compulsions have also impacted the business. 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 also deprive the business of some good opportunities.

Nuclear business was affected due to the implications of the Civil Nuclear Liability Act. All foreign and domestic suppliers and contractors have been apprehensive about the liability due to lack of clarity and absence of insurance instrument for risk mitigation and thus all nuclear power programs in India were stagnant. On the export front, however, the business is regularly supplying Dry shielded canisters and casks for storage of spent nuclear fuel to



*Unsaturated Gas Demethanizer. L&T has designed, manufactured and supplied critical process plant equipment to over 40 countries*

utilities in USA. The production centers have been audited and approved by the US Nuclear Regulatory Commission for this purpose.

The Defence & Aerospace segment is a technology driven segment with a long 'bid to award' cycle and order inflow has been impacted primarily due to the continuing effect of deferment in decisions by the past government over preceding two financial years. Major orders secured in this segment during the year 2014-15 include production orders for Artillery systems upgrade and land engineering systems. The first non-offset export order received from Philippines this year marks a significant breakthrough in the International Market. At the same time, some repeat orders have been deferred by the Government.

On the execution front, the year saw award-winning process improvements leading to record production rate of 'missile-a-day' (Akash) output at Coimbatore, and healthy progress in serial production of bridging systems from Strategic System Complex, Talegaon. Revenues, and thus PBIT in FY 2014-15 are, however, expected to be lower due to long cycle time of orders at hand and technological challenges. The SBG has recorded healthy collections of ₹ 1650 crore, which has resulted in significant improvement of the Net Working Capital.

#### Significant Initiatives:

In order to maintain leadership position in the Process Plant & Defence sector, focused team initiatives are taken under a campaign titled "UDAAN"

Some of the initiatives under "UDAAN" are:

- Sustainability and Corporate Social Responsibility Initiatives
- Implementation of Theory of Constraints



*The photograph is for representation purposes only, and does not purport to be a photograph of the actual nuclear-powered submarine.*

L&T has played a key role in various aspects of the design and manufacture of India's first Nuclear Powered Submarine

- Innovation
- Enterprise-wide Collaboration for Alignment with Strategy (ECAS) & Employee Engagement
- LAKSHYA (Strategy perspective planning exercise)

'Theory of Constraints' based 'Critical Chain Project Management' targets improving execution and delivery performance. It uses a process to identify the constraints and to focus the organisation and prioritise actions so as 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. Awareness of the need to control working capital has been percolated across all levels in Organisation and a stringent control is being exercised. ECAS seeks to enhance Organisational Excellence through a strategy of promoting Customer Intimacy and a culture of cross functional collaboration. A Cross-functional collaboration survey was conducted across locations to take stock of collaboration levels.

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, the business continued its thrust on the safety cultural transformation through various initiatives like 'Behaviour Based Safety'. Local councils to drive employee engagement and operational excellence initiatives at local level, employee engagement, feedback and ideation workshops are conducted with the objective of creating an innovative, involved and committed work force. 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.

Product & Technology Development Centers focus on new product development and development of improved manufacturing technology. These Centers are engaged in enhancing technologies related to process industries, manufacturing, mechanical systems, defence electronics & embedded software solutions and submarine designs. These Centers provide specific emphasis on welding & metallurgy, composite material, 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 Centers 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 and ISRO.

The steering group, comprising the top management of the business, plans, oversees & monitors all these initiatives through regular review meetings.

Understanding its social responsibility, the business has taken a unique environment-friendly initiative where, instead of welcoming guests or felicitating individuals with traditional flower-bouquets, tree plantation certificates are used. This practice is now being increasingly adopted across other units in the company.

#### **Outlook:**

Many of the projects deferred due to the global economic crisis are expected to move forward in the coming years. Middle East, Iran and South America offer good prospects in the short to medium term. In the Process Plant Equipment business, new investments in refineries are expected to be low on account of low oil prices which are expected to remain in range of \$50-\$80 per barrel for the coming 2-3 years. The business plans to tap business in North America for growth in coming years. The business has recruited a senior expat in North America to tap this market. Other than refinery business, the business expects that around 6 thermal power plants in India and 5 more in South East Asia would be finalised during the year 2015-16. The business also expects 3 fertilizer plants to be launched in the year 2015-16. Further to this, US-Iran discussion seem to have concluded successfully and a large business potential is seen in Iran. To start with, the business will target the industries which do not fall under sanctions. Generally, however, depreciated foreign currencies and slow demand is expected to continue to exert pressure on margins and competitiveness in the year 2015-16.

With clarifications given by Ministry of External Affairs, risk and uncertainties of civil nuclear liability seem to have been addressed through the proposed Indian Nuclear Insurance Plan (INIP). This is expected to revive all Indian nuclear programs based on domestic and foreign technologies. In the long term, Russian, French & American plans to setup nuclear plants in India, will generate substantial business opportunities for both manufacturing shops and LTSSHF. L&T has entered into strategic teaming agreement / MoU with the concerned foreign technology suppliers and can look forward to a global presence in this industry. Due to stiff competition in international markets, foreign OEMs are looking at cost effective solutions through plant upgrades & de-bottlenecking, and this opens up opportunities for the business.

The ‘Make in India’ campaign has given a renewed thrust to Indigenisation of Defence Sector with strong emphasis on enhanced role for Private Sector. This is visible from the pace and volume of clearance of new programs (totaling >₹ 1.7 lakh crore) over the past 10 months, across various sectors such as Naval Platforms, Artillery Systems, Aircrafts & Helicopters. The various steps taken by the Government, which include some increase in the Defence budget, assurances by the top echelons towards quicker decision making, continuing efforts towards streamlining processes and procedures for ease of business and focus on creation of level playing field for DPSUs, foreign companies and Indian private industry, present a positive outlook for business. Besides, there is also a strong focus on defence exports through collaboration between DRDO, DPSUs and Private Sector. Upcoming opportunities in the defence sector in the medium term include Artillery & Air Defence gun programs, Surface & Naval radars, Missiles and Military communication programs. Over the years, L&T has made strategic investments in segment-specific infrastructure and technology, through in-house R&D & product development, for the Defence sector. Significant Technology & Product Development Initiatives are being undertaken in selected fields. The business is “future ready” to play a proactive role towards self-reliance in strategically important areas.

The business envisages good market opportunities in the medium to long term and is well positioned with the necessary technology, largely home grown, state of art manufacturing facilities, with a young and dedicated work-force, all of this augurs well for the business to tap upcoming business opportunities.

#### **Major Subsidiary Companies**

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

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 setting up of LTSSHF constitutes a major strategic step towards achieving India’s independence from imports of heavy forgings and for ensuring timely supply of heavy forgings for nuclear power plants. LTSSHF commenced commercial operations from October 1, 2012 with a capacity to produce ingots weighing upto 300 MT each and heavy finished forgings weighing up to 120 MT each. The annual capacity for finished forgings is 40000 MT.

During the year, the Company has successfully produced Special Steels in various grades, ingots weighing up to 200 MT - the largest size in the country and manufactured heavy forgings required for critical equipment in refineries, fertilizers, nuclear, power and other segments. A vertical shaft furnace facility required for manufacture of rotors has been commissioned. The company has been successful in qualifying its facility to meet the requirement of several customers and obtaining development orders. The company has, however, faced fierce competition from global established players. This is primarily due to excess overall global capacity and a reduced demand. Focused efforts are on for improving production processes and manufacturing efficiencies in order to remain competitive. Technical collaboration for a specified range, with Japan Steel Works, world leaders in special forgings, has shown good results. The company has undertaken additional work involving value-addition beyond forging and is actively exploring suitable opportunities in new areas such as specialised & large medical equipment to tide over the current difficult period. In the mid-term, with the imminent release of Indian Nuclear projects and progress on the Russian, French & American fronts for new Light Water Reactors, LTSSHF envisages a much improved scenario within the next 3 years

**SPECTRUM INFOTECH PRIVATE LIMITED (SIPL):**

SIPL is a wholly owned subsidiary of Larsen & Toubro Limited. SIPL undertakes technology development and manufacture of products in the highly specialised area of Avionics. Line Replaceable Units –LRUs, for military aircraft applications have been successfully produced and deployed. SIPL concentrates largely on product development in embedded solutions, control and signal processing for defence sector and undertakes technology development and manufacture

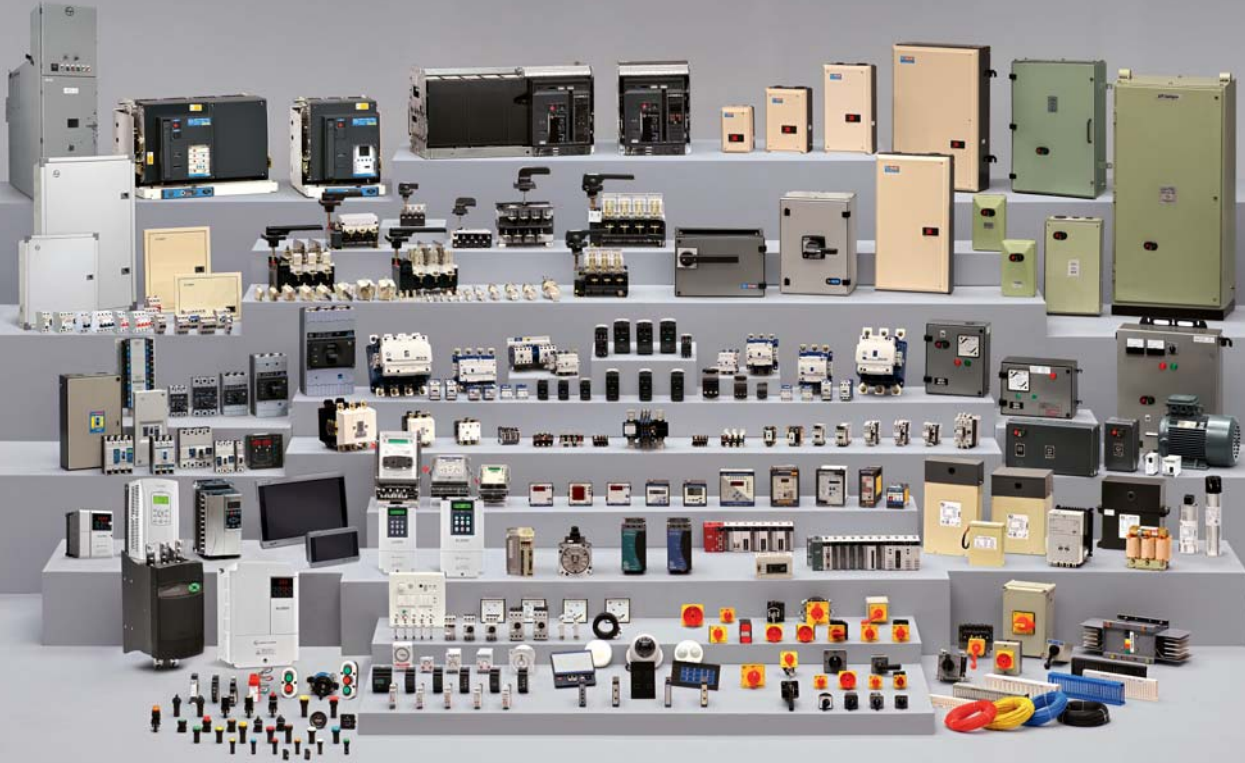
of avionics products. SIPL is certified for such products by Centre for Military Airworthiness and Certification (CEMILAC), Ministry of Defence. SIPL has also obtained AS9100 Rev C, ISO 9001 and ISO 27001 certifications. LRUs designed and manufactured by SIPL are on-board the Light Combat Aircraft (LCA). SIPL has also developed technology to position and control high precision Gimbal platform for directed energy weapon applications and is a key player in the design, development and engineering of Integrated Life Support System for LCA.

New programs like LCA MKII, LUH, LCH and HTT40 have opened new business opportunities in the avionics domain. Increased competition from smaller firms and entry of new players coupled with volatility in foreign exchange rates have, however, resulted in a challenging business environment.

**LARSEN & TOUBRO HEAVY ENGINEERING LLC:**

Larsen & Toubro Heavy Engineering LLC is a Joint Venture with Zubair Corporation, established in Sohar, 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. 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, Oman's expected large value investments in the hydrocarbon sector, and revamp prospects in certain ageing refinery projects offer good potential for the facility which has already established itself by producing a variety of complex equipment.

## Electrical & Automation Business



*India's widest range of switchgear. L&T switchgear leads the way in the agricultural, industrial, building and commercial sectors*

### Overview:

The Electrical & Automation (E&A) business offers a wide range of products and solutions for electricity distribution and control in industries, utilities, infrastructure, buildings and agriculture sectors. Its basket of offerings include Low and Medium Voltage Switchgear components, Electrical Systems, Marine Switchgear systems, Industrial & Building Automation Solutions, Surveillance Systems, Energy Meters and Protection Relays.

E&A business is supported by its five decades of experience in in-house 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. E&A runs six Switchgear Training Centres across the country that impart training and learning on good electrical practices to engineers, consultants, contractors, technicians and electricians.

Currently, E&A business has manufacturing facilities at Navi Mumbai (Mahape & Rabale), Ahmednagar, Vadodara,

Coimbatore and Mysuru in India as well as in Saudi Arabia, Jebel Ali (UAE), Kuwait, Malaysia, Indonesia, Australia and the UK.

The constituents of E&A business are two Strategic Business Groups (SBGs) and designated subsidiaries. In India, both the SBGs have under them two Business Units (BUs) each. The Products SBG includes Electrical Standard Products (ESP) and Metering & Protection System (MPS) business units while Projects SBG comprises Electrical Systems & Equipment (ESE) and Control & Automation (C&A) business units respectively.

### Business Environment

The year 2014-15 did not see any perceptible change at the ground level in any segment. The Indian manufacturing sector saw a decline from 18% to 17% of GDP according to the new GDP data released by Government of India and manufacturing exports remained stagnant at about 10 % of GDP.

The economics slow-down led to a financial crunch at many industrial sectors due to which new plants / expansions were not announced. Also, around 40% of the prospects got deferred to next year. With lesser opportunities in the market, competition became fiercer and led to lower price realisation. To further compound difficulties, factors like irregular rainfall and deficit monsoon impacted sales in the agricultural segment.

Even the international market remained quite calm. With the reduction in dependence by US on oil imports, oil prices saw a steep drop that affected the oil & gas sector, leading to postponement of CAPEX and OPEX cycles. Infra projects have, however, seen an upswing in view of FIFA-2022 in Qatar and EXPO-2020 in Dubai in the current year. Lots of activities were seen in metro and airport projects in Middle East countries.

With Ti and T-Era range of switchboard and improved automation solutions, E&A business is better positioned to get its share of orders. It is currently engaged in talks with EPC contractors and is in the process of obtaining approvals.

During the year 2014-15, ESP witnessed two developments – separation with Yaskawa (for Drives business) and Hager (Branding agreement for Air Circuit Breakers) leading to a decline in sales.

#### **Significant Initiatives:**

In spite of the tough market condition, E&A was able to maintain its growth trend for both revenue as well as bottom line, surpassing industry average. The contributors to this success were best manufacturing practices, operational improvement initiatives and introduction of new products throughout the year.

E&A continued to devote its resources and capabilities to the research & developmental endeavors, which is one of its core strengths. Its in-house design & development capabilities are rated among the best in the industry. The facilities at Powai–Mumbai, Ahmednager, Mysuru, Mahape and Coimbatore are approved by the Department of Scientific & Industrial Research, Ministry of Science & Technology. These centers network with international labs, testing centers and academic institutions for keeping abreast of new technology trends and introducing those for customers in different segments.

During the year, E&A business filed as many as 152 Patent, 14 Trademark, 5 Design and 5 Copyright applications in India, along with 6 foreign applications (all patents; 5 PCT National Phase; 1 Convention application). This was

the 8th consecutive year of filing more than 100 patent applications. E&A won the “Top Organisations for Designs” award from The Indian Intellectual Property Office which confers annual National Intellectual Property (IP) Awards on outstanding innovators, organisations and companies in the field of patent, designs, trademarks and geographic indications on World IP day on 26th April every year.

The year saw production ramp up in modular devices and MCCBs (Molded case circuit breaker) at Ahmednagar and Vadodara facilities respectively. With the start of manufacturing of new range of bus bar trunking system at Coimbatore, a cost effective product was added to the product portfolio of ESP. The year also witnessed the closure of E&A's 6 decades-old manufacturing facility at Powai and shifting of the same to a world class facility in Mahape, Navi Mumbai. There was a major thrust on extensive sales promotion activities like seminars, technology conclaves, road shows, mass media campaign and stockists' shop up-gradation etc. The training efforts of the business also got a boost through higher participation at its six training centers.

MPS introduced new single phase meters 'Alpha' & 'Alpha Plus', Single Phase Meter with ZigBee radio used in AMR system, CI.1 Whole Current Meter with IR (Infra-Red) communication port, Over current & Earth fault Relay with RS-485 port. During the year 2014-15, MPS received a prestigious order from Tata Power to supply 5000 nos. 1 Phase Meter with LPR (Low Power Radio Modem), which when completed would be India's largest mesh network. MPS provided the required support to Tata Power for installation of first 500 meters.

E&A could improve its profitability despite tight market conditions primarily because of better product mix, subdued material prices and operation efficiencies. In spite of best efforts to contain customer outstanding, the funds employed by the business increased due to prevailing liquidity situation.

During the year, E&A entered the Confederation of Indian Industry (CII)'s list of Top 26 Most Innovative Companies in India and was awarded during CII's Industrial Innovation Awards 2014. For Value Engineering (VE) efforts, E&A won the Handa Golden Key Award instituted by Indian Value Engineering Society (affiliated to SAVE International). E&A's Human Resource won 4 HR ACE Awards (Most Effective People Development Intervention (1st Prize), Tech Champ (1st Prize), Senior Level People Champion (1st Prize), Extra Mile (3rd Prize)), CII National Award for HR Excellence for PMC, Coimbatore and 2 Golden Globe Tiger Awards 2015 in the HR categories of – Best Mentoring Programme &



Best Change Management Initiative respectively at Kuala Lumpur, Malaysia. MPS won as many as 24 Awards (9 Gold, 11 Silver, 4 Bronze & 1 Appreciation) at 5th Regional QCFI (Quality Circle Forum of India) Convention 2015.

C&A won Bronze award for RAPDRP, executed for Maharashtra State Electricity Distribution Company Ltd. (MSEDCL), at First Maharashtra State e-Governance Function and was also ranked as #3 System Integrator in Global Survey of System Integrator Giants 2014 by Control Engineering. ESP team won the 1st prize for Six Sigma project in Lean Six Sigma Excellence Awards 2014 (LSSEA '14) organised by Symbiosis Centre for Management & Human Resource Development (SCMHRD) in the Manufacturing category. ESP's QC Circle at Ahmednagar Switchgear Works bagged the 3rd position at CII's Maharashtra Quality Circle (QC) competition held at Kolhapur. ESP's Vadodara Switchgear Works (VSW) received 'Certificate of Appreciation' from the Office of the Chief Commissioner of Central Excise, Customs & Service Tax, and Vadodara zone during the award ceremony that coincided with Central Excise Day 2015. ESE's manufacturing facility at Coimbatore won the 3rd Prize at the 5S Excellence Award ceremony in Manufacturing – Large Scale category - organised by CII, Southern Region.

### Outlook

With the new government at the center, positive sentiments are seen in the domestic market. Government spending is likely to increase in the coming years. An uptrend is also seen in orders from electrical utilities which is expected to grow by 15% in coming years. Utilities will continue to explore new technology and pilots for new technology will continue into the year 2016-17. E&A business also sees improvement in demand from agro industries, pharma, textile, cement & steel sectors. The Government's

announcement for transforming 100 cities into smart cities and focusing on Tier 2 and 3 cities holds good potential for E&A business.

In the area of renewable energy, the Government has significantly revised the solar energy generation target to be achieved by 2022. This is an area of opportunity for E&A. The new Government has given clearance to many naval as well as coast guard projects. The defense-offset clause applicable to India's imported vessels and submarines increases opportunities for suppliers like E&A's marine switchgear which offers complete electrical & control solutions for warships & submarines under one roof. Money scarcity is likely to continue in the coming year as Government auctions would absorb a lot of money from the monetary system. With Euro weakening over USD, the competitor cost of imports will be cheaper in domestic market, leading to fierce price competition.

Projects are expected to be deferred or delayed in both Middle East and Malaysia due to drop in oil prices. All major customers have announced or indicated huge reduction in Opex and Capex. Social infrastructure projects like hospitals and metro are, however, expected to continue as planned. Metro projects in GCC are expected to add to revenue only in the year 2016-17 but ground work is being targeted in the current year to increase E&A's chances of success. A special task force team has been formed to work specifically on metro/railway projects coming up in GCC. The key role for this team would be to create a strategic alliance with main contractors from the bidding stage and working with them to tap into these opportunities.

The key to success in the year 2015-16 will be effective implementation of business verticals and re-organisation of marketing zones and territories to focus on large product portfolio for ESP. The key focus areas will be retail



*L&T's new range of high-tech AC Drives for varied applications*



*Mumbai International Airport Network Operations Centre - powered by L&T's control and automation systems and expertise*



and agricultural sectors in India. Another growth driver would be venturing into new geographies like Myanmar, Philippines, Vietnam and Cambodia where economy looks buoyant. E&A plans to introduce array of new products such as AU range of final distribution products, 690V MCCBs, Vacuum contactors, pre-paid/smart meters and launch of full range of Enersys M and Ti distribution boards catering to infrastructure segment in domestic as well as international market which are expected to increase the revenue contribution coming from new products.

### **Major Subsidiary Companies**

#### **TAMCO GROUP OF COMPANIES:**

TAMCO is the leading manufacturer of Low and Medium Voltage switchgear in South East Asia with manufacturing 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 lies in the flexibility to develop and adapt products to meet customers' needs and, therefore, it has a high reference list across the globe.

The year 2014-15 was a year of mixed outcomes for TAMCO. Though there were significant achievements like getting recommended for the first 5 packages of Petronas RAPID project, getting approval from ENA for supplying to UK Utilities and developing a local BUMI partner for quoting in TNB tenders, the performance of the group was not satisfactory. The bottom line was significantly affected on executing low margin orders, losses in Indonesia and Australia subsidiaries in view of economic slowdown.

Fall in oil prices have led to a delay in oil & gas projects. Added to this, the devaluation of the Euro has made the European companies become more competitive. With most manufacturers having excess capacities, there is a price war to garner the available orders in the market. Thus, the year 2015-16 looks to be a challenging year in the Middle East, though prospects from utility companies are likely to continue.

The key strategies for the year 2015-16 include reduction in discretionary costs and extensive value engineering measure for material cost savings, improving operational efficiency, launch of a new compact and cost effective Gas Insulated Switchgear (GIS) & Ring Main Unit (RMU) for various markets, getting approved by Saudi Electricity Company and in Kuwait markets.

#### **L&T ELECTRICAL & AUTOMATION FZE (LTEAFZE):**

L&T Electrical & Automation FZE (LTEAFZE) is a 100% subsidiary of L&T International FZE based in UAE. The company provides Systems Integration solutions in the Oil & Gas, Power, Water and Waste Water and Infrastructure space like Airports, Hospitals, Stadiums and Transportation segment like Metro and Rail. The solutions are centered around Process Automation and Telecommunication applications catering to customers / contractors in the Middle East, Africa, CIS and Turkey markets. It has state-of-the-art facility in Jebel Ali Free Zone and is accredited with ISO 9001, 18001, 27001 and TUV for functional safety.

The Company has had a below average year in terms of achievements. The costs surpassed the estimation on the projects, leading to a moderate bottom line, lower than previous year. The plans are to be better prepared for the variations in the costs on the project so as to maintain sustainable performance.

The business outlook of the region presents a cautious but optimistic approach. The slide in oil prices has resulted in oil majors revisiting some of the investments and reducing opex as well as cutting down on manpower to reduce costs.

Projects on the drawing board, Front end engineering drawing (FEED) stage have slowed down considerably. Infrastructure projects have taken a big hit. Contractors are delaying payments due to tightness of money supply in the market. Oil & Gas projects will concentrate mainly in off-shore and revamp to improve efficiency.

Projects announced in the infrastructure segment are likely to continue, especially those that affect people at large such as hospitals and metro projects. The key to success would be focus on metro opportunities like Riyadh Metro, Doha Metro, Oman Rail, technology tie ups and target opportunities in brown field projects.

#### **L&T ELECTRICALS AND AUTOMATION SAUDI ARABIA COMPANY LIMITED, LLC (LTEASA):**

L&T Electrical & Automation Saudi Arabia Company Limited (LTEASA) is the result of a joint venture with Yusuf Bin Ahmed Kanoo Group of Kingdom of Saudi Arabia (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 Saudi Arabia/ Middle East region in Low and Medium

Voltage categories, Pre-fabricated/Packaged Substations, Variable Frequency Drive (VFD) panels and Automation solutions.

The joint holding with Kanoo Group is on the verge of getting dissolved with TAMCO Group acquiring the stakes of the JV partner. The necessary Government approval has been sought and received around the close of financial year. This will entail a fresh Board constitution, and change in all statutory records to reflect such change in ownership in the Company during the year 2015-16.

The performance during the year 2014-15 improved in all respects in comparison to earlier year. The company was able to attain a growth both in top line and bottom line on the back of good executable order backlog at the beginning of the financial year.

The GDP growth of KSA is at the same level as of 2013, however, the overall expenditure over the year is expected to grow by 3%. Major infrastructure activities are being witnessed across the kingdom. The government has taken a target to create 2 million houses in KSA in a decade. Also, major opportunity is seen in Riyadh Metro project which will be key focus area for the coming year even though it may bear result in next financial year. For the coming fiscal year, LTEASA is planning to expand the Dammam factory and start full-fledged manufacturing units for MV (Medium Voltage) and automation solution which will cater to the needs of KSA market.

#### **HENIKWON CORPORATION SDN BHD, MALAYSIA:**

Established in 1982, Henikwon Corporation is manufacturer of Low & Medium Voltage bus-duct systems. It is well recognised and offers high quality products under compliance to international standards.

The Henikwon acquisition by L&T in 2012 brought a customer base of large corporations to E&A's business and complements its portfolio to make comprehensive offerings for the building & infrastructure segments. It further enhances L&T's presence in South East Asia and helps in catering to Indian & Middle East markets.

Bus-ducts are becoming increasingly popular as an integral part of package (LV and/or MV) offerings in upcoming projects across various segments. The company sees an increasing trend of customers favoring complete solution under supply, installation, testing & commissioning.

Henikwon enjoys the reputation of a quality product supplier in more than 15 countries, across different market segments such as Oil & Gas, Petrochemical & Power Plants,

Airports, IT Parks, Banking, Automotive, Institutions, Factories and Buildings. It is increasingly becoming the preferred brand in high quality-conscious segments such as Oil & Gas, Power etc.

The launch of new 'S-Line' range for international market is the most significant initiative for the year 2015-16. This will be a cost competitive and contemporary range product. The ASTA testing and certification for this new range is planned in the first quarter of year 2015-16.

With new Government in place for India, Indonesia and Taiwan, the company expects regional economies to move into higher growth trajectory. GCC is grappling with oil price issues and it may take longer to complete bigger projects but no immediate effect is expected for electrical requirement. Qatar remains in focus but with the new range, the plan is to go for aggressive working in the Middle East Region.

#### **SERVOWATCH SYSTEMS LIMITED**

The UK-based Servowatch was acquired by L&T FZE 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 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 programmes. Servowatch is ISO9001:2008 accredited and is moving towards ISO27001:2013 accreditation for information security. It also has ABS manufacturing accreditation.

A major re-organisation of the business was implemented during the current year with a new Board of Directors transitioning the activities of the company from a small family run business into a subsidiary of L&T. A new management team is in place to provide leadership and facilitate sales and supporting functions of the company on the back of a re-enforced R&D team. The company is gaining recognition as a leading system integrator for modern naval platforms, Super Yacht installations and commercial marine operators. Unique software design allows integration of third party software into a common operator platform environment. The highly trained and professional teams at Servowatch are able to offer an extensive range of services.



*Switchboard installation at a power plant. L&T provides power distribution and control solutions across the value chain, from generation to end-user*

The company redefined the product lines to meet market requirements with successful launch of ServoCore product aimed at developing commercial off-the-shelf automation system product.

Shipbuilding (especially in the Naval sector), particularly in the Far East, remains strong and the company seeks to take advantage of its growing reputation in this sector. High volume commercial shipping projects also remain a target for the company in the coming year.

#### **KANA CONTROLS GENERAL TRADING & CONTRACTING COMPANY WLL (Kana Controls)**

LTEAFZE acquired the Kuwait-based Kana Controls General Control & Trading Company in September 2013. Kana Controls established in 1990, 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 provides a good platform to serve the control & automation business opportunities in Kuwait.

## Hydrocarbon Business



*3000-tonne captive installation and pipelay vessel installs a wellhead platform off the coast of Myanmar*

### 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. It has capabilities to deliver complete end-to-end solutions including front end design through engineering, procurement, fabrication, project management, construction and installation up to commissioning services. The Hydrocarbon business is primarily housed in a wholly owned subsidiary viz. L&T Hydrocarbon Engineering Limited (“L&T Hydrocarbon”)

L&T Hydrocarbon has time & again delivered, both in India & overseas, a number of large, critical & complex projects due to its experienced and highly skilled project execution team, world-class HSE practices and culture of excellence. L&T Hydrocarbon has a fully integrated capability chain including in-house engineering, R&D centre, global sourcing hubs, world class modular fabrication facilities, offshore installation capabilities and a safety ingrained

work culture. The keystones of L&T Hydrocarbon’s business philosophy are excellence in corporate governance, best in class safety standards, state-of-the-art IT security practices, on-time delivery and cost competitiveness.

The geographic reach of the business spans across Asia, beyond India covering Middle-East and South-East Asia. In India, it has set up major work centers at Mumbai, Vadodara, Chennai, Faridabad, Hazira and Kattupalli. L&T Hydrocarbon’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 to L&T Hydrocarbon’s Modular Fabrication Facilities at Hazira and Kattupalli in India, it has a major Modular Fabrication Facility at Sohar in Oman held through a fellow subsidiary. L&T Hydrocarbon has registered its presence in South East Asia through its offices in Malaysia (Kuala Lumpur) and Indonesia (Jakarta).

The Company has operations across the Hydrocarbon value-chain in India and overseas:



- Hydrocarbon Upstream
- Hydrocarbon Mid & Downstream - Domestic
- Hydrocarbon Construction & Pipelines - Domestic
- Hydrocarbon Mid & Downstream including Pipelines - International

**Hydrocarbon Upstream:**

The business offers turnkey solutions to the global offshore Oil & Gas industry encompassing well-head platforms, process platforms & modules, subsea pipelines, brown field developments, Jack-up rig refurbishment, floating production storage & off-loading (FPSO) topsides and subsea projects. The business has successfully executed large offshore platforms and pipeline projects in east and west coast of India, Middle East, South East Asia and Africa over two decades; for global companies such as ONGC, GSPC, ADMA OPCO, Bunduq, Qatar Petroleum, Maersk Oil Qatar, PTTEP, Petronas and Songas.

The business has two state-of-the-art fabrication facilities in India at strategically important locations for offering round the year delivery of process platforms, wellhead platforms, modular structures, heavy jackets and oil rigs. L&T Hydrocarbon's Hazira Fabrication Facility, near Surat in Gujarat, caters to business opportunities in the West Coast of India (Mumbai High) & Kattupalli Fabrication Facility 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 is strategically located to cater to opportunities in UAE, Qatar, Saudi Arabia & North Sea. These yards have a total fabrication capacity of about 150000 MT per year.



*Wellhead platform commissioned off the coast of Abu Dhabi*

L&T Hydrocarbon has business development offices in Middle East & South East Asia to provide a thrust to its international growth plans. L&T Hydrocarbon is selectively exploring upcoming opportunities in these regions.

L&T Hydrocarbon's fellow subsidiaries, L&T Sapura Shipping Private Limited own and operate a Heavy Lift Pipe Lay Vessel, along with L&T Sapura Offshore Private Limited provide offshore installation services. Dedicated Engineering fellow subsidiary, L&T-Valdel Engineering Limited, provides engineering support through multi-locational centres at Bengaluru and Chennai.

During the year, L&T Hydrocarbon has won orders against international competitive bidding, for engineering, procurement, construction & installation of five wellhead platforms at Mumbai High; two wellhead platforms, subsea pipelines and modification of existing facilities at Heera-Panna-Bassein block. L&T Hydrocarbon also bagged an order for re-routing of 42" Subsea Pipeline near Umbrhat beach. The fabrication facility at Hazira has successfully diversified for supply of piping spools for Reliance Industries and Kuwait National Petroleum Company.

In international waters, L&T Hydrocarbon achieved 'First Oil' for its ongoing project in Abu Dhabi with Abu Dhabi Marine Operating Company (ADMA OPCO) and successfully completed PETRONAS Project in Myanmar. In domestic market, L&T Hydrocarbon successfully handed over 2 wellhead platform projects to ONGC. In recognition of its project management excellence, L&T Hydrocarbon's East Coast Process Platform Project won Project



*Major repair and upgradation was carried out on a jack-up rig*



Management Institute's (PMI) Mega Project of the Year 2014 Award.

**Hydrocarbon Mid & Downstream – Domestic:**

L&T Hydrocarbon provides EPC solutions for a wide range of applications in hydrocarbon projects covering refining, petrochemical, fertilizer (ammonia & urea complexes), On-shore Oil & Gas processing plants, and modular process plants.

L&T Hydrocarbon has successful track record of simultaneous execution of multiple large value projects on a turnkey basis supported by in-house Engineering Resource Centers located at Mumbai, Faridabad and Vadodara, which cater to the complete spectrum of FEED, process and detailed engineering. L&T Hydrocarbon also draws engineering support from L&T-Chiyoda Limited.

L&T Hydrocarbon has rich experience of project execution with technologies from process licensors like UOP, Axens, Haldor Topsoe, CB&I Lummus, Black & Veatch, Ortloff, Exxon Mobil, BOC Parsons, Invista & Davy Process Technologies. L&T Hydrocarbon has executed Lump-Sum Turnkey(LSTK) projects in on-shore Oil & Gas Processing, Refinery & Petrochemical applications for various Indian oil majors like IOCL, MRPL, ONGC, OMPL, BPCL, HPCL, Reliance Industries etc., as well as fertiliser companies like NFL, GNFC, RCF and others.

L&T Hydrocarbon has recently made an entry into the niche area of large scale Cryogenic Terminal projects featuring

Full Containment Cryogenic Storage Tanks. During the year, L&T Hydrocarbon successfully completed its first ever dome air raising activity for a Cryogenic Ethylene Tank Project. L&T Hydrocarbon has also received an order for EPC of a Cryogenic Ethane cum LNG Storage Tank Project. These projects provide a good leverage for bidding for the forthcoming LNG Terminal projects incorporating LNG tanks and Regasification plants. L&T Hydrocarbon has also entered into a number of strategic project specific alliances with international EPC companies like Saipem, Italy & Technip, France as well as Indian companies like Engineers India Ltd, as part of its initiative in areas of LNG, Fertilisers & Petrochemicals.

During the year, L&T Hydrocarbon has successfully commissioned the largest single train Paraxylene complex in India, consisting of 9 process units. In recognition of the exemplary project management performance in an extremely difficult terrain and weather conditions, this project was conferred Project of the Year award in large project category. Additionally, L&T Hydrocarbon also received Final Acceptance Certificate (FAC) on successful completion of Performance Guarantee tests for Additional Gas Processing Project, two Ammonia Feedstock Conversion Projects and Ammonia Syn Gas Generation Project.

**Hydrocarbon Construction & Pipelines – Domestic:**

L&T Hydrocarbon undertakes EPC projects of cross-country pipelines for Oil & Gas involving laying, horizontal directional drilling (HDD), testing, pre-commissioning



3-D rendering of a petrochemical plant. The Company has dedicated centres providing engineering services for mid and downstream projects

& commissioning. It also renders turnkey construction services for refineries, petrochemicals, chemical plants, fertilizers, gas gathering stations, crude oil & gas terminals and underground cavern storage systems for LPG.

L&T Hydrocarbon has built up major capabilities including heavy lift competency, advanced welding technologies and Quality systems. L&T Hydrocarbon has also invested in strategic construction equipment, range of Pipeline spread equipment, automatic welding machines and other plant & machinery for Electro-mechanical Construction Works.

L&T Hydrocarbon's fellow subsidiary, L&T-Gulf Private Limited, provides world class engineering capabilities for cross-country pipeline construction.

L&T Hydrocarbon has executed projects for major private sector customers like Cairn Energy, Reliance Industries, HPCL Mittal Energy as well as major oil PSUs like BPCL, IOCL, ONGC and others.

L&T Hydrocarbon is currently executing India's first Coal Bed Methane field development project, including installation of Field Pipelines, Power Distribution Network, Construction of Well Site facilities, Group Gathering Stations and associated facilities. It is also executing civil, mechanical, electrical & instrumentation works for India's largest paraxylene plant requiring more than 30000 workmen at peak execution.

#### **Hydrocarbon Mid & Downstream International:**

L&T Hydrocarbon's international business operations are predominantly in Middle-East, spread across United Arab Emirates, Sultanate of Oman, Qatar, Kingdom of Saudi Arabia and Kuwait. In South East Asia & North Africa geographies, L&T Hydrocarbon is targeting prospects in Indonesia & Algeria, respectively. L&T Hydrocarbon's network of international offices and facilities are geared to respond to the needs of its client-base in multiple geographies including Middle East, North Africa and South East Asia.

L&T Hydrocarbon has built up a strong team, integrating in-house talent with internationally experienced resources headquartered in Sharjah and supported by regional hubs in Al-Khobar and Kuwait. L&T Hydrocarbon is developing an engineering center in Sharjah to co-ordinate and consolidate engineering efforts being carried out at various locations. A centralised proposal & estimated team is being constituted for better control and accuracy in estimates. L&T Hydrocarbon is also pursuing complex mega projects

through alliances with the leading global EPC companies. Efforts have also been made during the year to strengthen risk management including interface management and Project Portfolio monitoring.

L&T Hydrocarbon is prequalified by major international Oil & Gas producers such as Saudi Aramco, Kuwait Oil Company (KOC) & Kuwait National Petroleum Company (KNPC), Abu Dhabi Gas Industries Ltd (GASCO), Abu Dhabi Gas Liquefaction Company Ltd (ADGAS), Abu Dhabi Company for Onshore Oil Operations (ADCO), SOCAR, PETRONAS, CNPC and Dragon Oil in Turkmenistan, Lukoil in Uzbekistan and Sonatrach in Algeria.

During the year, L&T Hydrocarbon has received its largest international order from Kuwait Oil Company to execute Engineering, Procurement & Construction contract for Gathering Center in North Kuwait which will process crude oil from Raudhatain fields in a multi stage process.

During the year, L&T Hydrocarbon successfully commissioned its gas pipeline project in UAE for Abu Dhabi Gas Industries Ltd. It also achieved substantial completion for Petroleum Development Oman's Lekhwair Gas Field Development Project in Oman. In Qatar, the two projects being executed for Dolphin Energy have achieved 'Ready-For-Start-Up' (RFSU) stage.

L&T Hydrocarbon is screening local construction partners in Algeria for tendering & execution of upcoming opportunities. The Company is also eligible to participate in Refinery and Fertilizer projects in Indonesia through its Construction Service Provider Representative Office (CSPRO).

#### **Business Environment:**

L&T Hydrocarbon achieved a major breakthrough in the middle east during the year by securing its largest ever contract of around USD 846 million. In India, many large value projects were deferred during the year on account of uncertain economic environment & volatility in crude oil prices. Despite this, L&T Hydrocarbon received domestic orders of around ₹ 4000 crore.

The entire global hydrocarbon industry is passing through a difficult phase with E&C industry leaders reporting cost over-runs. L&T Hydrocarbon also faced over-runs in some of the international projects bagged during 2010 to 2011 period which were first of its kind with respect to customers, size & scale, technical complexity and affected by unforeseen cost increases and VISA delays due to the changed local environment.



*Upgrade project executed on an EPC basis for export gas compression facilities in Qatar*

All of these projects are at advanced stage of commissioning and final settlement with customers. The Management has restructured its international operations and steps are being taken to build strong customer relationships, a culture of operational excellence and greater accountability. Contracts management, safety & quality departments are being strengthened with experienced recruits. A process of bid/no-bid clearance for international prospects has been instituted to weed out unfeasible proposals at early stages. The Management is confident that L&T Hydrocarbon will turnaround in the year 2015-16.

#### **Significant Initiatives:**

L&T Hydrocarbon has institutionalised risk management processes by implementing risk management policy and guidelines, incorporating global best practices and procedures along with quantitative tools and techniques. The Risk management process is aimed at identification, assessment, monitoring and mitigation of risks from pre-bid to execution/close out of the project. Risk management committee periodically reviews the risks and advises on the mitigation measures.

The major challenges like tight work schedule, technical complexities, growing competition, newer geographies, forex variation, claims management and staffing of key project personnel are mitigated through specific actions like operational excellence initiatives, alliances, cost optimisation, improved customer intimacy, compliance with stringent HSE standards, proactive forex hedging, strong contract & claims management and identification of key personnel & talent at pre-bid stage.

All projects undergo a well-structured pre-bid risk review process by risk management committee at business and at corporate level as per well-defined authorisation limits. The process involves a detailed assessment of risks and deliberation on mitigation measures by the Risk Management Committee and risk reviews of on-going projects 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.

L&T Hydrocarbon 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. Internal control manual 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 operating effectiveness of various controls is periodically tested by external parties and deficiencies, if any are promptly rectified.

L&T Hydrocarbon has a unique mix of experienced professionals and young dynamic passionate individuals working in various disciplines. HR efforts are targeted to ensure that the right talent is sourced, selected, trained and deployed across the organisation. A number of in-house modules for processes like recruitment (E-Rec) and competency management (E-Profile) have



been implemented to automate & digitise the core processes. Special efforts are being put to identify high potential leaders and groom them through seven stages of leadership development to take on higher responsibilities in the future. The Company nominates its employees for L&T's Corporate training programmes like Leadership programme, Core Development Program, 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. Various activities and initiatives are undertaken to increase employee motivation through initiatives like Long Service Awards, Team Building Workshops, Town Halls, non-monetary recognition events, etc.

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 the Company's business philosophy. The Company strives for continuous improvement for the protection and development of health, safety, and environmental assets of its employees and stakeholders. During the year, five crucial projects were safely commissioned without any significant incidents. L&T Hydrocarbon has developed a Corporate HSE Plan and refreshed various policies in line with best practices. L&T Hydrocarbon also participated in Global Summit on Process Safety.

During the year, several cross functional HSE audits were initiated for offshore operations and Hazira fabrication facility. For onshore operations, L&T Hydrocarbon developed & implemented competency assurance & assessment system for one of its overseas clients. A behaviour based safety program was implemented for developing & sustaining a positive HSE culture. Online HSE action tracking system was made functional alongwith online monthly HSE reports and unsafe act/incident reporting system. Senior Management participated in site safety surveys and employees were made part of safety perception survey.

To spread safety awareness, various campaigns were observed during the year. Lessons learnt during project execution were shared throughout the organisation by way of HSE alerts. Various HSE training programs were held and motivational schemes were instituted.

As a responsible Corporate Citizen, L&T Hydrocarbon believes in adopting Sustainable practices. The Company has released Sustainability Report – "In Tune, Attune" in January 2015 which covers various initiatives taken across the Company and also highlights need to enhance performance across all sustainability parameters – safety, energy, water conservation and productivity.

As one of India's most respected Engineering and Construction Companies, L&T Hydrocarbon is aware of its responsibility towards social upliftment which is an integral part of the corporate culture. L&T Hydrocarbon has developed a CSR framework for demonstrating its responsibility as a corporate citizen which lays down the principles and mechanisms for undertaking various programs in accordance with section 135 of the Companies Act 2013 for the community at large. L&T Hydrocarbon is committed to developing projects that will contribute to the quality of life, including schools, hospitals, skill training institutes, water supply & distribution and sanitation facilities.

During the year, L&T Hydrocarbon won several national & international accolades from clients, some of which are as follows: Modular Fabrication Facility (MFF), Hazira received RoSPA Gold Award for Occupational Health & Safety, "Visionary Project" award by IMEA, Frost & Sullivan Safety Cultural Transformation. MFF, Kattupalli received 3 Star Rating in CII (South India) EHS Awards 2014. Both, Hazira & Kattupalli, also received International Safety Award with 'Merit' by British Safety Council. Internationally, L&T Hydrocarbon received "HSE Award- 2014" by PETRONAS for exceptional HSE performance on Yetagun Project, ASSE Gold Award 2014 for Dolphin project, Qatar and Gold Award from American Society of Safety Engineers for SADARA Project, Saudi.

#### **Outlook:**

The new government regime in India, has laid the policy framework for realising strong growth in the coming years by focusing on key pillars of Infrastructure creation to achieve sustainable 7-8% GDP growth p.a. With China slowing down, already certain global agencies have forecast that India could become the fastest growing economy in the year 2015-16. The gradual pick-up in on-ground implementation of the above measures is expected to result in increased opportunities for L&T Hydrocarbon in the year 2015-16.

In Upstream sector, ONGC is expected to continue with new project awards, notwithstanding the recent fall in

crude oil prices. Also, E&P companies in select geographies like Saudi Arabia, Myanmar and Thailand are expected to continue with their planned capex investments. L&T Hydrocarbon is actively pursuing opportunities with Saudi Aramco for their "Maintain Potential Facilities - Long Term Agreement (LTA)" program which will provide visibility of continuous projects awards in medium to long term. L&T Hydrocarbon is also building up competencies in Brownfield Projects to move up the value chain. As part of de-risking strategy, L&T Hydrocarbon is actively developing relationships with private sector customers.

In the Mid & Downstream sector, with fall in crude prices and consequent reduction in under-recoveries, Indian Refiners have planned expansion and clean fuel projects. L&T Hydrocarbon is witnessing a number of exciting opportunities in LNG Terminals, petrochemical plants & refinery up-gradations. Fertiliser sector is also witnessing a revival with planned investment of over ₹ 40000 crore in next four years.

In International markets, the current oil price scenario has resulted in oil related projects being kept on hold. Significant EPC awards are, however, expected in the Gas sector in the coming year. United Arab Emirates has planned several Gas development projects driven by investments by state-owned companies – ADCO and ADGAS. Oman has continued its investments and offers good opportunities in downstream projects. Saudi Arabia has embarked upon a program to develop its unconventional gas reserves which will provide a number of opportunities for L&T Hydrocarbon. Kuwait is emerging as a stable, business- friendly destination with a fast moving economy. With lower break even costs, Kuwait has capacity to invest further even in this downturn and has ambitious plans to increase oil production from 3 million barrels per day (bpd) to 4 million bpd by 2020 which will provide L&T Hydrocarbon with a number of opportunities in Gathering Centres, Booster Stations, Central Gas Utilisation Project with associated infrastructure.



# Information Technology Business



*L&T Infotech's global headquarters in Mumbai*

## 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's business is classified under two business Clusters 'Industrials' and 'Services':

- 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, Oracle, Enterprise Integration, as well as Manufacturing Execution Systems. Horizontals are responsible to serve clients across both Clusters.
- The 'Services' Cluster focuses on Banking, Financial Services, Insurance, Media & Entertainment, Travel & Logistics, and Healthcare. This cluster houses Testing horizontal.

## Business Environment:

Indian IT-BPM industry saw the export market at ~USD 100 billion in the year 2014-15, recording 13.1% growth in constant currency over last year. Growth in reported currency is estimated at 12.3%. Engineering & R&D and product development segment is the fastest growing at 13.2%, driven by higher value-added solutions from existing players and expansion of the GIC landscape.

Digital solutions around SMAC (Social, Mobility, Analytics & Cloud)– upgrading legacy systems to be SMAC enabled, greater demand for ERP, CRM, mobility and user experience technologies is driving growth in IT services. Infrastructure outsourcing and software testing segment also outpaced the industry growth rate.

The year also witnessed hyper-growth in the technology start-up and product landscape and India is already ranked as the 4th largest startup hub in the world with over 3100 startups in the country.

Exports to US, the largest market, grew above industry average, aided by an economic revival and higher technology adoption. Demand from Europe remained strong during the first half of the year, but softened during the second half due to currency movements and economic challenges. Manufacturing, Utilities and Retail growth remained strong as clients increase discretionary spend on customer experience, digital, analytics, ERP updates and improving overall efficiency.

In the year 2015-16, NASSCOM expects the industry to add revenues of USD 20 billion to the existing industry revenues of USD 146 billion. Export revenues for the year 2015-16 is projected to grow by 12-14% and reach USD 110-112 billion. Domestic revenues (including ecommerce) for the same period is likely to grow at a rate of 15-17% percent and is expected to reach USD 55-57 billion during the year.

Some of the key trends which are expected to drive industry growth are as follows:

- Infrastructure Management Services (IMS): Traditional IMS would remain, however, cloud based IMS and Automation would bring the growth in this segment.
- Digital: Digital is the new Buzz word especially in the Domestic market. Prime Minister's Digital India plan, Smart cities Initiatives are opening a lot of opportunities for the IT industry.
- Internet of Things (IoT): IoT is the key to Digital world. It would lead to all physical devices being connected, which would have numerous business benefits across industries. IDC forecasts that the worldwide market for IoT solutions will grow from USD 1.9 Trillion in 2013 to USD 7.1 Trillion in 2020.
- Newer Delivery models: Digital, IoT, Automation, SMAC are not only disrupting what IT industry offers, but also how it is offered. Newer technologies are leading to newer delivery models. Many players are trying different delivery models like Factory model.
- Growth from Emerging markets: US and Europe have traditionally been the largest IT markets. In the last few years, however, share of Emerging markets is slowly increasing, with significant contribution in incremental IT growth.

Business environment of IT BPM industry witnesses 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. Increasing adoption of Automation technologies for Application and Infrastructure Management services, poses a serious threat particularly to India based players for whom labour arbitrage will no more be a differentiating feature with cost savings of the order of 40% to 70% possible through automation.

### **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's strategic investments in people (talent acquisition, development & retention), technology and domain-specific solution labs are critical to its on-going business proposition. The company has identified the following thrust areas to achieve its near and medium term objectives:

- Digital: Digital Transformation is the way organizations are changing their business models, to meet customer expectations & achieve operational efficiency, in an environment where the lines between the physical & digital worlds are blurred. L&T Infotech's digital offerings are branded as MOSIAC. MOSIAC stands for Mobility, Social, Analytics, Internet-of-things, and Cloud.
  - A few of its Digital offerings include:
    - Digital Transformation Consulting
    - Digital Technologies and Architecture
    - Digital Transformation Delivery and Management
    - Digital Platforms and Solutions
- Infrastructure Management Services (IMS): L&T Infotech's Infrastructure Management Services (IMS) offers a wide spectrum of services covering IT Infrastructure Consulting, Design, Implementation, Operational Support, Cloud Enablement and Hosting. L&T Infotech leverages its unique approach of Business First in Infrastructure Management Services to create customized service delivery plan aligned to the business needs of the client.
- Smart Cities: Smart Cities is a perfect fit for L&T Infotech and L&T Group's portfolio, as L&T is a major player in building the Nation. India is all set to become the third largest construction market by 2020, as per PwC report. L&T Infotech is looking forward to partner and acquire

product companies in Smart Cities space to enhance its capabilities to build the next generation Indian Cities.

- Technology is at the heart of a smart city ecosystem - from urban planning to creating healthy environment, ensuring safety of people, smart and efficient power distribution, ensuring 24/7 water supply, intelligent traffic and transportation management systems that use analytics to provide efficient solutions to ease commuting, and automated building security and surveillance systems requiring minimal human intervention.
- As L&T Infotech has been developing product and solutions in the MOSIAC eco-system for global clients, "Smart Cities" would be an opportunity to execute leading MOSIAC products and solutions in the home market.
- Emerging Markets: L&T Infotech has renewed its focus on Emerging markets which includes Australia, Singapore, Japan, South Africa, Middle East and India. Mr. Rajat Mathur, Ex-Head of Emerging Markets at Wipro has joined L&T-Infotech as Chief Executive – Emerging Markets. L&T-Infotech has built a strong team in this region to tap the growing opportunity. Especially in India & Middle East, L&T Group has a strong presence and have ambitious growth plans. L&T Infotech endeavors to leverage this advantage.
- Innovation Focus: At the organization level, Research & Development initiatives are being run by Technology & Consulting Group and Client specific R&D functions are being run by the respective Verticals / Service Lines. L&T Infotech's ongoing investments in R&D have helped build an array of industry specific IPs such as accelerators, frameworks, platforms, solutions etc. L&T Infotech



L&T Infotech's facility in Chennai

has an Enterprise Business Solution Lab, which tests innovative business ideas, which adds value to the client. It also prototypes solutions to reduce implementation.

L&T Infotech also has 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 strengthen presence in a vertical/horizontal, geography or platform. These acquisitions would be mainly aimed at the objective to enhance the revenue in the next two years, leveraging on existing brand and customers, who believe in it.
- Human Resource Strategy: L&T Infotech's focus on hiring, engaging and retaining key talent continued this year. L&T Infotech continues to align talent engagement, competency development, role and career progression, benchmarked compensation and benefits for its employees worldwide. This has helped the Company to attract the best talent from across the globe. L&T Infotech has designed a leadership program to provide 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.

L&T Infotech believes that the next phase of growth will be driven by large deals, IMS, Digital technology and Thought Leadership. Therefore, L&T Infotech has formed a Digital & Technology practice, which is mandated to nurture and grow the Digital stack – Cloud, Social, Analytics, Mobility, Internet of Things and so on. This again is a horizontal and serves both industrial and service clusters.

With an eye on annuity based large deals, which calls for references in both Application & Infrastructure management space, L&T Infotech has decided to expand the IMS business through an internal re-structuring to provide the focus that it deserves. The company is also open to grow inorganically in this space.

As on 31st March, 2015, L&T Infotech has 11 Fortune 100 clients and 34 Fortune 500 clients.

L&T Infotech's Value Proposition: In order to make itself competitive and strive for excellence, L&T Infotech has adopted a three-pronged strategy to differentiate itself



from competitors and provide a value proposition to the client:

- (a) **Business to IT connect:** L&T-Infotech leverages the domain expertise of L&T & Group companies and have been investing heavily in building domain solutions. The talent requirement is met through onboarding of its SMEs and practitioners within L&T Group or through continuous domain training followed by globally benchmarked industry-specific certifications.

L&T Infotech offers IT Solutions driven by business context and rooted in domain knowledge. For its clients across the globe, this results in more impactful industry solutions focused on gaining efficiencies, reducing rework and improving time to market for its clients.

- (b) **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. It has a proven and established transition methodology and expertise. This results in greater agility, transparency and predictability of delivery for world-class programs for its clients across the globe.
- (c) **Engage the Future:** With a focus on future business requirements, L&T Infotech is making itself 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.

L&T Infotech offers a clear understanding of social, mobile and analytics technologies that can enable new business capabilities and stir innovation, which results in sustained innovation for its clients across the globe. In nutshell,

clients benefit with the skills and capabilities to deliver next generation solutions.

#### **Outlook:**

The Business world today, is volatile, uncertain, complex and ambiguous. Geo-political upheavals, and disruptions in business models are driving customers to constantly seek newer ways to run and grow their business. For the Global technology industry, this serves as both an opportunity and a challenge.

With sourcing services growing at 10% at a global level and India leading with 55% market share, IT exports from India are estimated to cross approx. USD 112 Billion in 2015-16, registering a growth of close to 14%. Industry trends, however, will continue to play an important role towards this. For e.g, with Oil prices at the current levels, IT spend has been deeply impacted. While growth opportunities would emerge from Transformation of technological landscapes into new-age technologies and markets outside of North America & Europe, Indian IT players are also being challenged because of the increasing shift from the labour-arbitrage model to that of Automation & Robotics.

In alignment with global trends, L&T Infotech continues to invest in Rest-of-the-world markets, where it is seeing significant traction. South Africa and India have already shown very positive trends while Middle East will be a region to grow under the shadows of L&T, which has significant presence there. L&T Infotech, besides building competency in the Digital space, has also developed significant capabilities in Automation and started deploying them at clients' landscapes. This will not only mitigate competition risks, but will also help open doors in both existing and new accounts.

With the right focus provided in technology, geography and leadership, the management is confident that L&T Infotech has gathered the right momentum for 2015-16 and beyond.

# Technology Services Business



Knowledge City, Vadodra. L&T Technology Services has centres in India and USA - providing design and development solutions for varied sectors

## Overview:

Technology Services Business is housed in L&T Technology Services Limited (LTTS or the Company), a 100% subsidiary of the Larsen & Toubro Limited, and forms part of the IT & Technology Services segment of Larsen & Toubro. The company offers design and development solutions throughout the entire product development chain across various industries such as Industrial Products, Medical Devices, Transportation, Telecom and Hi-tech and Process Industry. The company also offers solutions in the areas of Mechanical engineering Services, Embedded Systems Services, Product Lifecycle Management (PLM), Engineering Analytics and Power Electronics and M2M and the Internet of Things (IoT).

During the year, the Company maintained its focus on adding new accounts and mining existing key customers. The Company added 27 new clients to its portfolio while

maintaining a focus on growing existing clients. Of its total client base, 54 clients are Fortune 500 companies.

## Business Environment:

The engineering services market is rapidly changing as disruptive technologies are impacting the current paradigm. With more than 30+ billion connected devices expected in the next five years, the IoT/ M2M market is causing all our clients to explore new ways to develop new products and leverage new business models to monetise their respective value chain. The shift to digital manufacturing, 3D printing, and virtual factory /modelling and innovative and simplistic industrial designs is becoming real now.

As per Gartner, global spend in engineering services will reach \$1.4 trillion by 2020 and the 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.



As technologies converge and find applications across industries, mega trends impacting the outsourcing industry are:

- Connectivity - Connected Cars, Connected Flights & Connected medical Devices bring efficient performance to the entire ecosystem
- Miniaturisation – Population explosion in fast growing cities results in space and energy constraints. Consequently, products need to reduce form factor and reduce energy consumption.
- Localisation – User specific features suitable for local markets.
- Digital Engineering – Simulation and modelling allows design reviews before prototypes are created. This saves costs, effort and time in the product development life cycle.
- Software Led Differentiation – General purpose industrial grade electronics has become very powerful and allows development of software based features that create the much need differentiation for products in the market-place.

LTTs 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.

### Significant Initiatives:

LTTs is riding the wave of change in technology markets and adopting innovative solutions while building new competencies. In order to traverse from Services to Solutions trajectory, L&T Technology Services has initiated Proofs of Concepts (POCs) and setup several labs to enable growth in each of the key areas to drive innovation and get technological advantage. New Centres of Excellence in the areas of engineering analytics and power electronics and focus on Internet of Things (IoT) and Machine to Machine (M2M) has allowed LTTs to capitalise on these changes and enable rapid growth.

LTTs has several alliances and industry partnerships some of which include AUTOSAR (Automotive Open System Architecture), National Instruments, Siemens, Dassault Systems, PTC, and Texas instruments.

In 2014, LTTs was acknowledged amongst the four leading global Engineering Research and Development (ER&D) service providers in the Zinnov Consulting 2014

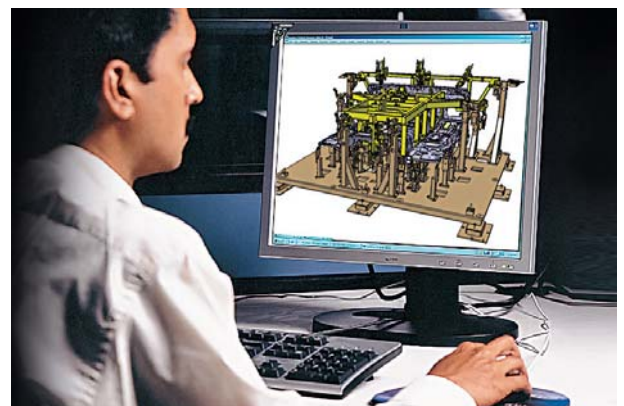
survey measured by specialisation, R&D practice maturity, and innovation and IP eco-system linkages. The survey also placed 6 of the company's verticals in the leadership zone and the Industrial Products vertical in the Leadership Zone for the fourth time in a row. Gartner also recognised the company as one of the key vendors to watch as an IoT, SI and engineering service provider as well as one of the few companies offering integrated energy management solutions.

Awards and Accolades:

- LTTs, received the 2014 Excellence in Engineering Services Award from Frost & Sullivan. Frost & Sullivan recognised L&T Technology Services for its use of next generation technologies for innovation and to increase customer value in the area of engineering design.
- The company was also awarded the "Quality Excellence Award in Product Development" by the National Quality Excellence. These awards are instituted to encourage the Quality competition and is aimed at giving recognition to industries for best quality in product development.
- The company also won an award for Best Software testers by Unicom at the World conference on next generation testing.

During the year 2014-15, LTTs entered into a Joint Venture with Thales Software India, the Indian subsidiary of Thales, the global technology leader in aerospace, transportation and defence and security markets. The majority stake holding adds leverage to LTTs's growing competencies and expertise in high-end avionic software.

In order to expand its footprints within North America, the company acquired Dell Engineering Services during the



*Engineering services that enhance efficiencies and reduce costs*

year. The strong complimentary capabilities of both the organisations in Mechanical Design, Embedded Electronics, and Manufacturing will add synergies while sharing a number of relationships in multiple vertical segments with key clients. The acquisition will also strengthen LTTs's global position in the USD 4 billion transportation engineering research & development market and will help widen its reach in with the new local delivery center in North America.

Quality processes and projects at LTTs are benchmarked and certified to ISO 9001, CMMI Level 5, AS 9100 C for Aerospace projects and ISO 13485 for medical projects.

The professionals are the most important assets of the Company. The Company believes that the quality and level of services that these professionals deliver is highest in the global engineering technology services industry and the Company is committed to remain among the industry's leading employer. During the year, the Company added (net) 321 employees and the closing headcount as of March 31, 2015 was 9327.

### **Outlook**

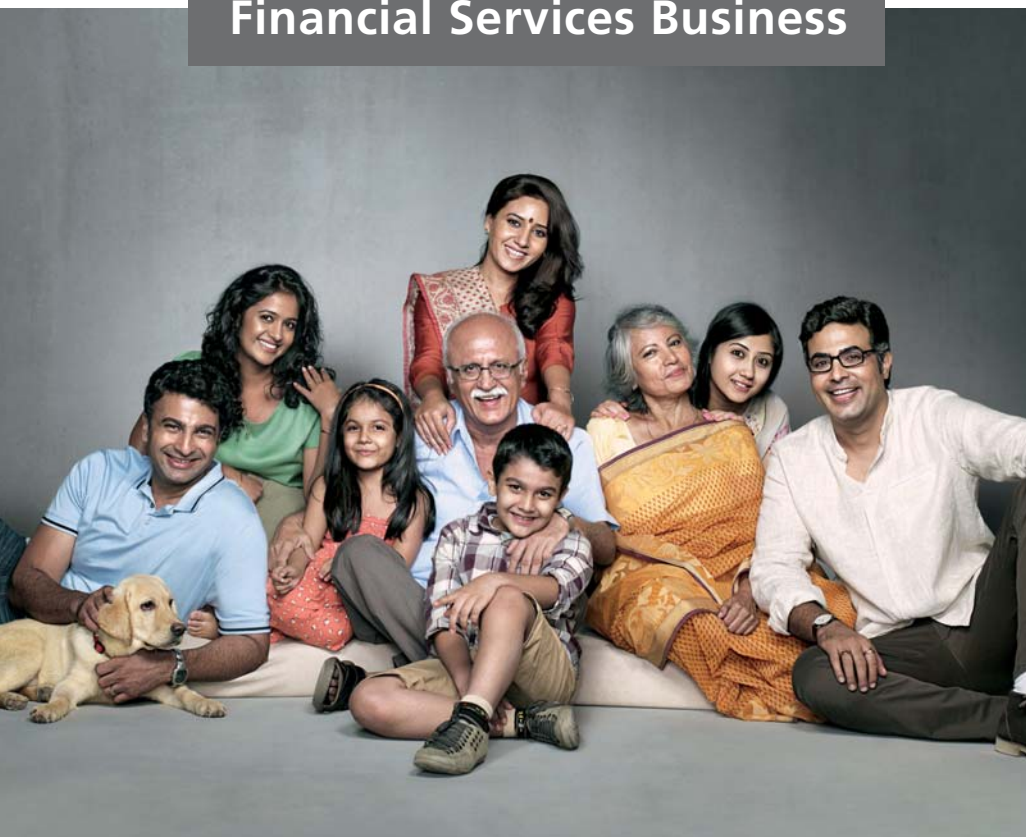
Though Global GDP growth in 2015-16 is expected to be moderate, the global market for Engineering Research & Development (ER&D) services is expected to defy the economic downturn. Demand from sectors including computing systems, medical devices, energy and infrastructure is fuelling the ER&D market, and providers in emerging economies, led by India, are poised to gain share

as multinational corporations seek to invest in innovation and drive future growth.

Indian Engineering Service Providers (ESP) today have embraced the global outsourcing model for better growth prospects. With the R&D spend in various sectors increasing in the coming years, the Indian ESPs have good opportunities in the area of Automotive, Consumer Software & Industrial Automation sectors. Outsourcing is expected to increase in Consumer Electronics and Semiconductor sectors. This opportunity along with the strengths of the Indian ESPs like scalability of resources, cost effectiveness, maturity in offshoring, senior leadership engagement and design capabilities have resulted in customers increasing responsibility and accountability of the Indian ESPs. For Indian ESPs to move towards synergic partnerships, these strengths coupled with the changing business model trends like managed services and risk-reward models will be the levers which will help grow business.

Prospective growth for the outsourcing industry lies in the upcoming and ever changing technology impacting every sphere of human life. Key technology trends which have a significant impact in the near future include mobile internet, Internet of Things, Automation of knowledge work, Cloud technology, Advanced robotics, Autonomous & near-autonomous vehicles, Next-generations genomics, Energy storage, Advanced materials, Advanced oil & gas exploration & recovery, Renewable energy, etc.

## Financial Services Business



*The Financial Services business provides a range of financial solutions to rural, semi-urban and urban retail customers, as well as infrastructure developers, SMEs and corporates*

The Financial Services business segment comprises retail and corporate finance, housing finance, infrastructure finance, investment and wealth management business carried through the subsidiaries of 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 Company Limited.

### L&T Finance Holdings

#### Overview:

L&T Finance Holdings' business organised under verticals structured as the Retail and Wholesale Platform, Investment Management and Wealth Management business, is carried out through its wholly owned subsidiaries.

The Management's focus is to achieve a healthy return on equity (ROE) on a sustainable basis to deliver attractive returns to all stakeholders. It is part of the Company's vision and strategy to build a comprehensive financial services business, with certain of the products being its flagship products.

Despite the economic environment continuing to be challenging, the Company's loan book crossed ₹ 47000 crore, registering a healthy growth of over 17% on YOY basis. Consolidated income increased to ₹ 6337 crore from ₹ 5237 crore in the preceding year. Gross Non Performing Assets stood at 2.25% as compared to 3.18% in the preceding year. Net Non-Performing Assets also declined to 1.26% as compared to 2.29% in the preceding year.

#### Business Environment:

##### Retail Platform – Retail, Corporate and Housing Finance Business

Business of the retail platform, including retail, corporate and housing finance businesses is carried out through the company's 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 as well as consumer assets, working capital loans for SMEs, term loans for medium and large companies, loans under micro-finance, loans for purchase of homes and loans against property.



The product portfolio under the Retail Platform includes:

Consumer and Auto Loans	Small and Medium Enterprises	Mid and Large Corporations	Housing Finance	Microfinance
Farm equipment	Supply chain finance	Loans and Leases	Home loans	Joint liability loans
Two-wheeler loans	Term loans	Loan against Securities	Loan against Property	Micro individual loans
Small & Light Commercial Vehicles' loans (S&LCV)	Warehouse Receipt Finance		Loans for Construction	
Car loans	Commercial Assets (CE & CV)			

During the year 2014-15, while the market shrank by 13% in Farm Equipment business, the Company's Tractor



Our micro-finance business has uplifted and empowered over 8,00,000 rural women



Two-wheeler loans in urban and rural markets fulfil the desire for personal mobility

business grew by 13% facilitating an increase in the market share by 3%. What enabled this was a strong tie-up with some notable manufacturers in the industry. Similarly, in Two-wheeler loans, while the industry volume increased by 8% during the year 2014-15, the Company grew by 17% leading to an increase in its market share. This performance was facilitated by the Company's better penetration in existing locations and active efforts to extend the reach to new locations.

### Wholesale Platform – Infrastructure and Non-infrastructure Finance Business

The Wholesale Platform of the Company comprises of infrastructure financing and non-infra wholesale financing through three lending entities viz. L&T Infrastructure Finance Company Limited, L&T FinCorp Limited and L&T Infra Debt Fund Limited.

The Company's Wholesale Platform offers to customers, both fund based as well as fee based products and services that attempt to meet the requirements of infrastructure and industrial financing in India. While each segment/company of the Wholesale Platform business has its own performance indicators and clientele, they work together to position the Wholesale Platform as a leading infrastructure, industrial and corporate solutions provider in India.

Businesses under the Wholesale Platform of the Company are organised broadly under Project Finance Group, Industrial / Corporate Finance Group and Financial Advisory Services Group (including Debt and Equity Advisory services).

Project Finance Group (PFG) appraises infrastructure projects and borrower groups, of varying complexities and provides innovative financial solutions & products to meet the requisite tenor and cash flow-based structuring requirements of customers. Over the last eight years, the Group has been able to provide financing to several large and medium-sized business groups in the country. The Group had addressed the requirements of key sectors with specific reference to Energy, Transportation, Telecommunications, Industrial Finance and others. Financing solutions are provided to projects under construction as well as refinancing solutions to operational infrastructure projects.

The Industrial/ Corporate Finance Group provides vendor finance, dealer finance, corporate debt and capital market products including loans against shares to a wide set of borrowers/ customers.

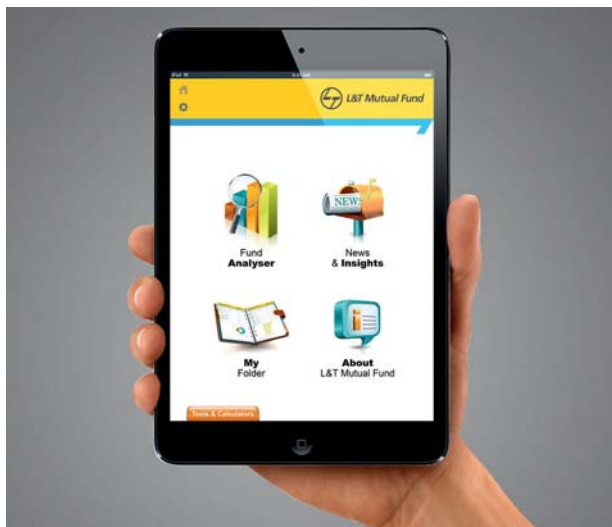
Business assets of the Wholesale Platform grew to over ₹ 22000 crore in the year 2014-15, registering a growth of over 26% over the preceding financial year.



*L&T Infra Finance has evolved as a specialized project financier and is a leading name in the renewable energy and road sectors*

### Investment Management Business

The Investment Management business of the Company is carried out through L&T Investment Management Limited (L&T IM), a wholly owned subsidiary. During the period under review, average assets under management grew by 23% to ₹ 22497 crore for the quarter ended March, 2015 versus ₹ 18255 crore for the corresponding period in the previous year. This was achieved through a combination of several positive factors such as consistent fund



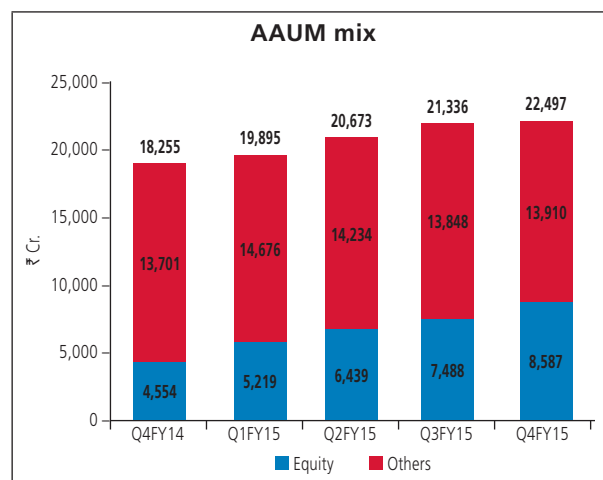
*GoInvest, the first mutual fund application of its kind, allows portfolio access and latest valuations on Facebook*

performance, three new and unique product offerings, effective cost management and strong risk management.

Equity mix for the Company increased to 38% in the quarter ended March, 2015 compared to 25% in the same quarter last year, better than industry asset mix of 32%. Average equity assets under management increased by 85% during the year 2014-15 to around ₹ 8600 crore. Market share in gross sales more than doubled during FY 2014-15 as compared to the previous year.

Most of the Company's funds consistently outperformed their benchmarks across one, three and five year period. In particular, nine out of ten equity oriented schemes (having a performance track record of more than one year) were in the top two quartiles with five schemes in the top quartile. In the fixed income segment, seven out of nine schemes were in the top two quartiles.

The initiatives taken during the year combined with a strong investment performance resulted in a consistent market share of 2%, an industry rank of 13 and investor folios of over 800,000 as on March 2015.



*Mutual Fund investments are subject to market risk, read scheme related information carefully before investing.*

### Wealth Management Business

The Company's Wealth Management business is carried out through L&T Capital Markets Limited -- its wholly owned subsidiary addressing the needs of Ultra High Net worth (UHNI) and High Net worth (HNI) individuals through the Company's Private and Premier Wealth channels.

The business has grown well on the back of its business model built on the fundamental tenets of client centricity, intellectual property and execution efficiency. Average assets under service for the quarter ended March 31, 2015



grew to ₹ 6966 crore, depicting an increase of 39% from ₹ 5019 crore for the corresponding period in the previous year. The Company's Wealth Management business has a customer base of over 3,000 and is operational in Mumbai, Delhi, Bangalore, Chennai, Hyderabad, Chandigarh, Ahmadabad, Baroda and Pune. During the period under review, the Company initiated its foray offshore and set up a representative office in Dubai in the DIFC campus.

#### **Significant Initiatives:**

In the retail lending business, the major initiatives undertaken were as follows:

- Consistent focus to grow in B2C segments, through expansion in existing product lines and entry into new business
- Implementation of automated rule- driven credit evaluation for 2 wheeler loans
- Facilitation of convenient retail EMI payments for our customers through tie-ups with payment collection services
- Implementation of unified data warehouse across all retail entities and products

In the investment management business, the Company undertook many notable initiatives which included

- Introduction of 3 unique products for the investors
- The Company also launched India's first mutual fund application on facebook called GoInvest which would allow investors to view their L&T Mutual Fund portfolios with latest valuations.

#### **Outlook:**

Over the last one year, India's new government took several steps to unshackle binding growth constraints. In particular, it cleared many infrastructure bottlenecks, sped up decision-making, fast-tracked project clearances, cut red tape and sorted out mining issues. Nevertheless, several multilateral think tanks observe that the pace of reforms will need to be stepped up to bridge the yawning infrastructure gap, unlock private investments, make Indian firms globally competitive and strengthen the balance sheets of financial intermediaries. While there has been some improvement in the economic environment, a longer timeframe is expected for the revised policies, legislation and regulation to translate into fresh capital expenditure and new projects in several sectors.

### **L&T General Insurance**

#### **Overview**

L&T General Insurance achieved a Gross Written Premium (GWP) of ₹ 344 crore (Previous Year ₹ 270 crore) thereby registering a growth of 28% over the previous year.

The company made significant foray into Private Motor and Retail Health Insurance and its products have been well received in the market. Motor remains the largest contributor to the GWP with a share of 60%. Health and other Commercial lines of business (primarily Fire and Engineering) contributed 14% and 26% of the total GWP respectively. L&T General Insurance has a pan India presence with 15 branches.

#### **Business Environment**

General insurance industry (excluding specialised insurers such as AIC and ECGC) reported a subdued growth of 10.80% in GWP from ₹ 72853 crore in the year 2013-14 to ₹ 80696 crore in the year 2014-15. The growth in premium for private players has slowed down to 11.3% in year 2014-15 against 15% in the previous year, whereas for the PSUs, the growth has remained constant at 10.3%. In spite of the slowdown in growth rate, which can be attributed to subdued auto sales and lack of new infrastructure projects in the year 2014-15, the private players have retained their market share of 47%.

Along with a lower top line growth, the year was marked by two major natural catastrophes - the Hudhud cyclone that hit the Andhra coast and floods in the Kashmir Valley, which negatively impacted the profitability of the industry for the year 2014-15.

Motor and Health lines of business are the fastest growing segments and account for 46% and 24% of the industry's GWP respectively.

#### **Significant Initiatives**

The extensive use of the robust technology platform coupled with improvement in process efficiencies resulted in better productivity levels for the Company. This will further help the Company to optimize its operating costs in future.

#### **Outlook:**

Insurance Laws (Amendment) Bill, 2015 was passed by both houses of the Parliament in March 2015 and a number of regulatory changes are expected from IRDAI. Low insurance penetration in terms of premium percentage to GDP, growth in urbanisation and further economic recovery is expected to improve the growth of industry in the year 2015-16. Health insurance is expected to demonstrate a strong growth due to demographics, provision for specialised players and government's focus on health insurance and Motor insurance is expected to maintain its leading position amongst various segments. 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 - the world's largest Public-Private-Partnership (PPP) project in the metro sector*

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 monetise assets at an appropriate time for capital and also for realisation 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 17 projects with 7800 kms at an estimated project cost of ₹ 187,000 crores. Of these, 13 projects are under operation and 4 projects are under implementation.

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.

Roads & Bridges:	
	No. of Projects : 17 nos. Lane Kms : 7,800 kms Est. Project Cost : ₹ 187 Bn
	13 Operational Projects (including 1 Annuity Project) 4 Implementing Projects (including 1 Hybrid Project)
Metro:	
	No. of Projects : 1 nos. Length of Rail Line : 71 kms Est. Project Cost : ₹ 170 Bn
	Development of Metro Rail and Transit Oriented Development in Hyderabad
Ports:	
	No. of Projects : 1 no. Capacity : 3.5 MTPA Project Cost : ₹ 1.25 Bn
	One Berth in Haldia with minority stake
Transmission Line:	
	No. of Projects : 1 no. Capacity : 2,400 MW Project Cost : ₹ 13.50 Bn
	"Transmission System for Power evacuation" from Kudgi TPC (3x800 MW) of NTPC Ltd. at Karnataka Scheduled COD - Dec 2015.
<b>Total No. of Projects: 20 nos; Project Cost: ₹ 371.24 Bn</b>	

### Business Environment:

The Indian Infrastructure sector is likely to get major boost from the Government's focus on development of infrastructure in India. While the recovery in the sector is likely, it would be gradual as majority of players are still burdened with highly leveraged balance sheets and stalled or slow moving projects. Furthermore, if structural constraints like uncertainty in land acquisition, delays in approvals, and inadequacy of long term funding avenues are not tackled swiftly, the project implementation on the ground may not gather momentum, thereby delaying recovery in the infrastructure sector. In addition, aggressive bidding in the past and inability or limited ability to raise equity for BOT projects have also impacted viability of infrastructure projects. Difficulty in achieving financial closure and overall weak macro-economic environment has also reduced the risk appetite of developers towards new projects. With the political stability, sharper focus on infrastructure development and improvement in economy,

new projects announcements by both the public and private sector are likely to pick-up in coming years.

During the year 2014-15, many steps have been taken to improve funding avenues to the infrastructure sector. The key policy measures include easing of FDI norms for Construction, Railways, and Defence, liberalisation of ECB policy, and providing incentives to promote InvITs. RBI has also taken multiple steps to ease funding availability to infrastructure project. Some of the key ones include providing incentives to banks in the form of exemption from CRR/SLR for long term bonds raised to lend to infrastructure sector, flexibility in refinancing norms for infrastructure projects. Besides, the Union Budget has also allocated higher funds towards public sector infrastructure projects.

In the Union Budget for 2015-16, the capital outlays for roads, and railways have been increased by ₹ 140.3 billion and ₹ 100.5 billion respectively which along with significantly higher road cess will enable higher public spending towards these infrastructure projects. In total, investment in infrastructure is proposed to be increased by ₹ 700 billion in FY 2015-16 (BE) over FY 2014-15 (RE). Recognizing the need of reviving private sector participation in infrastructure projects, the Union Budget has proposed rebalancing of risks in PPP projects with Government taking up major risks, appointing an Expert Committee for analysing the possibility of and replacing multiple prior permissions with a pre-existing regulatory mechanism, and rationalizing dispute resolution mechanism.

In order to improve funding options, alternate funding sources like Infrastructure Debt Funds (IDFs) and Alternate Investment Funds (AIFs) were introduced in the past to tap into other source of savings like Insurance and Pension Funds so as to accelerate and enhance the flow of long term funds. In this regard, the recent initiative in the form of Infrastructure Investment Trusts (InvITs) may help in channelising long term funds into the sector and in releasing developers' capital for further deployment in new projects. Moreover, InvITs could play a vital role in providing wider long-term refinance avenue thereby providing headroom for banks for new funding requirements.

To make highway projects financially viable and attract large number of bidders, the ministry of road, transport and highways has suggested a hybrid model wherein the National Highway Authority of India would finance up to 40 per cent of the total project cost. As per the model, 40 per cent of the total project cost (TPC) is to be provided by the authority (NHAI) to the concessionaire (highway developer) during the construction period in the form of 'Construction Support'. The concessionaire would be required to bear the balance 60 per cent of the project cost through a combination of its equity contribution and



debt raised from the market. In the past aggressive bidding and faulty traffic projections have led to many projects becoming financially unviable. Under the proposed model, the total cost for the concessionaire (highway developer) would be only up to 60 per cent of the total project cost. NHAI has also come up with implementation of RFID technology, for automation of toll collections.

#### **Significant Initiatives:**

L&T IDPL has set up internal task forces and project monitoring groups to identify, prioritise & resolve challenges faced by certain projects in the roads portfolio. L&T IDPL has also made significant strides to improve performance by help of steps such as arresting leakage of traffic on Project roads by improving awareness about reduction in travel time by usage of toll roads and partnering with local Authorities to close evading routes to Toll Plazas. L&T IDPL is working with Gujarat State Government to devise innovative solutions within ambit of Concession Agreements to improve operational performance of State Government road projects in Gujarat. Results of these initiatives are expected to bear fruit from the year 2015-16.

#### **Road Sector overview:**

During the year 2012-13, the company had signed concession agreement for execution of two projects in the state of Maharashtra. Delay in land handing over, however, resulted in delay of project implementation works which in turn resulted in substantial increase of project cost. To de-risk impact of such delays, termination agreements were signed on 22nd September 2014 for L&T East West Tollway Limited and L&T Great Eastern Highway limited in the state of Maharashtra.

Recently, NHAI established a central clearing house for Electronic Toll Collection (ETC) in an effort to reduce

congestion at toll plazas and to enable seamless movement of vehicles on the countrywide national highways. L&T IDPL is among the first Concessionaires to fully exploit the new Electronic Toll Collection system across all SPVs/Projects. Now the commuter will be able to pass through L&T IDPL's as well other concessionaires stretch without stopping at toll plazas with a single unique RFID TAG/Account.

The unique RFID TAG affixed to the vehicle windshield will be scanned by RFID reader mounted on ETC lane at toll plazas and toll will be deducted from their account automatically. The new ETC system mitigates the risk associated with toll violation, leakages and Operation & Maintenance expense

During the year, the two road subsidiaries achieved Partial COD (Commercial Operations Date) - II for Pimpalgaon Nashik Gonde (PNG) in March 2014 and Devihalli Hassan (DHTL) in December 2014. This has led to an increase in Total Revenue Collections from Road Projects. Appointed date was declared for two projects: Deccan Tollways (DTL) in April 2014 & Sambalpur Rourkela (SRTL) in June 2014. Construction work is underway in full swing in both the Projects.

Construction has been completed for Krishnagiri-Walajahpet road project and Samakhiali-Gandhidham road project and accordingly assets have been capitalised.

Major maintenance works were completed for five road projects i.e., Vadodara-Bharuch Tollway, Panipat Elevated corridor, Western Andhra Tollway (Jadcherla-Kothakota), Interstate Road Corridor (Palanpur-Swaroopganj) and Krishnagiri-Thopur Tollway. This enhances the asset quality, usability and riding quality of the roads.



*The six-lane, 148.34 kms stretch of road on NH-46 from Krishnagiri to Walajahpet in Tamil Nadu*



*Kudgi Power Transmission Line project, Karnataka*

The total revenue from Toll Operations during the year 2014-15 aggregated to ₹ 1177 crore as against the corresponding figure for the year 2013-14 of ₹ 936 crore recording a growth of 25.7% over the previous year.

Larsen & Toubro Limited and Canada Pension Plan Investment Board (CPPIB) have entered into a definitive investment agreement in June 2014. The agreement was made between L&T and a wholly-owned subsidiary of CPPIB, for investment into L&T Infrastructure Development Projects Limited. CPPIB, through a subsidiary, has made an initial investment of ₹ 1000 crore in L&T IDPL on December 16, 2014 by way of subscription to compulsorily convertible preference shares.

A second tranche of ₹ 1000 crore or such higher amount as may be agreed between L&T IDPL and CPPIB's subsidiary, will be invested after twelve months from the date of the initial investment, subject to any required regulatory approvals at such time. This is the first direct private investment by a Canadian pension fund into an Indian infrastructure development company.

The Company had issued Commercial Papers during the year and also Letters of Credit to vendors/contractors providing goods/services for the Sambalpur-Rourkela road project, Kudgi transmission line project and major maintenance works. During the year, credit ratings for 6 projects were enhanced based on growth in toll collections.

L&T IDPL had entered into a Share Purchase Agreement on 16th May, 2014, for sale of its equity stake in M/s. Dhamra Port Company Ltd. The divestment was completed in June 2014.



*Unloading operations on a Cape size vessel berthed at Dhamra Port, Odisha*

**Outlook:**

The recovery in the infrastructure sector is expected to be gradual and would be linked with on-ground impact of the policy measures as well as availability of funding.



With high leverage, ability to raise funds via stake sale in subsidiaries, monetisation of assets, or dilution of equity will be key in improving liquidity and capital structure of infrastructure companies that have been aggressive in the BOT space in past. The sector would be raising funds through equity route like Qualified Institutional Placement (QIP)/Rights issue/Warrants/Preference shares or sale of stake at the SPV or holding company level to reduce overall indebtedness at the Group level. The likely reversal in the interest rates cycle would also provide some respite.

L&T IDPL expects an increase in its revenues by achieving COD in L&T BPP Tollway Limited and continuous efforts to curb violations & diversions on existing projects. L&T IDPL also expects bidding activity to pick up in the sector after necessary reforms are undertaken by the Government to improve the business environment and fix policy issues. This intermediate time provides an opportunity to L&T IDPL to strengthen its portfolio, financial footing & prepare itself in time for next round of project awards by Government on BOT mode. L&T IDPL is well placed to increase its presence in the PPP transportation infrastructure and transmission line sector.

#### **L&T PDL Group: Overview**

L&T Power Development Limited (L&T 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:

Name of Project	Capacity (MW)	State	Name of Subsidiary	Current Status
Singoli-Bhatwari Hydro Electric Project	99	Uttarakhand	L&T Uttaranchal Hydropower Limited	Advanced stage of construction
Tagurshit Hydro Electric Project	74	Arunachal Pradesh	L&T Arunachal Hydropower Limited	Detailed Project Report submitted
Sach-Khas Hydro Electric Project	267	Himachal Pradesh	L&T Himachal Hydropower Limited	
Reoli-Dugli Hydro Electric Project	430	Himachal Pradesh	L&T Himachal Hydropower Limited	
<b>TOTAL</b>	<b>870</b>			

#### **Thermal Power Projects – Nabha Power Limited (NPL)**

NPL is a 2X700 MW supercritical thermal power plant at Rajpura, Punjab. This is the first development project 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 (erstwhile PSEB) for a period of twenty five years under a Power Purchase Agreement (PPA). The plant is built on super critical technology of Mitsubishi, Japan. It is the first 'made in India' supercritical power plant to be commissioned and made operational in the country.

The plant sources its fuel from South Eastern Coalfields Ltd. (Subsidiary of Coal India Limited) under a 20 year Fuel Supply Agreement (FSA). The company has also secured approvals to arrange coal from alternative sources to make up for any shortage in supply of coal under the FSA. Bhakra-Nangal distributary is the perennial source of water for the plant under an allocation by the state irrigation. The plant is operated by an in-house experienced team of operations and maintenance professionals

First unit of 700 MW had already commenced commercial operations in Feb – 2014 and the second unit of 700 MW commenced operations during the year in July 2014. The power plant is running successfully for over a year with a technical availability of over 90% in first year of operations.

#### **Business Environment:**

The year 2014-15 continued to witness challenges in the areas of coal supply and regulatory uncertainty. Lack of adequate rail infrastructure in the country also posed challenges in fuel supply chain.

Power Generation Capacity additions have accelerated in the recent years which in turn have propelled the demand for coal. As a result, despite an increase in the coal production, there is still significant dependence on imported coal. Fast tracking of coal block allocations and environment clearances are expected to augment domestic production. Development of ancillary sectors such as railways to support the capacity additions is also a key factor.

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:**

- Second Unit of 700 MW was commissioned and declared commercial operations on July 10, 2014 after successful completion of necessary tests under the PPA. First unit had already commenced operations in the year 2013-14.

- Over 90% off take of linkage coal under the Fuel supply Agreement achieved
- The company undertook significant initiatives to source coal from alternative sources to make-up for any intermediate shortfall in linkage coal with the approval of state regulator
- 100% of dry fly ash disposal achieved
- Refinancing the long term debt in its existing projects with a view to significantly reduce the interest cost
- CSR initiatives in the area of development of village infrastructure, education, skill building, enhancing gender ratio, health and environment were implemented during the year
- The company has built a committed team of professionals experienced in the field of operations and maintenance of power plants. Special emphasis is given to training and development of the workforce through various training programs. In addition to the competency building programs, the company also focusses on soft skills and leadership development.

#### **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 further increase by the year 2016-17.

Punjab is power surplus for 7-8 months in a year. With energy demand expected to grow and no further capacity additions being planned, the system may be deficit again in the medium term.

Maximising the plant availability, improving operational efficiency, settling the regulatory issues, ensuring adequate fuel availability, cost competitiveness and focus on construction activities for its Singoli-Bhatwari hydel project are identified as the thrust areas for the year 2015-16.

#### **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.

#### **Business Environment:**

India has 13 major ports and about 200 non-major ports. Cargo traffic, which was 976 million metric tonnes (MMT) in 2012 is expected to reach 1758 MMT by 2017. The Indian ports and shipping industry plays a vital role in sustaining growth in the country's trade and commerce. India currently ranks 16th among maritime countries, with a coastline of about 7517 km. Around 95 per cent of India's trade by volume and 70 per cent by value takes place through maritime transport, according to the Ministry of Shipping.

The Indian government continues to support the ports sector. It has allowed foreign direct investment (FDI) of up to 100 per cent under the automatic route for projects regarding construction and maintenance of ports and harbors. It has also facilitated a 10-year tax holiday to enterprises engaged in developing, maintaining and operating ports, inland waterways and inland ports.

During the year, Kattupalli Port operations continued to remain affected owing to lack of export connectivity on customs side due to delays in the necessary government approvals which led to the traffic in the port remaining very subdued. The relevant export connectivity approval has since been issued in January 2015 for the EXIM trade allowing the Container Freight Station (CFS) at Kattupalli to select Kattupalli port for exports as well as imports.

Kattupalli port achieved the milestone of handling 100000 tons of Steel project cargo at the facility since it started Break Bulk Operations in April 2014.

#### **Outlook**

The shipping lines and other CFSs have now begun to seriously evaluate Kattupalli Port for EXIM trade. Given the issues of traffic congestion at Chennai port, the prospects for Kattupalli port are quite encouraging. A few shipping lines have already commenced their operations through Kattupalli Port while many more enquiries are coming in. During the year 2015-16, Kattupalli port is targeting to achieve a volume of between 3,00,000 to 4,00,000 TEUs.

There is a strong interest from Roll on Roll off (RoRo-Import/Export of cars) operators to shift to Kattupalli port. Kattupalli port has received all clearances to handle RoRo cargo in March 2015 and is targeting to achieve a volume of 6000 cars per month in the year 2015-16.

## Financial Review 2014-15

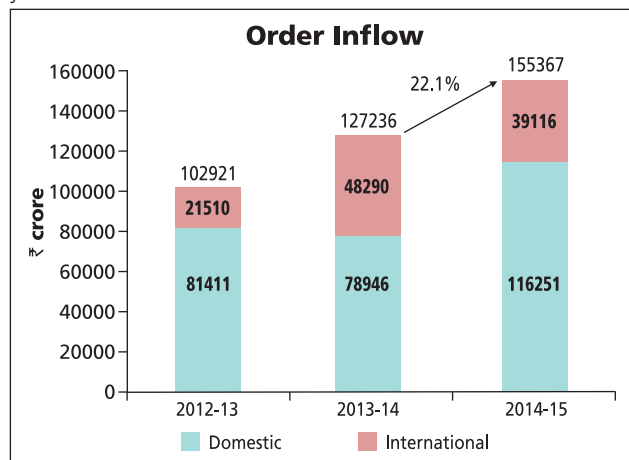
### I. L&T CONSOLIDATED

#### A. PERFORMANCE REVIEW

As at March 31, 2015, L&T Group comprises of 130 subsidiaries, 11 associates and 18 joint venture companies. Most of the group companies are strategic arms of project and product businesses of L&T. They provide reach to different segments in the value chain of the respective businesses and also access to new geographies. Certain distinct service businesses such as Information Technology, Technology Services, Developmental Projects and Financial Services are housed in the subsidiary and associate companies of the Group. L&T Finance Holdings Limited is the listed subsidiary of L&T with a number of group companies under its umbrella operating in the financial services sector.

The Company has exercised the option as per clause 41 of the Listing Agreement and started publishing consolidated financial results on a quarterly basis effective April 1, 2014. Consolidated financial reporting on a quarterly basis provides superior quality of information of the Group's performance to the various stakeholders at large.

The Group garnered fresh orders totaling to ₹ 155367 crore for the year 2014-15 registering significant growth of 22% over the previous year, despite challenging business environment. Increase in order inflow was driven by domestic orders. Power Transmission and Distribution, Power, Metallurgical & Material Handling and Heavy Engineering businesses contributed to the order inflow growth during the year. Infrastructure segment contributed to 55% of the total order inflow. The Company, while focusing on the improving domestic market, was selective in pursuing international opportunities and this is reflected in the lower share of international orders which stood at 25% of the total order inflow in 2014-15 compared to 38% in the previous year.

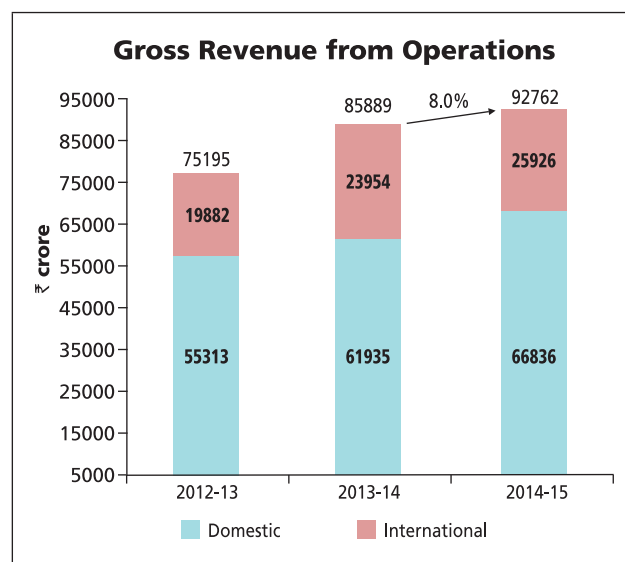


The Order book as at 31st March 2015 stood at ₹ 232649 crore providing strong revenue visibility for the next couple of years. Building & Factories, Heavy Civil Infrastructure and Transportation Infrastructure businesses contributed major part of the order book. The order book registered a growth of 28% over the previous year. The international orders constitute 26% of the order book as at 31st March 2015.

#### Revenue from Operations

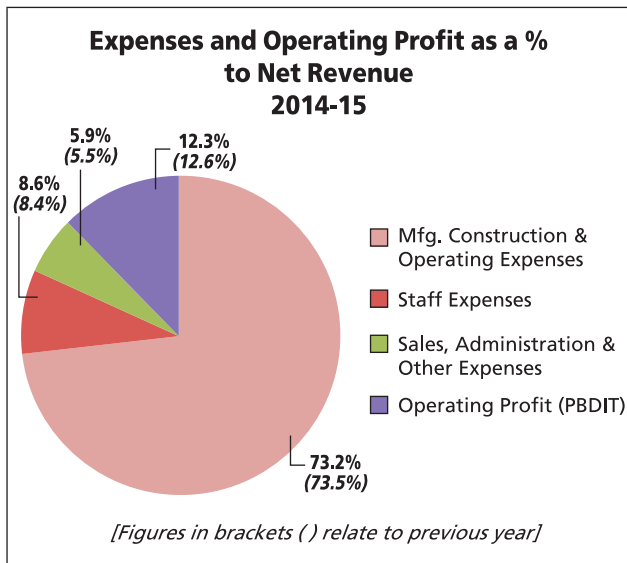
The consolidated revenue at ₹ 92762 crore for the year 2014-15 registered a growth of 8% over the previous year. Infrastructure, Information Technology & Technology Services (IT & TS), Financial Services and Realty businesses recorded healthy y-o-y growth. The overall revenue growth at group level was moderated by decline in revenue recorded by Power, Metallurgical & Material Handling, Heavy Engineering and Hydrocarbon segments operating with a reduced Order Book in investment constrained sectors. Lower industrial demand impacted sales by Electrical & Automation and Industrial Machinery businesses.

Revenue from International business constitutes 28% of total revenue of the Group.



#### Operating Cost and PBDIT

Manufacturing, Construction and Operating (MCO) expenses at ₹ 67294 crore for the year 2014-15 increased by 7.5% over the previous year. These expenses mainly comprise cost of construction & other materials, subcontracting expenses, manpower costs of IT&TS businesses and interest expenses of Financial Services business segment. On a relative basis, the MCO expenses reduced from 73.5% to 73.2% of net revenue aided to an extent by benign commodity prices during the year.



The Staff expenses for the year 2014-15 at ₹ 7922 crore increased by 11% as compared to the previous year mainly on account of pay revisions, payroll cost of new ventures and increase in marketing staff cost of the service businesses.

The total group manpower strength as on March 31, 2015 is 97466, which includes manpower in the operation of the IT & TS businesses at 26570. The total group manpower was 91477 as on March 31, 2014, which included manpower strength of 24052 in operation of IT & TS.

Sales and administration expenses for the year 2014-15 at ₹ 5453 crore increased to 5.9% of net revenue mainly due to warranty provisions, increase in mobilization costs for execution of new large projects in the Middle East and statutory provisions against non-performing and standard assets of Financial Services business.

Profit before depreciation, interest and tax (PBDIT) for the year increased to ₹11336 crore, reflecting 5.6% increase over the previous year. The EBITDA margin for the year at 12.3% is lower by 30 basis points as compared with the previous year on the back of operating losses of Hydrocarbon business.

#### Depreciation & Amortisation charge

Depreciation and amortisation charge for the year 2014-15 at ₹ 2623 crore reflects increase of 81% over 2013-14 during which ₹ 664 crore was written back towards amortisation charge. Depreciation for the year 2014-15 also includes additional charge due to revision in useful lives of assets as required by Schedule II of the Companies Act, 2014 and the impairment of two road projects surrendered during the year.

#### Other Income

Other income for the year 2014-15 amounted to ₹ 1007 crore as against ₹ 982 crore for the previous year. This mainly consists of profit on sale of current investments and interest & dividend income from treasury investments.

#### Finance cost

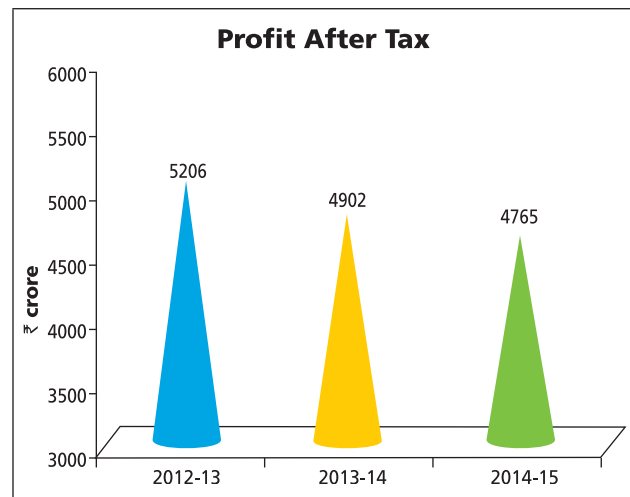
The interest expense for the year 2014-15 at ₹ 2851 crore was lower by 9% in comparison to ₹ 3138 crore for the previous year due to borrowing cost capitalisation and cessation of interest cost of a Power generating subsidiary upon commissioning of its plant during the year. The average borrowing cost for the year 2014-15 was maintained at 9.9% p.a. through effective refinancing and judicious mix of short and long term borrowings.

#### Exceptional Item

Exceptional item in the Statement of Profit & Loss represents gain of ₹ 348 crore on divestment of the Company's part-stake in L&T Finance Holdings Limited (L&T-FHL) and sale of a strategic investment by a subsidiary company.

#### Profit after Tax

The overall consolidated Profit after Tax (PAT) at ₹ 4765 crore for the year 2014-15 declined by 2.8% over previous year largely due to the operating losses incurred by Hydrocarbon business in its international jobs and also due to lower profits earned by Power, Metallurgical & Material Handling and Heavy Engineering businesses.

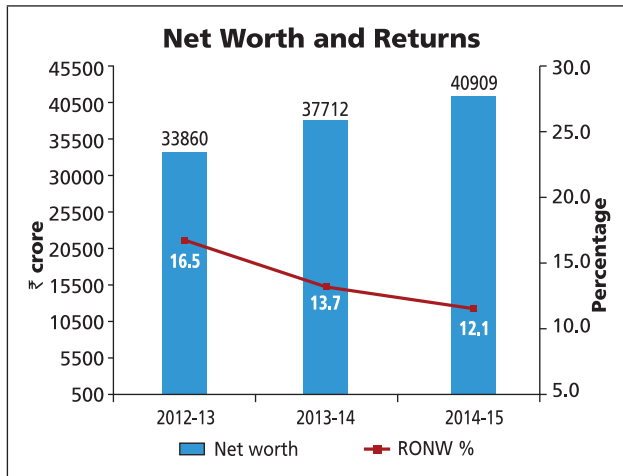


#### Earnings per share

Consequently, Consolidated Earnings per Share (EPS) including exceptional and extraordinary items for the year 2014-15 at ₹ 51.33 showed a decline of 3.1% over the previous year.

### Net Worth and Returns

The Net Worth of the shareholders at ₹ 40909 crore as at March 31, 2015 increased by ₹ 3197 crore as compared to the position as on March 31, 2014.



Return on Net Worth (RONW) for the year 2014-15 declined to 12.1% as against 13.7% for the previous year due to lower Profit after Tax during the year.

### Liquidity & Gearing

Cash accruals from operations at ₹ 6315 crore constituted the major source of funds during 2014-15 and registered an improvement over the previous year aided by relatively lower allocation to net working capital. Borrowings during the year (net of repayments) amounted to ₹ 4833 crore mainly related to Developmental projects business. During the year, L&T IDPL, raised ₹1000 crore through subscription by Canada Pension Plan Investment Board (CPPIB) in compulsorily convertible preference shares marking the first direct private investment by a Canadian pension fund into an Indian infrastructure development company. There has been a net cash inflow of ₹ 1805 crore mainly on account of sale of stake in subsidiaries / joint ventures during the year 2014-15. Dividend and treasury income contributed ₹ 471 crore to the cash generation during the year 2014-15.

The Group has incurred capital expenditure of ₹ 6771 crore during the year 2014-15. There has been a net increase of ₹ 1759 crore in the cash balances as on March 31, 2015 as compared to the balances as at the beginning of the year.

Fund Flow Statement	₹ crore	
Particulars	FY 14-15	FY 13-14
Operating activities	6315	(695)
Borrowings (net of repayments)	4833	9829
Net (investment)/ divestment *	1805	(686)
Payment (to)/from minority interest (net)	1871	893

Fund Flow Statement	₹ crore	
Particulars	FY 14-15	FY 13-14
Treasury and dividend income	471	560
Others	109	169
<b>Sources of Funds</b>	<b>15404</b>	<b>10070</b>
Capital expenditure (net)	(6771)	(6678)
(Purchase)/Sale of current investments	(977)	1269
Dividend paid	(1603)	(1418)
Interest paid	(3926)	(3905)
Others	(368)	1145
(Increase)/Decrease in cash balance	(1759)	(483)
<b>Utilisation of Funds</b>	<b>(15404)</b>	<b>(10070)</b>

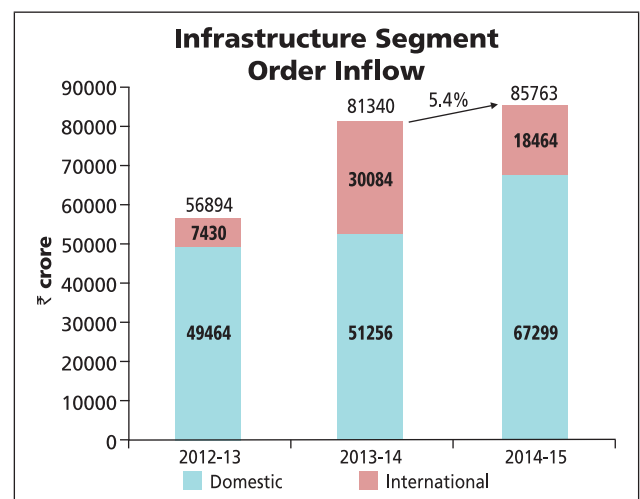
\* This includes (investment)/divestment of long term investments, consideration received on sale of stake in subsidiaries / joint ventures and net cash flows on loans / deposits made with associate companies and third parties.

The total borrowings as on March 31, 2015 stood at ₹ 90571 crore. The gross Debt Equity ratio increased to 2.21:1 as on March 31, 2015 from 2.13:1 as on March 31, 2014.

### B. SEGMENT WISE PERFORMANCE (GROUP)

#### 1. Infrastructure Segment

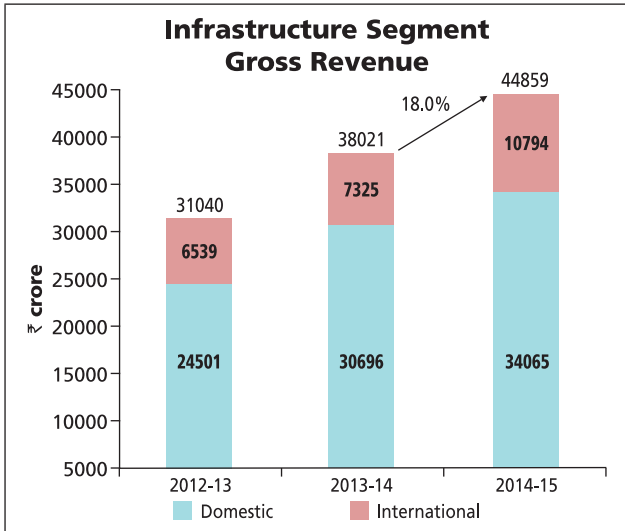
Order Inflow at the group level in the Infrastructure segment grew to ₹ 85763 crore for the year 2014-15 on higher base, driven by domestic orders. Power Transmission and Distribution business, with 35% increase in the order intake, contributed significantly to the order inflow growth of the segment. International orders constituted 22% of the total order inflow during the year.



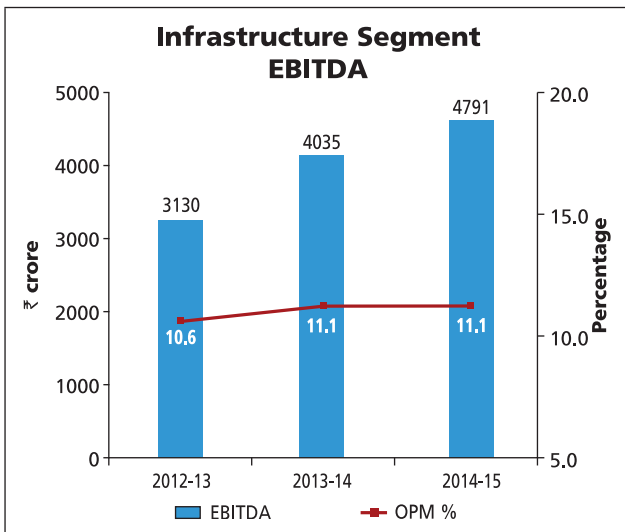
At Group level, Infrastructure segment recorded gross segment revenue of ₹ 44859 crore for the year 2014-15



registering 18% growth over the previous year driven by most businesses of the Infrastructure segment. Revenue from international operations constituted 24% of the total revenues of the segment during the year.



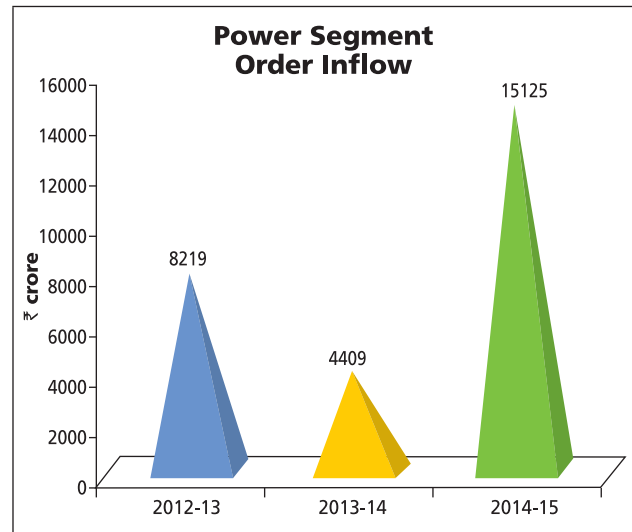
Infrastructure Segment Group EBITDA at ₹ 4791 crore for 2014-15 was higher by 19% over the previous year. Operating profit margin (OPM) was sustained at 11.1% during the year 2014-15 due to steady execution of the order book and effective operational cost management.



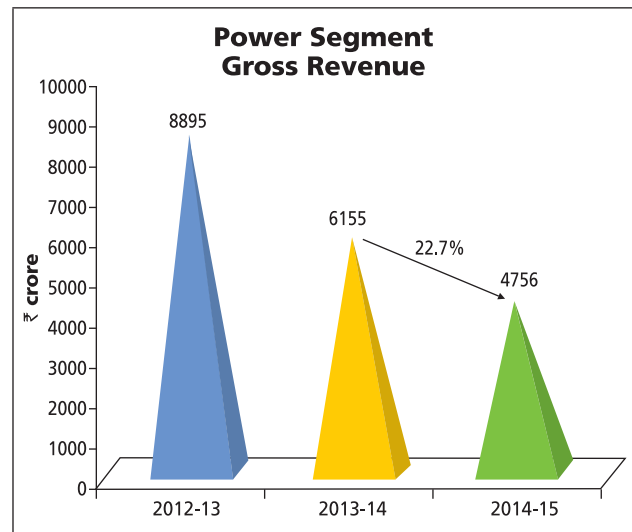
The Funds Employed by the Group segment at ₹ 14150 crore as at March 31, 2015 increased by 11% as compared to the position as on March 31, 2014 with increase in both capital expenditure and working capital.

## 2. Power Segment

Order Inflow at the group level in the Power segment at ₹ 15125 crore grew manifold on the back of large value turnkey orders secured from state utilities indicating early signs of recovery of the sector.

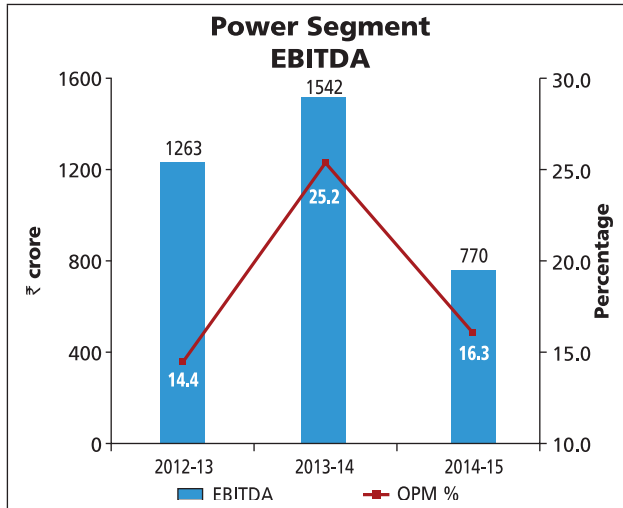


At Group level, Power segment recorded gross segment revenue of ₹ 4756 crore for the year ended March 31, 2015 recording a decline of 23% over the previous year due to lower opening order book and newly secured orders during the year being at early stage of execution.



The Group Segment OPM declined to 16.3% during the year ended March 31, 2015 vis-à-vis 25.2% in 2013-14 mainly due to under recoveries on lower levels of capacity utilisation during the year. Moreover, EBITDA

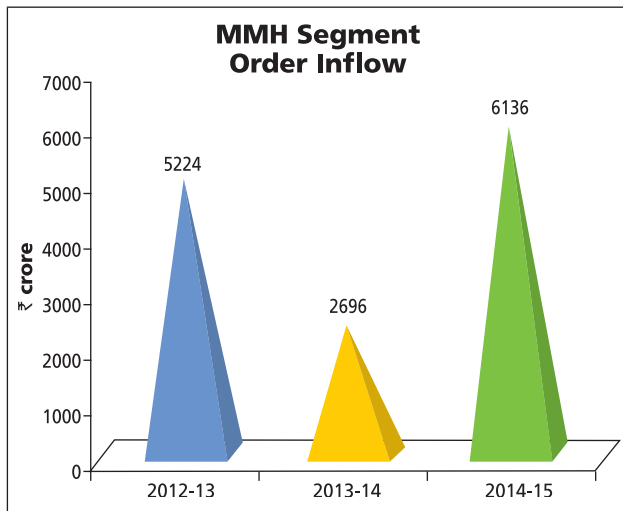
for the previous year provided a higher base effect due to realisation of margins on jobs nearing completion.



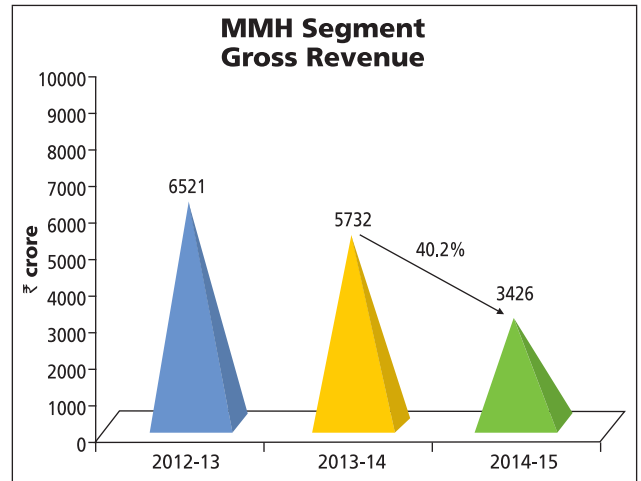
The Funds Employed by the Group segment at ₹ 2049 crore as at March 31, 2015 decreased by 16% as compared to the position as on March 31, 2014 on the back of higher customer advances on new order wins.

### 3. Metallurgical and Material Handling Segment (MMH)

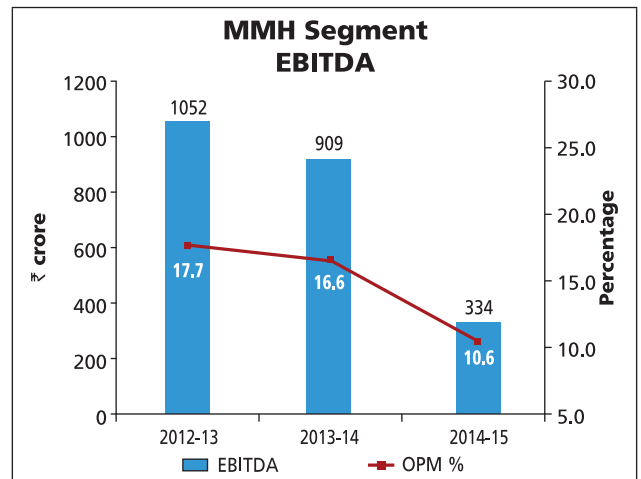
MMH segment recorded order Inflow of ₹ 6136 crore indicative of some improvement in the investment outlook in metals & mining sector.



At Group level, MMH segment recorded gross segment revenue of ₹ 3426 crore for the year ended March 31, 2015 registering a decline of 40% over the previous year due to depleted opening order book and delayed receipt of fresh orders during the year.



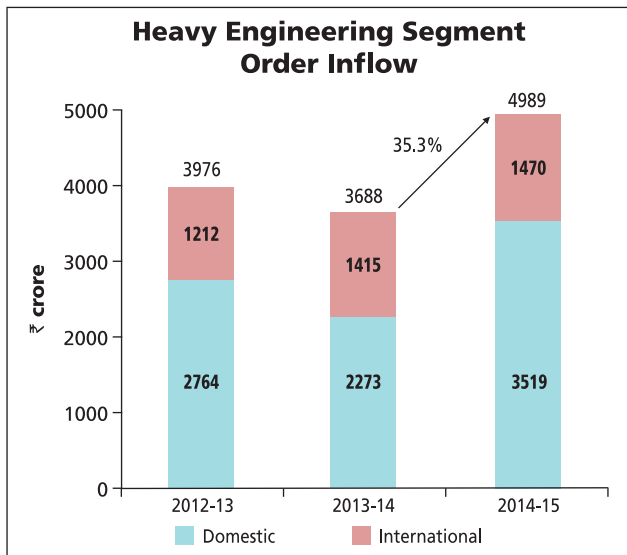
The Group Segment recorded decline in OPM at 10.6% during the year ended March 31, 2015 vis-à-vis 16.6% in 2013-14 due to under recoveries, delayed execution and cost overruns in certain projects in progress.



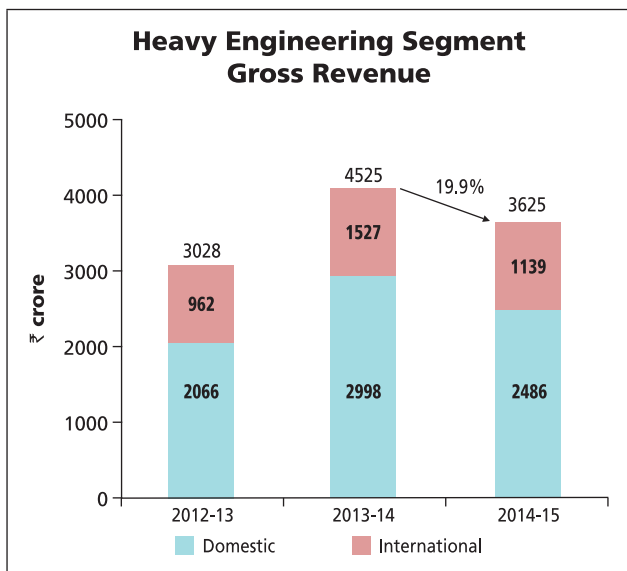
The Funds Employed by the Group segment at ₹ 3228 crore as at March 31, 2015 decreased by 2% as compared to the position as on March 31, 2014. The segment witnessed slower pace of realisation of receivables, as liquidity conditions remained challenging during the year.

### 4. Heavy Engineering Segment

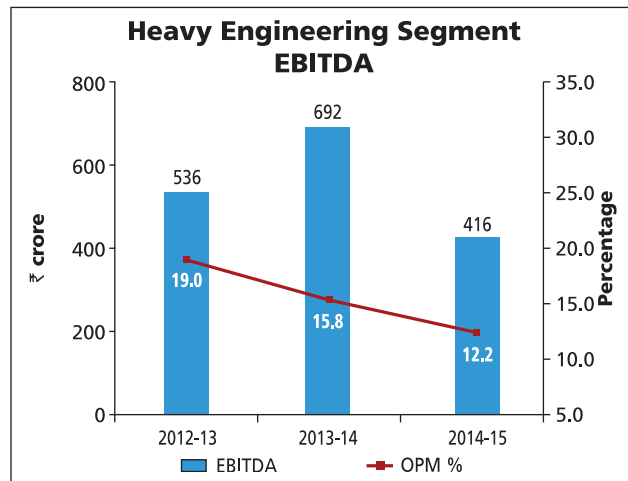
Group level order inflow in the Heavy Engineering segment recorded significant growth of 35% to ₹ 4989 crore for the year ended March 31, 2015 mainly driven by defence sector orders. International orders constituted 29% of the total order inflow during the year.



At Group level, Heavy Engineering segment recorded gross segment revenue of ₹ 3625 crore for the year ended March 31, 2015 lower by 20% compared to the previous year due to depleted opening order book and low level of order inflows in Process Plant and Nuclear Equipment business. Revenue from international operations constituted 31% of the total revenues of the segment during the year.



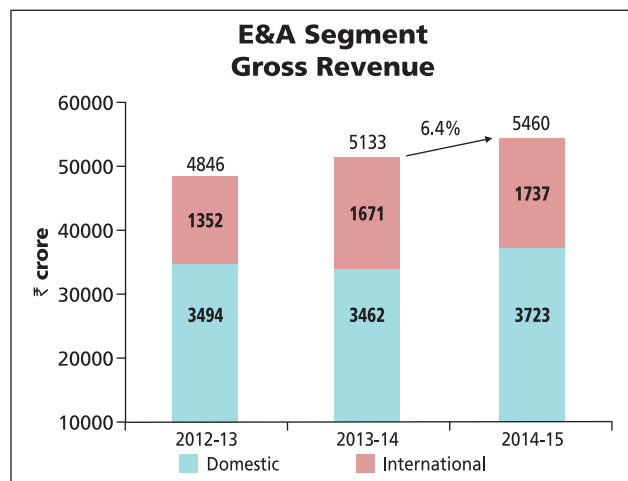
The Group Segment recorded OPM of 12.2% during the year ended March 31, 2015 vis-à-vis 15.8% in 2013-14. The decline in EBITDA margin was mainly attributable to cost overruns in some of the jobs under execution and under recoveries.



The Funds Employed by the Group segment at ₹ 4114 crore as at March 31, 2015 decreased by 4% as compared to the position as on March 31, 2014. The working capital level, however, increased due to higher customer receivables and lower vendor credit.

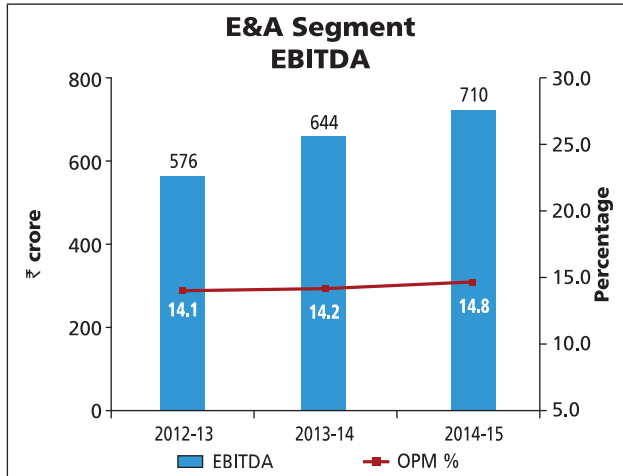
#### 5. Electrical & Automation Segment (E&A)

At the Group level, E&A segment recorded gross segment revenue of ₹ 5460 crore for the year ended March 31, 2015 registering 6% growth over the previous year. The revenue growth was contributed by Electrical Standard Products and Electrical Systems & Equipment businesses in the face of lower industrial activity that persisted throughout the year. Revenue from international operations constituted 32% of the total revenues of the segment during the year.



The Group Segment recorded EBITDA of ₹ 710 crore during 2014-15 registering a growth of 10% over

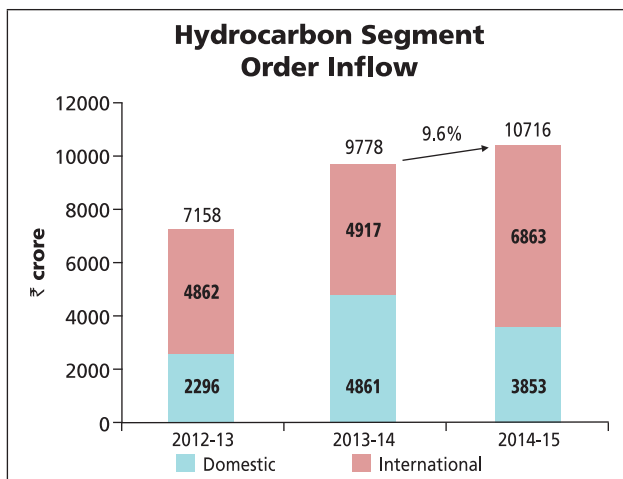
previous year. The OPM of 14.8% during the year ended March 31, 2015 reflects a growth of 60 basis points over previous year mainly on account of decrease in commodity prices and favourable product mix.



The Funds Employed by the Group segment at ₹ 2881 crore as at March 31, 2015 increased by 14% as compared to the position as on March 31, 2014 due to higher working capital and capital expenditure.

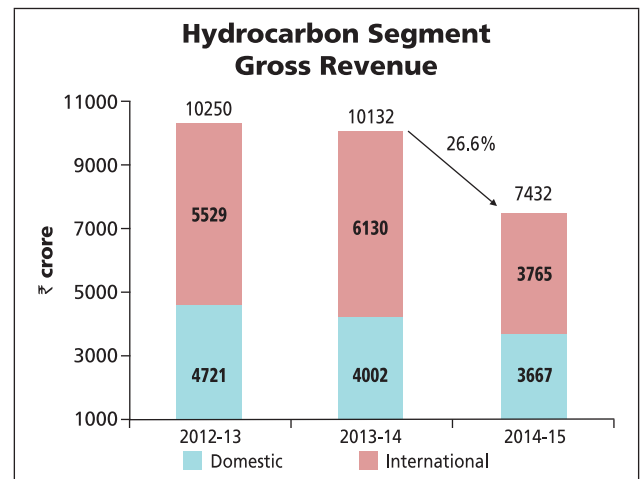
## 6. Hydrocarbon Segment

Hydrocarbon segment, at consolidated level, recorded order inflow of ₹ 10716 crore during 2014-15 registering a growth of 9.6% over the previous year aided by a large order secured by Hydrocarbon Mid & Down-stream international business. International orders accounted for 64% of total order inflow for 2014-15.



Hydrocarbon segment recorded gross segment revenue of ₹ 7432 crore for the year ended March 31, 2015

registering a decline of 27% over the previous year. Delayed receipt of fresh orders during 2014-15 and execution delays on projects led to lower revenue. International revenues contributed to 51% of the total revenues of the segment for 2014-15.



The Group Segment EBITDA at negative ₹ 1128 crore during the year 2014-15 recorded a sharp decline vis-à-vis a positive EBITDA of ₹ 298 crore in 2013-14. The operating losses were mainly due to cost and time overruns in international jobs and non-realisation of estimated change orders.

The Funds Employed by the Group segment at ₹ 2271 crore as at March 31, 2015 decreased by 39% as compared to the position as on March 31, 2014 on account of decline in revenues and lower working capital.

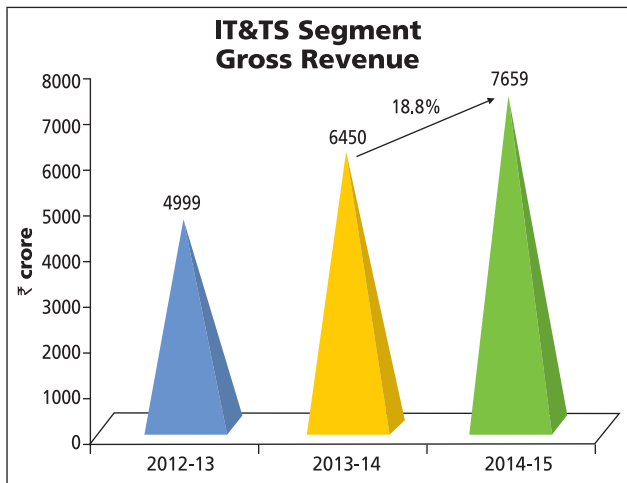
## 7. IT & Technology Services (IT & TS)

IT & TS segment at consolidated level comprises L&T Infotech group of companies and L&T Technology Services group of companies.

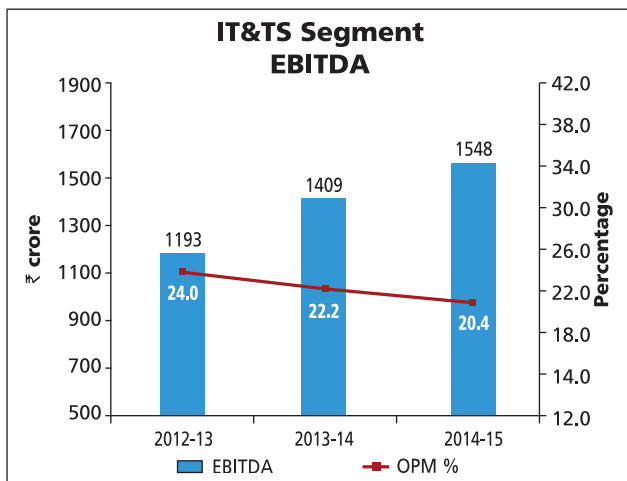
IT & TS segment recorded segment gross revenue of ₹ 7659 crore for the year ended March 31, 2015 registering an impressive growth of 19% over the previous year. Most of the revenues of the segment are from international customers.

L&T Infotech group recorded total revenue of ₹ 5071 crore during the year ended March 31, 2015, registering 14% growth over the previous year mainly led by services sector and addition to clientele.

L&T Technology Services business reported growth of 28% in revenue for 2014-15 at ₹ 2588 crore mainly due to enhanced business from existing customers.



The Segment EBITDA at ₹ 1548 crore during 2014-15 registered growth of 9.9% over previous year. However, the OPM for the year 2014-15 at 20.4% registered a decline of 180 basis points over previous year mainly on account of increase in staff cost and higher proportion of resources deployed onsite.



The Funds Employed by the Group segment at ₹ 3377 crore as at March 31, 2015 increased by 28% as compared to the position as on March 31, 2014 on account of higher working capital.

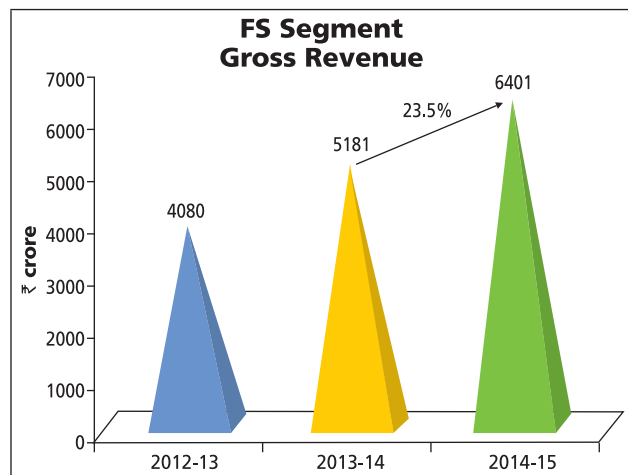
## 8. Financial Services (FS)

FS segment, represented by L&T Finance Holdings Limited and its subsidiaries, continued its growth momentum during the year ended March 31, 2015 with 24% growth in its revenue at ₹ 6401 crore. The segment recorded an improved Net Interest Margin (NIM) of 5.68% as against 5.47% in the previous year. The loan book of the segment at ₹ 47232 crore as at

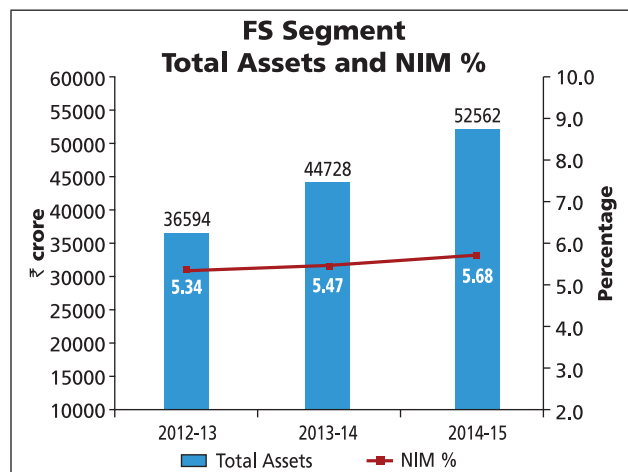
March 31, 2015, registered a growth of 18% over the previous year due to growth in disbursement in key focus areas in the retail and wholesale finance business.

The asset management business also registered a growth of 15% with the assets under management as on March 31, 2015 recorded at ₹ 21226 crore.

The General Insurance business of the segment entered in its fourth full year of operations and achieved a Gross Written Premium (GWP) of ₹ 344 crore by selling more than 3,80,000 policies. Motor remained the largest contributor to GWP with a share of 60%.



The FS segment disbursed fresh loans and advances of ₹ 32481 crore during 2014-15, recording a growth of 25% over the previous year. Gross Non-performing Assets (NPA) of the segment at 2.25% of loan assets as at March 31, 2015 improved over 3.18% as on March 31, 2014, due to robust collections and sale of certain stressed assets to Asset Reconstruction Companies.





### 9. Developmental Projects (DP)

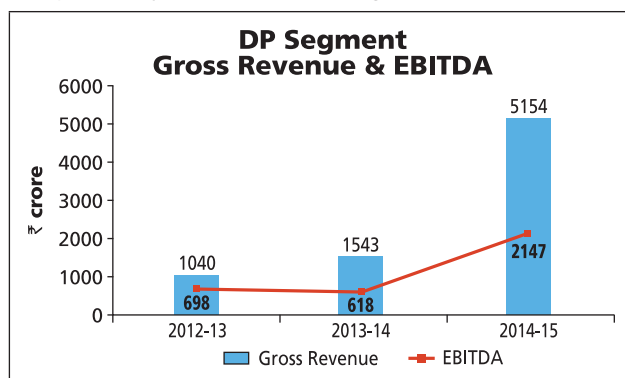
The Group has a diversified Infrastructure development business portfolio with a mix of projects under development across various sectors such as roads, bridges, ports, metro and power development. While power development projects are developed by L&T Power Development Limited, a subsidiary company, all the developmental projects in the other sectors are developed by L&T Infrastructure Development Projects Limited. In addition, the Kattupalli Port operations are housed in L&T Shipbuilding Limited, a subsidiary company.

L&T Infrastructure Development Projects Limited (L&T-IDPL) a subsidiary company, holds majority of its investment in the transportation infrastructure and port sectors. The Group owns 20 concessions in transportation infrastructure development space under its fold comprising 17 roads and bridges projects, 1 port project, 1 transmission line project and 1 metro rail project with total estimated project cost of ₹ 37124 crore. As on March 31, 2015, 14 projects are under operation and 6 projects are under implementation.

In the power sector, the Group has 5 projects comprising of 1 thermal project under operation and 4 Hydel projects under development. The total estimated cost of projects aggregate to ₹ 17861 crore. The Unit 2 of the 2x700 MW super critical thermal power plant at Rajpura commenced commercial operations during the year.

DP segment recorded gross segment revenue of ₹ 5154 crore for the year ended March 31, 2015 and grew more than 3 times over the previous year. The growth in revenues is mainly driven by operationalisation of both the units of 2x700 MW supercritical thermal power plant at Rajpura in Punjab. During the year 2014-15, the Company also monetised a part of its developmental projects portfolio at a gain of ₹ 1350 crore which also aided the growth in revenue for the segment.

The segment recorded growth in EBITDA at ₹ 2147 crore for the year 2014-15 vis-à-vis ₹ 618 crore for the previous year in line with the growth in revenues.



The Funds Employed by the segment at ₹ 27042 crore as at March 31, 2015 increased by 3% as compared to the position as on March 31, 2014.

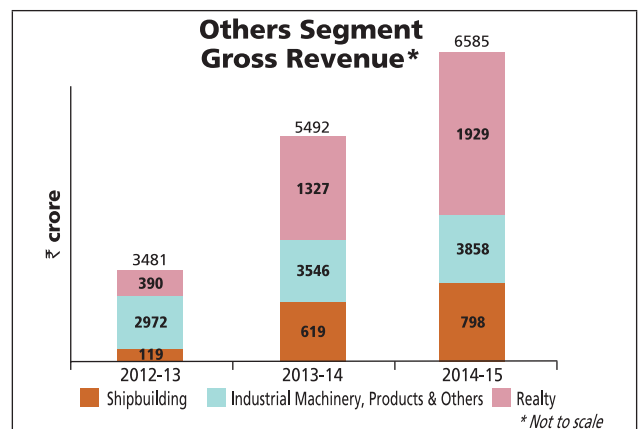
### 10. Others Segment

Others segment at the consolidated level for L&T Group comprises Realty, Shipbuilding, Industrial Machinery, Construction & Mining equipment, manufacturing and sale of Industrial Valves, Welding and Cutting equipment businesses.

At Group level, Realty business recorded growth of 45% in segment gross revenue of ₹ 1929 crore for the year 2014-15 vis-à-vis ₹ 1327 crore in the previous year aided by progress in the two real estate development projects at Mumbai. The Realty business recorded an EBITDA of ₹ 1065 crore during the year 2014-15 as against ₹ 753 crore during the previous year due to progress in its projects.

At Group level, Shipbuilding business recorded growth of 29% in segment gross revenue at ₹ 798 crore for the year 2014-15 vis-à-vis ₹ 619 crore in the previous year due to progress on jobs received for Commercial Ships. The Shipbuilding business recorded a negative EBITDA of ₹ 208 crore during the year 2014-15 as against negative EBITDA of ₹ 497 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 OPM during the year. The losses during the year were, however, lower compared to previous year.

At Group level, Industrial Machinery, Products and Other businesses recorded growth of 9% in segment gross revenue at ₹ 3858 crore for the year 2014-15 vis-à-vis ₹ 3546 crore in the previous year on the back of revenue growth reported by the Valves business. The EBITDA also recorded a growth of 25% at ₹ 558 crore for the year 2014-15 due to favourable product mix.



The Funds Employed by the Group segment at ₹ 10770 crore as at March 31, 2015 increased by 13% as compared to the position as on March 31, 2014 mainly in Realty and Shipbuilding businesses in line with growth in revenues.

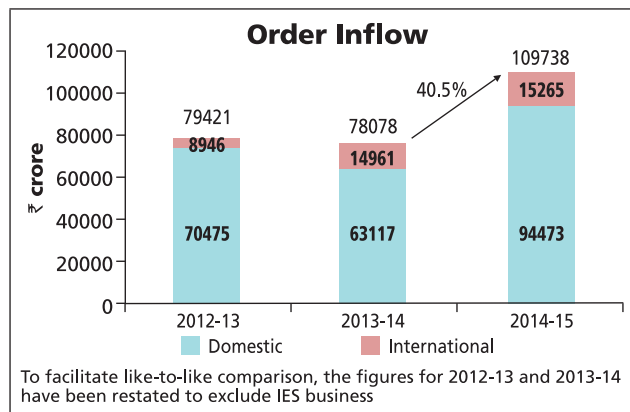
## II. L&T STANDALONE

### PERFORMANCE REVIEW

The Company registered an impressive growth in order inflow during the year 2014-15, despite challenging business environment. Revenue and EBITDA growth, however, remained modest due to slower progress on non-infrastructure projects under execution. Profit after Tax at ₹ 5056 crore in 2014-15 was lower as compared with the corresponding previous year due to cost and time overruns in some projects and under recoveries in few of the lines of business.

The Company continued its initiative of restructuring its businesses for value creation. During the year 2014-15, Integrated Engineering Services business has been transferred to the wholly-owned subsidiary of the Company to provide the required focus and agility to this business to take advantage of growth opportunities.

The Company successfully secured new orders worth ₹ 109738 crore during the year 2014-15, registering an increase of 41% over the previous year, led by domestic orders which grew 50%. The order intake was healthy despite delayed revival of public and private investments, policy implementation delays and aggressive competition. Buildings & Factories, Heavy Civil Infrastructure, Transportation Infrastructure, Power Transmission & Distribution and Power businesses contributed significantly to the order inflows during the year. International orders contributed to 14% of the total order inflow during 2014-15.

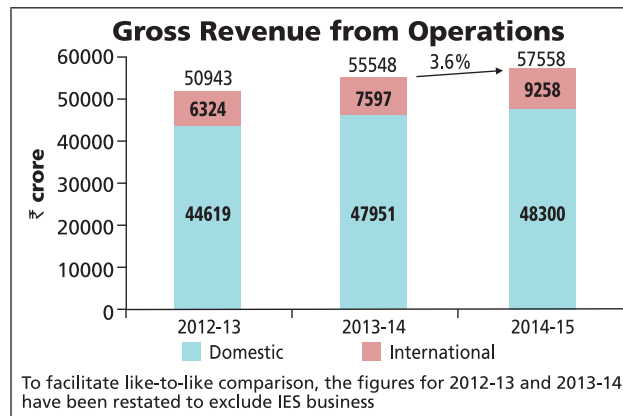


The Order Book as at the year-end stood at ₹ 191252 crore providing good revenue visibility for the next couple of years. The order book registered a growth of 29% over the previous year with international orders constituting 13% of the order book.

### Revenue from Operations

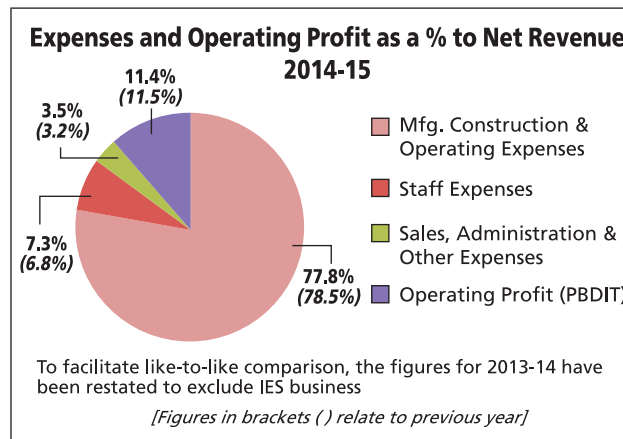
Gross revenue for the year 2014-15 at ₹ 57558 crore grew by around 4% over the revenue of ₹ 55548 crore for the previous year, after excluding the sales from transferred IES business. While businesses of the Infrastructure segment registered a strong growth of 16% over the previous year, there was a decline in the revenue of Power, Metallurgical & Material Handling and Heavy Engineering segments over previous year on account of sectoral challenges and delayed replenishment of the Order book.

International revenue at ₹ 9258 crore grew by 22% over 2013-14 and constituted 16% of the total revenue. The international revenue was mainly contributed by Power Transmission & Distribution, Commercial Buildings & Airports, Transportation Infrastructure and Process Plants & Nuclear Equipment businesses.



### Operating Cost and PBDIT

Manufacturing, Construction and Operating (MCO) expenses at ₹ 44397 crore for the year 2014-15 increased by 3%. These expenses mainly comprise cost of construction & other materials and subcontracting expenses. The MCO expenses, however, reduced from 78.5% to 77.8% of revenue on the back of efficient cost and contract management.



The Staff expenses for the year 2014-15 at ₹ 4151 crore increased by 11.3% due to pay revisions as compared to the staff expenses for previous year, adjusted for transfer of IES business for like to like comparison. The Company's manpower strength stood at 44081 as at March 31, 2015.

Sales and administration expenses for the year 2014-15 at ₹ 1982 crore increased to 3.5% of net revenue due to increase in some of the administration cost and provision for doubtful debts and advances. The increase is also attributable to higher reversal of warranty provisions in the previous year.

The EBITDA margin for the year at 11.4% reduced by 10 basis points as compared to the previous year. Consequently, Profit before depreciation, interest and tax (PBDIT) stood at ₹ 6488 crore for the year, registering a modest growth of 3% over the adjusted PBDIT for the previous year.

#### Depreciation & Amortisation charge

Depreciation and amortisation charge for the year 2014-15 at ₹ 1008 crore increased by 32% over the previous year. Increase in the depreciation charge for the year is mainly due to the revision in useful lives of the assets pursuant to Schedule II of the Companies Act, 2013.

#### Other Income

Other income for the year 2014-15 amounted to ₹ 2283 crore as against ₹ 1897 crore for the previous year. Dividends from Group companies during the year 2014-15 amounted to ₹ 851 crore as against ₹ 865 crore for the previous year. The short term investments of temporary surpluses made in low risk securities yielded income of ₹ 622 crore for the year.

#### Finance cost

The interest expenses for the year 2014-15 at ₹ 1419 crore were higher vis-à-vis ₹ 1064 crore for the previous year. The increase in the interest expenses is mainly due to interest on higher borrowings made during the year to finance the rising working capital needs of the businesses. The average borrowing cost for the year 2014-15 was contained at 9.5% p.a., with refinancing of the loans and efficient treasury management.

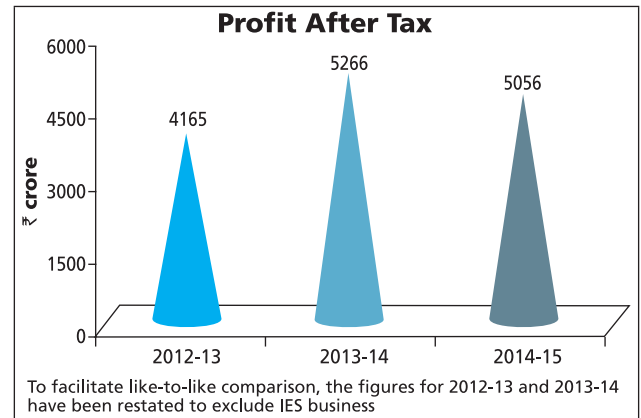
#### Exceptional Item

Exceptional item in the Statement of Profit & Loss represents gain of ₹ 357 crore on divestment of the Company's part-stake in L&T Finance Holdings Limited (L&T-FHL) carried out during 2014-15. The Company had also diluted a part of its holding in LT-FHL in the previous year, recording a gain of ₹ 589 crore.

#### Profit after Tax

Profit after Tax (PAT), including exceptional items, for the year 2014-15 was ₹ 5056 crore. PAT for the previous year

after adjusting for the profits of IES business which had formed part of the standalone results stood at ₹ 5266 crore.



The PAT for the year from normal operations excluding exceptional gains at ₹ 4699 crore recorded a marginal increase of 0.5% over the comparable PAT of ₹ 4677 crore for the previous year.

#### Earnings per share

The Earnings Per Share (EPS) including exceptional items for the year 2014-15 at ₹ 54.46 showed a decline of 8% over the previous year. The same, however, is not comparable vis-à-vis the EPS for 2013-14, which included the profit from operations of the erstwhile IES business, housed in a subsidiary company during 2014-15.

#### Funds Employed and Returns

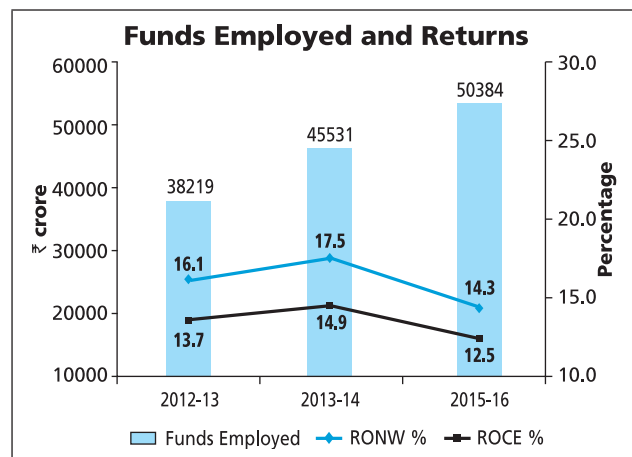
The overall Funds Employed by the Company at ₹ 50384 crore as at March 31, 2015 increased by ₹ 6498 crore as compared to the position as on March 31, 2014.

The Company incurred ₹ 901 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.

At the business aggregate level, Net Working capital as at March 31, 2015 at ₹ 14130 crore increased to 24.5% of sales as compared to ₹ 12731 crore at 22.3% of sales as on March 31, 2014. Tight liquidity conditions and elevated interest rates prevailing during most part of the year 2014-15 elongated the working capital cycle. The businesses witnessed increase in construction work in progress that has not achieved billing milestones and delays in realisation of customer outstandings.

During the year, investments and loans to subsidiary and associate companies increased by ₹ 1505 crore (net of proceeds from divestment). Major investments have been made in subsidiary companies operating in Power

Development, Technology Services, Heavy Engineering and Realty businesses.



Return on Net Worth (RONW) including the gains on divestitures for the year 2014-15 is 14.3% as against 17.5% for the previous year. Return on Capital Employed (ROCE) for the year 2014-15 at 12.5% is lower compared to 14.9% as that of the previous year. The funds deployed in the group companies in capital intensive businesses in the last few years have not yet started yielding adequate returns, causing decline in ROCE and RONW.

### Liquidity & Gearing

The Company tapped lower cost short term borrowings to meet the rising working capital requirements during the year. Borrowings during the year (net of repayments) amounted to ₹ 1015 crore.

Cash accruals from the operations were higher at ₹ 3143 crore during the year 2014-15 as compared to ₹ 1047 crore generated in the previous year. Dividend and treasury income contributed ₹ 1413 crore to the cash generation during the year 2014-15. There was net reduction of ₹ 203 crore in the cash balances as on March 31, 2015 over the balances as at the beginning of the year.

The funds generated as aforesaid, were mainly deployed in capital expenditure of ₹ 901 crore and net investment of ₹ 1505 crore in its group companies during the year 2014-15.

Fund Flow Statement	₹ crore	
Particulars	2014-15	2013-14
Operating activities	3143	1047
Borrowings (net of repayments) / (Repayments)	1015	2612
Dividend from group companies and Treasury income	1413	1359

Fund Flow Statement	₹ crore	
Particulars	2014-15	2013-14
(Increase) / decrease in cash balance	203	(337)
Others	99	144
<b>Sources of Funds</b>	<b>5873</b>	<b>4825</b>
Capital Expenditure	(901)	(962)
Investments in Group Cos. (net of divestment)	(1505)	(3329)
Sale of current investments	(916)	1718
Interest paid	(1150)	(1025)
Dividend paid	(1401)	(1227)
<b>Utilisation of Funds</b>	<b>(5873)</b>	<b>(4825)</b>

The total borrowings as on March 31, 2015 stood at ₹ 12937 crore. The loan portfolio of the Company comprises a mix of domestic and suitably hedged foreign currency loans. The gross Debt Equity ratio marginally increased to 0.35:1 as at March 31, 2015 from 0.34:1 as at March 31, 2014. The Company has a low net debt equity ratio of 0.17:1 as at March 31, 2015 after considering short term investments in liquid funds.

### III. RISK MANAGEMENT

The Company's portfolio largely consists of project businesses with significant dependence on core sectors of the economy. There is an increasing thrust by the Government towards sectors like defence, renewables, railways, roads, smart cities, low cost housing, etc. The company is well positioned to leverage its experiences successfully in these sectors. With a good track record in these sectors, the company plans to align itself with the emerging opportunities.

The Central Government plan expenditure has been constrained by the fiscal deficit. The fall in crude oil prices has led to drop in level of subsidies, thus creating space for Government investments in critical areas like railways. High interest rates in a weak growth environment are creating challenges for asset developers and leading to stretched balance sheets in the banking system. RBI's efforts in bringing down inflation are expected to soften the interest rate environment. With the Prime Minister making special efforts towards "Make in India" initiative and efforts towards bringing foreign capital and technology in the country, the manufacturing sector is expected to get a boost.

The impact of the 14th Finance Commission recommendations and devolution of power to States will change the expenditure patterns of States. The recent coal and spectrum auctions and much anticipated improvement in on-the-ground decision making augurs well for infrastructure sector. The PPP model may need to be reworked with an appropriate

risk-return sharing mechanism. The sharp drop in oil price can delay the expansion plans of customers in the Middle-East region in the hydrocarbon sector. If soft oil price sustains over a longer term, growth in infrastructure sector could also slowdown in the Middle-East region.

The risk management organisation has evolved over last few years. The Company has a robust risk management framework governed by sound risk management policies. The Company's existing framework provides for risk reviews at various levels based on an authorisation structure matrix. The Company is constantly evaluating steps to further strengthen the Risk Management processes in the company. The Audit Committee periodically reviews the risks facing the company providing an opportunity for an independent assessment.

The key processes of risk reviews include evaluation of top risk at enterprise level, country clearance process, pre-bid risk reviews, execution risk reviews and close-out risk reviews. Structured presentations are made to the management for country clearances as well as pre-bid risk reviews. For projects under execution, periodic execution risk reviews are held. The Company has processes to identify "Top risks that matter" for the top Management's review and mitigation measures to be integrated with the business plans. Challenges in domestic business includes worsening terms of trade resulting in stretched working capital requirements, slow recovery of key sectors, delays due to client obligations, etc. Depreciating currencies of foreign competitors is a risk which needs to be countered by improving the operational performance and sourcing efficiencies.

The Company's Knowledge Centre provides the value-added research focused on the macro-economic matters, sector-specific issues and the Company. This has enabled provision of meaningful insights and appropriate alerts for emerging risks. With such initiatives in place, risk management is expected to become a strong business enabler in due course of time.

## **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 cycles while being able to raise growth capital on the other. Given the demanding economic conditions in FY 2014-15, 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, and also to optimise overall Group interest rate risks and costs. The Company continues to maintain adequate liquidity on the Balance Sheet to deal effectively with business situations.

The Company 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. In line with above, the Company sought to balance out the mix of short term and long term funding sources in its working capital funding mix this year by increasing short term funding. 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 Company's businesses are exposed to fluctuations in foreign exchange rates and commodity prices. Additionally, it has exposures to foreign currency denominated financial assets and liabilities.

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 2014-15 was characterised by a strong USD against most of the asset classes (currency / commodities). The rupee moved from 59.9 to 62.5 per US Dollar during the year. The Company was able to deal with the volatility in markets and especially the USD strength reasonably well given the robust financial risk management process in place. Benign commodity prices, a relatively stable INR against USD along with the analytical risk management framework has benefitted the Company.



#### **IV. INTERNAL CONTROLS**

The Company's internal controls system has been founded on values of integrity and operational excellence which explains its pre-eminent position in all its businesses. Over the years, formal and independent exercises for evaluation of internal controls and initiatives for remediation of deficiencies have resulted in a robust framework for Internal Controls, commensurate with the size and complexity of the business.

The internal framework essentially has two elements: (1) Structures, policies and guidelines designed to achieve efficiency and effectiveness in operations and compliance with laws and regulations (2) an assurance function provided by Corporate Audit Services. The audit observations are addressed by businesses with necessary monitoring and facilitation by the Corporate Internal Controls department. The entire process is reviewed periodically by the Senior Management and the Audit Committee which oversees the Internal Audit function.

During the year, the Company has taken steps to review and document in a phased manner the adequacy and operating effectiveness of internal controls in line with the requirements of the Companies Act 2013 and the revised SEBI Listing agreement. Employees are guided by the Company's 'Code of Conduct' policy. The 'Whistle Blower' policy which provides direct access to the employees to the top management and Board members of the Company enables the sustenance of the internal control framework in an effective manner.

#### **V. INFORMATION TECHNOLOGY**

The Company views Information Technology (IT) as a key enabler for improving productivity, efficiency and for providing competitive advantage. In order to have enhanced focus on business to IT connect, all business verticals have their IT set-up reporting to a Divisional Chief Information Officer (CIO) whose efforts are ultimately knitted into Corporate IT function through well-defined governance process.

Information Technology function runs in two modes i.e., Run IT and Leveraging IT. Whilst function of Run IT is to enable business with required functionality at the most optimum cost, excellent reliability, availability, security & support, Leveraging IT focuses on niche solutions bolted on Enterprise Resource Planning (ERP) and Non ERP software systems to give cutting edge/ competitive advantage to the businesses.

The Company's own social media platform is widely used to increase communication, collaboration and employee engagement.

The Company's drive towards creating Private cloud computing has achieved maturity with deployment of new applications and services year-on-year and increased company-wide adoption. Almost all new business units are consuming IT services from this platform leading to improved speed of deployment and cost efficiencies. As new initiatives in near future, the Company plans to work with key vendors and examine a Hybrid cloud model to gain additional leverage.

# Independent Auditors' Report

## To the Members of Larsen & Toubro Limited

### Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Larsen & Toubro Limited ("the Company"), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's responsibility for the standalone financial statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2015, and its profit and its 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, 2015 ("the Order") issued by the central government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer notes I, note (II) in Q(16) and Q(17) to the financial statements;

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – refer notes C(II), D(IV) and Q(7)(a) to the financial statements; and
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

MILIND P. PHADKE  
Partner  
Membership No.33013

Mumbai, May 30, 2015

## Annexure to the Independent Auditors' report

(Referred to paragraph (1) under 'Report on other legal and regulatory requirements' 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.
- 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 According to the information and explanations given to us, there are no companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii)(a) and (b) 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 and 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, the Company has not accepted deposits from the public and accordingly, paragraph 3(v) of the Order is not applicable.
- 6 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 148(1) of the Companies Act, 2013 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.
- 7 (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, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, 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, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, cess and other statutory dues outstanding as at 31 March 2015 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 income-tax, sales-tax, wealth tax, service tax, duty of custom, duty of excise, value added tax or cess as at 31 March 2015 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	Taxability of sub-contractor turnover, rate of tax for declared goods, inter-state sales and non-submission of forms	3.20	1991-92, 1995-96, 1997-98, 1999-2000 to 2005-06	Supreme Court
	Dispute regarding question of law, non-submission of forms, classification dispute, tax deducted at source at lower rate, sales in transit, high seas sales, labour turnover, local VAT, local WCT, rate of tax on declared goods and other matters	260.26	1986-87 to 2011-12	High Court
	Non-submission of forms, classification disputes, disallowance of sales occasioning import, arbitrary demand raised, sub-contractors turnover disallowed, pumping and freight charges, inter-state sales turnover, tax deducted at source disallowed, rates of tax of declared goods, classification dispute, disallowance of WCT and other matters	344.55	1987-88 to 1991-92, 1994-95 to 2011-12	Sales Tax Tribunal
	Forms submitted but rejected by Assessing Officer	0.78	2008-09	Commissioner (Appeals)

Name of the statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
	Non-submission of forms	13.92	1995-96, 1997-98, 2001-02 to 2004-05, 2006-07 to 2012-13	Additional Commissioner (Appeals)
	Non-submission of forms, disallowance of sales in transit, high seas sales, sales occasioning imports and other matters	158.19	1997-98, 1999-2000, 2001-02, 2003-04 to 2011-12	Joint Commissioner (Appeals)
	Non-submission of forms, additional demands for pending forms, rate of tax dispute, disallowance of branch transfer, sub-contractors turnover, interest demand on road permit, disallowance of sales in transit, sales occasioning imports and other matters	986.17	1991-92, 1992-93, 1994-95, 1996-97, 1997-98, 1999-2000 to 2013-14	Deputy Commissioner (Appeals)
	Non-submission of forms, disallowance of sales occasioning imports, rate of tax dispute and other matters	1.83	1991-92, 1992-93, 1996-97 to 2005-06 and 2008-09	Assistant Commissioner (Appeals)
	Non-submission of forms and dispute related to sales in transit	1.73	1994-95 to 2014-15	Commercial Tax Officer
The Central Excise Act, 1944, Service Tax under Finance Act, 1994	Dispute of excise duty on site mix concrete and PSC grinder	0.27	1997-98	Supreme Court
	Demand of excise duty on site fabricated steel structures, export rebate disallowance, valuation disputes, excise duty on concrete mix made at site, non-maintenance of separate records and other matters	565.06	1991-92, 2001-02 to 2011-12	CESTAT
	Disallowance of cenvat credit, excise duty refund, short payment of service tax, excise duty on concrete mix made at site, service tax rate dispute and other matters	1.76	2006-07, 2008-09 to 2012-13 and 2014-15	Commissioner (Appeals)
	Export rebate claim, service tax on commercial construction services, service tax liability against rate change and penalty imposed for wrong availment of cenvat credit	42.48	2003-04, 2005-06 and 2006-07	High Court
	Demand of service tax including penalty, interest on lump-sum turnkey jobs, demand of penalty on late payment of service tax and other matters	15.24	2004-05 to 2010-11	CESTAT
Income-tax Act, 1961	Assessment under section 143(3) read with section 144C(13) and demand of tax deducted at source on bank guarantee charges and internet charges	454.90	2007-08 to 2012-13	ITAT
	Dispute regarding tax deducted at source at lower rates	0.05	2005-06	Commissioner (Appeals)

\*Net of pre-deposit paid in getting the stay/appeal admitted

- (c) The amounts required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are transferred to such fund within time.
- 8 The Company has no accumulated losses as at 31 March 2015 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 9 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.
- 10 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 others from banks or financial institutions are prima facie not prejudicial to the interests of the Company.
- 11 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.
- 12 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, 2015

## Balance Sheet as at March 31, 2015

	Note	As at 31-3-2015		As at 31-3-2014	
		₹ crore	₹ crore	₹ crore	₹ crore
<b>EQUITY AND LIABILITIES:</b>					
<b>Shareholders' Funds</b>					
Share capital	A	185.91		185.38	
Reserves and surplus	B	36898.67		33476.45	
			37084.58		33661.83
<b>Non-current liabilities</b>					
Long term borrowings	C(I)	8508.60		5478.14	
Deferred tax liabilities (net)	Q(14)	362.99		409.92	
Other long term liabilities	C(II)	119.62		93.57	
Long term provisions	C(III)	350.45		299.61	
			9341.66		6281.24
<b>Current liabilities</b>					
Short term borrowings	D(I)	3791.08		3876.04	
Current maturities of long term borrowings	D(II)	636.91		2104.74	
Trade payables	D(III)	18844.77		16345.45	
Other current liabilities	D(IV)	14703.88		13921.76	
Short term provisions	D(V)	2500.88		2113.52	
			40477.52		38361.51
<b>TOTAL</b>			<b>86903.76</b>		<b>78304.58</b>
<b>ASSETS:</b>					
<b>Non-current assets</b>					
Fixed Assets					
Tangible assets	E(I)	7402.20		7560.81	
Intangible assets	E(II)	85.16		113.99	
Capital work-in-progress	E(I)	304.54		411.86	
Intangible assets under development	E(II)	189.50		150.55	
			7981.40		8237.21
Non-current investments	F		17672.82		15168.41
Long term loans and advances	G(I)		2720.83		3721.57
Cash and bank balances	G(II)		75.43		9.54
Other non-current assets	G(III)		52.43		53.24
<b>Current assets</b>					
Current investments	H(I)	5380.08		4046.23	
Inventories	H(II)	2207.79		1982.53	
Trade receivables	H(III)	23051.11		21538.76	
Cash and bank balances	H(IV)	1515.80		1782.86	
Short term loans and advances	H(V)	7812.35		6345.65	
Other current assets	H(VI)	18433.72		15418.58	
			58400.85		51114.61
<b>TOTAL</b>			<b>86903.76</b>		<b>78304.58</b>
<b>CONTINGENT LIABILITIES</b>					
<b>COMMITMENTS</b> (Capital and others)					
<b>OTHER NOTES FORMING PART OF THE ACCOUNTS</b>					
<b>SIGNIFICANT ACCOUNTING POLICIES</b>					
	I				
	J				
	Q				
	R				

A. M. NAIK  
Group Executive Chairman (DIN 00001514)

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

K. VENKATARAMANAN  
Chief Executive Officer &  
Managing Director (DIN 00001647)

R. SHANKAR RAMAN  
Chief Financial Officer &  
Whole-time Director (DIN 00019798)

M. M. CHITALE (DIN 00101004)

SUBODH BHARGAVA (DIN 00035672)

M. DAMODARAN (DIN 02106990)

SUNITA SHARMA (DIN 02949529)

SUSHOBHAN SARKER (DIN 00088276)

Mumbai, May 30, 2015

N. HARIHARAN  
Company Secretary

Directors

Mumbai, May 30, 2015



## Statement of Profit and Loss for the year ended March 31, 2015

	Note	2014-15		2013-14		
		₹ crore	₹ crore	₹ crore	₹ crore	
<b>REVENUE:</b>						
Revenue from operations (gross)	<b>K</b>	57558.07		57163.85		
Less: Excise duty		540.66		564.93		
Revenue from operations (net)			57017.41		56598.92	
Other income	<b>L</b>		2283.37		1880.89	
<b>Total revenue</b>			<b>59300.78</b>		<b>58479.81</b>	
<b>EXPENSES:</b>						
Manufacturing, construction and operating expenses:	<b>M</b>					
Cost of raw materials, components consumed		5224.66		6002.80		
Construction materials consumed		18761.89		16106.79		
Purchase of stock-in-trade		1296.75		1922.16		
Stores, spares and tools consumed		1831.46		1920.83		
Sub-contracting charges		13232.57		13278.41		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(278.53)		110.03		
Other manufacturing, construction and operating expenses		4327.75		4010.49		
			44396.55		43351.51	
Employee benefits expense	<b>N</b>		4150.84		4656.90	
Sales, administration and other expenses	<b>O</b>		1997.11		1932.44	
Finance costs	<b>P</b>		1419.03		1076.08	
Depreciation, amortisation, impairment and obsolescence		1009.74		793.36		
Less: Transfer from revaluation reserve		1.59		0.94		
			1008.15		792.42	
			52971.68		51809.35	
Less: Overheads charged to fixed assets			14.96		8.95	
<b>Total expenses</b>			<b>52956.72</b>		<b>51800.40</b>	
<b>Profit before exceptional and extraordinary items and tax</b>			<b>6344.06</b>		<b>6679.41</b>	
Exceptional items	<b>Q(4)</b>		357.16		588.50	
<b>Profit before extraordinary items and tax</b>			<b>6701.22</b>		<b>7267.91</b>	
Extraordinary items			-		-	
<b>Profit before tax</b>			<b>6701.22</b>		<b>7267.91</b>	
Tax expenses						
Current tax	<b>Q(6)</b>	1628.74		1686.53		
Deferred tax	<b>Q(14)</b>	16.30		88.25		
			1645.04		1774.78	
<b>Profit for the period carried to Balance Sheet</b>			<b>5056.18</b>		<b>5493.13</b>	
Basic earnings per equity share before extraordinary items (₹)	}		54.46		59.36	
Diluted earnings per equity share before extraordinary items (₹)			54.10		59.00	
Basic earnings per equity share after extraordinary items (₹)		<b>Q(13)</b>		54.46		59.36
Diluted earnings per equity share after extraordinary items (₹)				54.10		59.00
Face value per equity share (₹)			2.00		2.00	
<b>OTHER NOTES FORMING PART OF THE ACCOUNTS</b>	<b>Q</b>					
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>R</b>					

A. M. NAIK  
Group Executive Chairman (DIN 00001514)

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, 2015

K. VENKATARAMANAN  
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M. DAMODARAN (DIN 02106990)

SUNITA SHARMA (DIN 02949529)

SUSHOBHAN SARKER (DIN 00088276)

N. HARIHARAN  
Company Secretary

Directors

Mumbai, May 30, 2015

## Cash Flow Statement for the year ended March 31, 2015

	2014-15	2013-14
	₹ crore	₹ crore
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax (excluding extraordinary and exceptional items)</b>	6344.06	6679.41
Adjustments for:		
Dividend received	(854.19)	(867.25)
Depreciation, amortisation, impairment and obsolescence (net)	1008.15	792.42
Exchange difference on items grouped under financing/investing activities	59.80	192.43
Effect of exchange rate changes on cash and cash equivalents	(1.48)	2.18
Interest expense	1419.03	1076.08
Interest income	(565.91)	(494.92)
Profit on sale of fixed assets (net)	(29.19)	(25.06)
Profit on sale of investments (net)	(406.63)	(197.55)
Employee stock option-discount forming part of staff expenses	49.11	55.88
Provision/(reversal) for diminution in value of investments	(11.72)	13.64
<b>Operating profit before working capital changes</b>	7011.03	7227.26
Adjustments for:		
(Increase)/decrease in trade and other receivables	(5159.57)	(7445.20)
(Increase)/decrease in inventories	(225.25)	(27.55)
Increase/(decrease) in trade payables and customer advances	3241.97	3269.52
<b>Cash (used in)/generated from operations</b>	4868.18	3024.03
Direct taxes refund/(paid)-net	(1725.05)	(1976.79)
<b>Net cash (used in)/from operating activities</b>	3143.13	1047.24
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	(952.90)	(1014.97)
Sale of fixed assets (including advance received)	51.75	52.94
Investment in subsidiaries, associates and joint ventures	(2581.79)	(3640.36)
Divestment of stake in subsidiaries, associates and joint ventures	434.55	727.24
Purchase of long term investments	-	(0.10)
(Purchase)/Sale of current investments (net)	(915.51)	1718.37
Deposits/Loans (given)/repaid (net)-subsidiaries, associates, joint venture companies and third parties (net)	871.14	(1375.50)
Advance towards equity commitment (net)	(778.47)	(87.51)
Interest received	558.31	491.35
Dividend received from subsidiaries	850.70	863.06
Dividend received from other investments	3.49	4.19
<b>Cash (used in)/from investing activities (before extraordinary items)</b>	(2458.73)	(2261.29)
Extraordinary items		
Cash received on sale of Valves Business Unit	-	149.60
Consideration received on transfer of Hydrocarbon business pursuant to scheme of arrangement	-	1760.00
Amount transferred to L&T Hydrocarbon Engineering Limited pursuant to scheme of arrangement	-	(862.63)
Cash received on transfer of Integrated Engineering Services business [Note Q(15)]	549.49	-
<b>Net cash (used in)/from investing activities</b>	(1909.24)	(1214.32)

## Cash Flow Statement for the year ended March 31, 2015 (contd.)

	2014-15	2013-14
	₹ crore	₹ crore
<b>C. Cash flow from financing activities:</b>		
Proceeds from fresh issue of share capital	98.89	144.05
Proceeds from long term borrowings	5109.83	4165.87
Repayment of long term borrowings	(3929.44)	(4981.69)
(Repayments)/Proceeds from other borrowings (net)	(164.97)	3428.25
Dividends paid	(1322.73)	(1140.85)
Additional tax on dividend	(78.12)	(86.26)
Interest paid (including cash flows from interest rate swaps)	(1150.01)	(1025.32)
<b>Net cash (used in)/from financing activities</b>	<b>(1436.55)</b>	<b>504.05</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(202.66)</b>	<b>336.97</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1794.12</b>	<b>1457.15</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1591.46</b>	<b>1794.12</b>

Notes:

- 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.
- Purchase of fixed assets includes movement of capital work-in-progress during the year.
- For cash and cash equivalents not available for immediate use as on the Balance Sheet date, see Note G(II)(a).
- Cash and cash equivalents included in the Cash Flow Statement comprise the following :

	2014-15	2013-14
	₹ crore	₹ crore
(a) Cash and cash equivalents disclosed under current assets [Note H(IV)]	1515.80	1782.86
(b) Cash and cash equivalents disclosed under non-current assets [Note G(II)]	75.43	9.54
Total Cash and cash equivalents as per Balance Sheet	1591.23	1792.40
(c) Unrealised exchange (gain)/loss on Cash and cash equivalents	0.23	1.72
<b>Total Cash and cash equivalents as per Cash Flow Statement</b>	<b>1591.46</b>	<b>1794.12</b>

- Amount of corporate social responsibility related expenses spent during the year in cash ₹ 67.15 crore [Note Q(28)(b)].
- Previous year's figures have been regrouped/reclassified wherever applicable.

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, 2015

**N. HARIHARAN**  
 Company Secretary

**A. M. NAIK**  
 Group Executive Chairman (DIN 00001514)

**K. VENKATARAMANAN**  
 Chief Executive Officer &  
 Managing Director (DIN 00001647)

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 Chief Financial Officer &  
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**SUBODH BHARGAVA** (DIN 00035672)

**SUNITA SHARMA** (DIN 02949529)

Directors

Mumbai, May 30, 2015

## Notes forming part of the Accounts

### NOTE [A]

#### Share capital

#### A(I) Share capital authorised, issued, subscribed and paid up:

Particulars	As at 31-3-2015		As at 31-3-2014	
	Number of shares	₹ crore	Number of shares	₹ crore
<b>Authorised:</b>				
Equity shares of ₹ 2 each	1,62,50,00,000	325.00	1,62,50,00,000	325.00
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of ₹ 2 each	92,95,62,061	185.91	92,69,12,658	185.38

#### A(II) Reconciliation of the number of equity shares and share capital:

Particulars	2014-15		2013-14	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	92,69,12,658	185.38	61,53,85,981	123.08
Add: Shares issued on exercise of employee stock options during the year	26,49,403	0.53	32,32,101	0.65
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	92,95,62,061	185.91	92,69,12,658	185.38

#### 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 31-3-2015		As at 31-3-2014	
	Number of shares	Shareholding %	Number of shares	Shareholding %
Life Insurance Corporation of India	15,55,22,285	16.73	15,75,56,473	17.00
L&T Employees Welfare Foundation	11,16,06,174	12.01	11,16,04,174	12.04
Administrator of the Specified Undertaking of the Unit Trust of India	7,59,25,962	8.17	7,59,25,962	8.19

#### A(V) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2015		As at 31-3-2014	
	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 #	77,08,842	1.54 *	98,66,116 @	1.97 *
3.5% 5 years & 1 day US\$ denominated foreign currency convertible bonds (FCCB) ##	–	–	73,60,864 @	1.47 **
0.675% 5 years & 1 day US\$ denominated foreign currency convertible bonds (FCCB) ##	63,46,986	1.27 **	–	–

\* The equity shares will be issued at a premium of ₹ 278.09 crore (previous year: ₹ 367.43 crore)

\*\* The equity shares will be issued at a premium of ₹ 1215.13 crore (previous year: ₹ 934.93 crore) on the exercise of options by the bond holders

# Note A(VIII) for terms of employee stock option schemes

## Note C(I)(b) for terms of foreign currency convertible bonds

@ The number of options have been adjusted consequent to bonus issue wherever applicable

## Notes forming part of the Accounts (contd.)

**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, 2015 are 30,82,94,576 (previous period of five years ended March 31, 2014: 30,82,94,576 shares)

**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, 2015: Nil (previous period of five years ended March 31, 2014: Nil)

### A(VIII) Stock option schemes

a) Terms:

- The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. 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.
- 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)	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Grant price (₹)	2.30	2.30	2.30	2.30	2.30	2.30	11.70	11.70	11.70	11.70	400.70	400.70	400.70	400.70
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	25200	16800	32250	21500	59550	39700	47178	31452	499543	435202	510181	911468	8692214	7289329
5	Options lapsed prior to bonus	-	-	-	-	-	-	-	-	-	3400	-	2746	-	201054
6	Options granted prior to bonus	-	-	-	-	-	-	-	-	-	4500	-	-	-	1115
7	Options exercised prior to bonus	-	-	-	-	-	-	-	-	-	45750	-	387135	-	770285
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	-	-	-	-	-	-	-	-	68450	10950	35625	21311	676786	530097
11	Options granted post bonus issue	-	-	-	-	-	-	-	-	337800	93300	-	-	935190	1352790
12	Options exercised post bonus issue	-	-	-	-	-	-	-	-	183609	168636	169900	250898	2295894	1609397
13	Options granted and outstanding at the end of the year	25200	25200	32250	32250	59550	59550	47178	47178	585284	499543	304656	510181	6654724	8692214
	Of which														
	Options vested	25200	25200	32250	32250	59550	59550	47178	47178	100390	127015	304656	510181	2663571	3096418
	Options yet to vest	-	-	-	-	-	-	-	-	484894	372528	-	-	3991153	5595796
14	Weighted average remaining contractual life of options (in years)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5.38	4.87	0.03	0.08	3.95	4.17

\*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	2014-15		2013-14	
	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	98,66,116	374.42	87,45,451	564.54
(ii) Options granted pre bonus issue	-	-	5,615	133.37
(iii) Options allotted pre bonus issue	-	-	12,03,170	578.81
(iv) Options lapsed pre bonus issue	-	-	2,07,200	591.43
(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	12,72,990	297.48	14,46,090	375.60
(viii) Options allotted post bonus issue	26,49,403	373.74	20,28,931	368.37
(ix) Options lapsed post bonus issue	7,80,861	366.60	5,62,358	393.13
(x) Options granted and outstanding at the end of the year	77,08,842	362.74	98,66,116	374.42
(xi) Options exercisable at the end of the year out of (x) <i>supra</i>	32,32,795	368.52	38,97,792	371.36



## Notes forming part of the Accounts (contd.)

- d) Weighted average share price at the date of exercise for stock options exercised during the period is ₹ 1554.71 (*previous year: ₹ 1120.61*) 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 2014-15 is ₹ 49.11 crore (*previous year: ₹ 55.88 crore*) net of recoveries of ₹ 2.54 crore (*previous year: ₹ 3.30 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) Pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Company has adopted the guidance note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India and revised the method of computation of stock option compensation based on the number of grants that are expected to vest. Consequently, the charge on account of employee stock option compensation for the year ended March 31, 2015 is lower and the profit before tax is higher by ₹ 13.99 crore.
- g) During the year, the Company has recovered ₹ 14.60 crore (*previous year: ₹ 16.01 crore*) from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.
- h) 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 2014-15 would have been higher by ₹ 9.10 crore (*previous year: ₹ 21.30 crore*) [excluding ₹ 2.05 crore (*previous year: ₹ 5.45 crore*) on account of grants to employees of subsidiary companies]
- (ii) Basic EPS before extraordinary items would have decreased from ₹ 54.46 per share to ₹ 54.37 per share
- (iii) Basic EPS after extraordinary items would have decreased from ₹ 54.46 per share to ₹ 54.37 per share
- (iv) Diluted EPS before extraordinary items would have decreased from ₹ 54.10 per share to ₹ 54.00 per share
- (v) Diluted EPS after extraordinary items would have decreased from ₹ 54.10 per share to ₹ 54.00 per share
- i) Weighted average fair values of options granted during the year is ₹ 1190.22 (*previous year: ₹ 556.06*) per option
- j) 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	2014-15	2013-14
(i)	Weighted average risk-free interest rate	8.57%	8.88%
(ii)	Weighted average expected life of options	4.01 years	4.34 years
(iii)	Weighted average expected volatility	33.92%	38.00%
(iv)	Weighted average expected dividends over the life of the option	₹ 57.18 per option	₹ 53.42 per option
(v)	Weighted average share price	₹ 1444.51 per option	₹ 834.48 per option
(vi)	Weighted average exercise price	₹ 313.49 per share	₹ 379.45 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.	

- k) The balance in share option outstanding account as on March 31, 2015 is ₹ 252.56 crore (net) (*previous year: ₹ 323.70 crore*), including ₹ 135.98 crore (*previous year: ₹ 148.22 crore*) for which the options have been vested to employees as on March 31, 2015.

**A(IX)** The Directors recommend payment of final dividend of ₹ 16.25 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 92,95,62,061 equity shares outstanding as at March 31, 2015 amounting to ₹ 1510.54 crore.

## Notes forming part of the Accounts (contd.)

### Note [B]

#### Reserves and surplus

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
<b>Capital reserve</b>		10.52		10.52
<b>Securities premium account</b> [Note Q(6)(b)]				
As per last Balance Sheet	7737.80		7512.11	
Addition during the period	225.23		291.50	
	7963.03		7803.61	
Less: Share/bond issue expenses (net of tax)	15.13		0.63	
Premium on inflation linked debentures (net of tax)	2.91		3.53	
Issue of Bonus shares	–		61.65	
		7944.99		7737.80
<b>Debenture redemption reserve:</b>				
As per last Balance Sheet	143.51		168.26	
Add: Transferred from Surplus Statement of Profit and Loss	256.50		44.00	
Less: Transferred to general reserve	–		68.75	
		400.01		143.51
<b>Revaluation reserve:</b>				
As per last Balance Sheet	19.25		20.19	
Less: Transferred to Statement of Profit and Loss	1.59		0.94	
Less: Transferred to general reserve	2.09		–	
		15.57		19.25
<b>Share options outstanding account:</b>				
<b>Employee stock options outstanding:</b>				
As per last Balance Sheet	459.23		585.89	
Addition during the year	86.74		66.86	
Transferred to general reserve	11.60		–	
Deduction during the year	156.19		193.52	
		378.18		459.23
<b>Deferred employee compensation expense:</b>				
As per last Balance Sheet	(135.53)		(191.93)	
Addition during the year	(86.74)		(66.86)	
Deduction during the year	96.65		123.26	
		(125.62)		(135.53)
<b>Hedging reserve (net of tax):</b> [Note Q(14)]				
As per last Balance Sheet	(122.25)		(332.87)	
Transfer pursuant to scheme of arrangement/business transfer agreement	79.25		148.27	
Addition/(deduction) during the year (net)	(155.25)		62.35	
		(198.25)		(122.25)
<b>General reserve:</b>				
As per last Balance Sheet	25030.47		20961.72	
Add: Transferred from Surplus Statement of Profit and Loss	–		4000.00	
Add: Transferred from revaluation reserve	2.09		–	
Add: Transferred from ESOP Outstanding	11.60		–	
Add: Transferred from debenture redemption reserve	–		68.75	
		25044.16		25030.47
Carried forward		33469.56		33143.00

## Notes forming part of the Accounts (contd.)

### NOTE [B]

#### Reserves and surplus (contd.)

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Brought forward		33469.56		33143.00
<b>Surplus Statement of Profit and Loss</b>				
As per last Balance Sheet	333.45		285.75	
Depreciation charged against retained earnings	(86.28)		-	
Reversal of deferred tax on depreciation charged against retained earnings	29.33		-	
Profit for the year	5056.18		5493.13	
	5332.68		5778.88	
Less: Dividends paid for previous year	1.88		2.38	
Additional tax on dividend paid for previous year	0.32		0.40	
Transfer to general reserve	-		4000.00	
Transfer to debenture redemption reserve	256.50		44.00	
Proposed dividend [Note A(IX)]	1510.54		1320.85	
Additional tax on dividend	134.33		77.80	
	1903.57		5445.43	
		3429.11		333.45
		36898.67		33476.45

### NOTE [C(I)]

#### Long term borrowings

Particulars	Note	As at 31-3-2015			As at 31-3-2014		
		Secured	Unsecured	Total *	Secured	Unsecured	Total *
		₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Redeemable non-convertible fixed rate debentures	C(I)(a)(i) & (ii)	400.00	1600.00	2000.00	400.00	1050.00	1450.00
Redeemable non-convertible Inflation Linked debentures	C(I)(a)(iii)	-	109.76	109.76	-	105.34	105.34
0.675% Foreign currency convertible bonds	C(I)(b)	-	1250.00	1250.00	-	-	-
Term loans from banks	C(I)(c)	-	5148.22	5148.22	-	3921.73	3921.73
Sales tax deferment loan	C(I)(d)	-	0.62	0.62	-	1.07	1.07
		400.00	8108.60	8508.60	400.00	5078.14	5478.14

\* 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	31-3-2015 ₹ crore	31-3-2014 ₹ crore	Interest for the year 2014-15	Terms of repayment for debentures outstanding as on 31-3-2015
1	10,00,000	January 5, 2009	400	400	9.15% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
<b>Total</b>			<b>400</b>	<b>400</b>		

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.

## Notes forming part of the Accounts (contd.)

### C(I)(a) (contd.)

#### (ii) Unsecured redeemable non-convertible fixed rate debentures (privately placed):

Sr. no.	Face value per debenture (₹)	Date of allotment	31-3-2015 ₹ crore	31-3-2014 ₹ crore	Interest for the year 2014-15	Terms of repayment for debentures outstanding as on 31-3-2015
1	10,00,000	April 10, 2012	250	250	9.75% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
2	10,00,000	May 26, 2010	300	300	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	300	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	200	8.80% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
5	10,00,000	August 22, 2014	350	–	9.15% p.a. payable annually	Redeemable at face value at the end of 2nd year from the date of allotment
6	10,00,000	August 21, 2014	200	–	9.20% p.a. payable annually	1250 Bonds redeemable at face value at the end 712th day from date of allotment & 750 bonds redeemable at face value at the end 731st day from date of allotment
7	10,00,000	December 11, 2014	300	–	8.42% p.a. payable annually	Redeemable at face value at the end of 368th day from the date of allotment.
8	10,00,000	February 2, 2015	300	–	7.80% p.a. payable annually	Redeemable at face value at the end of 366th day from the date of allotment.
Total			<b>2200</b>	<b>1050</b>		
Less:			600	–		Current portion of long term borrowings [Note D(II)]
			<b>1600</b>	<b>1050</b>		Long term borrowings as disclosed in [Note C(I)]

#### (iii) Unsecured redeemable non-convertible inflation linked debentures:

Sr. no.	Face value per debenture (₹)	Date of allotment	31-3-2015 ₹ crore	31-3-2014 ₹ crore	Interest for the year 2014-15	Terms of repayment for debentures outstanding as on 31-3-2015
1	10,00,000	May 23, 2013	109.76 ^	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 31-3-2015) / Average reference WPI (as at 23-5-2013)) \* Face Value]

# 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]

## Notes forming part of the Accounts (contd.)

### C(I)(b) Foreign Currency Convertible Bonds:

0.675% US\$ denominated 5 years & 1 day Foreign Currency Convertible Bonds (FCCB) carried at ₹ 1250 crore as on March 31, 2015 represent 1000 bonds of US\$ 2,00,000 each. The bonds are convertible into the Company's fully paid equity shares of ₹ 2 each at a conversion price of ₹ 1916.50 per share at the option of the bond holders at any time on and after December 1, 2014 up to October 15, 2019. 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 22, 2017 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.

### C(I)(c) Details of Term Loans (Unsecured): Foreign Currency Loans:

Sr. no.	31-3-2015 ₹ crore	31-3-2014 ₹ crore	Rate of interest	Terms of repayment of term loan outstanding as on 31-3-2015
1	1250.00	–	USD LIBOR + Spread	Repayment due on October 21, 2019
2	625.00	–	USD LIBOR + Spread	Repayable in 3 installments on (i) November 3, 2018 (ii) November 3, 2019 (iii) November 3, 2020.
3	312.50	299.58	USD LIBOR + Spread	Repayment due on July 2, 2018
4	125.00	119.83	USD LIBOR + Spread	Repayment due on September 27, 2017
5	156.25	–	USD LIBOR + Spread	Repayable on July 14, 2017
6	276.34	264.91	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016 (ii) August 30, 2017 and (iii) June 28, 2018
7	381.52	365.74	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016 (ii) August 30, 2017 and (iii) June 28, 2018
8	625.00	599.15	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016 (ii) August 30, 2017 and (iii) June 28, 2018
9	625.00	599.15	USD LIBOR + Spread	Repayable in 3 installments on (i) August 30, 2016 (ii) August 30, 2017 and (iii) June 28, 2018
10	349.74	335.27	USD LIBOR + Spread	Repayable in 2 installments on (i) August 30, 2016 and (ii) August 30, 2017
11	312.50	–	Fixed Interest Rate	Repayable on August 29, 2016
12	145.83	174.75	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
13	–	1198.30	USD LIBOR + Spread	
14	–	864.31	JPY LIBOR + Spread	
<b>Total</b>	<b>5184.68</b>	<b>4820.99</b>		
Less:	36.46	899.26		Current portion of long term borrowings [Note D(II)]
	<b>5148.22</b>	<b>3921.73</b>		Long term borrowings as disclosed in [Note C(I)]



## Notes forming part of the Accounts (contd.)

### C(I)(d) Sales tax deferment loan (Unsecured):

Sr. no.	As at 31-3-2015 ₹ crore	As at 31-3-2014 ₹ crore	Rate of Interest	Terms of repayment as on March 31, 2015
1	0.33	0.39	Interest Free	Repayable in 4 equal annual installment of ₹ 0.08 crore ending April 26, 2018
2	0.36	0.48		Repayable in 3 equal annual installment of ₹ 0.12 crore ending April 26, 2017
3	0.28	0.44		Repayable in 2 equal annual installment of ₹ 0.14 crore ending April 26, 2016
4	0.10	0.21		Repayable in 1 equal annual installment of ₹ 0.10 crore ending April 26, 2015
5	–	0.07		
6	–	6.66		
<b>Total</b>	<b>1.07</b>	<b>8.25</b>		
<i>Less:</i>	0.45	7.18		Current portion of long term borrowings [Note D(II)]
	<b>0.62</b>	<b>1.07</b>		Long term borrowings as disclosed in [Note C(I)]

### NOTE [C(II)]

#### Other long term liabilities

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
Forward contract payable	86.07	79.13
Others	33.55	14.44
	<u>119.62</u>	<u>93.57</u>

### NOTE [C(III)]

#### Long term provisions

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
Provision for employee benefits:		
Employee pension scheme [Note Q(9)(ii)(a)]	207.70	175.52
Post-retirement medical benefits plan [Note Q(9)(ii)(a)]	137.89	96.54
Interest rate guarantee-provident fund [Note Q(9)(ii)(a)]	4.86	27.55
	<u>350.45</u>	<u>299.61</u>

## Notes forming part of the Accounts (contd.)

### NOTE [D(I)]

#### Short term borrowings

Particulars	As at 31-3-2015			As at 31-3-2014		
	Secured	Unsecured	Total*	Secured	Unsecured	Total*
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Loans repayable on demand from banks [Note D(I)(a)]	57.79	–	57.79	104.45	81.22	185.67
Short term loans and advances from banks [Note D(I)(a)]	206.25	2484.04	2690.29	103.92	2773.79	2877.71
Short term borrowings against Government Securities	–	–	–	698.86	–	698.86
Commercial Paper	–	985.75	985.75	–	–	–
Loans from related parties (Subsidiary companies)	–	57.25	57.25	–	113.80	113.80
	<u>264.04</u>	<u>3527.04</u>	<u>3791.08</u>	<u>907.23</u>	<u>2968.81</u>	<u>3876.04</u>

\* 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 ₹ 57.79 crore (previous year: ₹ 104.45 crore), short term loans and advances from the banks of ₹ 206.25 crore (previous year: ₹ 103.92 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.

### NOTE [D(II)]

#### Current maturities of long term borrowings

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore*	₹ crore*
Unsecured:		
Redeemable non-convertible fixed rate debentures [Note C(I)(a)(ii)]	600.00	–
3.50% Foreign currency convertible bonds	–	1198.30
Term loan from banks [Note C(I)(c)]	36.46	899.26
Sales tax deferment loan [Note C(I)(d)]	0.45	7.18
	<u>636.91</u>	<u>2104.74</u>

\* Loans guaranteed by directors or others ₹ Nil (previous year ₹ Nil)

### NOTE [D(III)]

#### Trade payables

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
Acceptances	85.15	52.19
Due to related parties:		
Subsidiary companies	1782.16	2536.29
Associate companies	22.81	19.69
Joint venture companies	81.37	61.90
Micro and small enterprises [Note Q(24)]	116.64	53.94
Due to others	16756.64	13621.44
	<u>18844.77</u>	<u>16345.45</u>

## Notes forming part of the Accounts (contd.)

### NOTE [D(IV)]

#### Other current liabilities

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore		₹ crore	
Interest accrued but not due on borrowings	158.08		123.86	
Unclaimed dividend	33.59		28.01	
Due to customers (Construction related activity)	4008.46		4080.37	
Due to customers (Property Development projects)	365.27		98.37	
Advances from customers	9054.19		8207.75	
Forward contract payable	347.75		645.84	
Other payable (including sales tax, service tax, excise duty and others) [Note D(IV)(a)]	736.54		737.56	
	<u>14703.88</u>		<u>13921.76</u>	

**D(IV)(a)** Other payable includes due to directors ₹ 50.61 crore (*previous year* : ₹ 52.90 crore) on account of commission.

### NOTE [D(V)]

#### Short term provisions

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Provision for employee benefits:				
Gratuity [Note Q(9)(ii)(a)]	1.33		1.14	
Compensated absences	486.02		425.34	
Employee pension scheme [Note Q(9)(ii)(a)]	13.47		13.00	
Post-retirement medical benefits plan [Note Q(9)(ii)(a)]	10.04		5.92	
Bonus provision	10.35		11.24	
	<u>521.21</u>		<u>456.64</u>	
Others:				
Current tax [Net of payment made ₹ 1543.76 crore]	75.69		–	
Proposed equity dividend	1510.54		1320.85	
Additional tax on dividend	134.33		77.80	
Other provisions (AS 29 Related) [Note Q(17)]	259.11		258.23	
	<u>1979.67</u>		<u>1656.88</u>	
	<u>2500.88</u>		<u>2113.52</u>	

## Notes forming part of the Accounts (contd.)

### NOTE [E(I)]

#### Tangible assets

₹ crore

Class of assets	Cost/valuation					Depreciation					Impairment	Book value	
	As at 1-4-2014	Transfer of Business \$	Additions	Deductions	As at 31-3-2015	Up to 31-3-2014	Transfer of Business \$	For the year*	Deductions	Up to 31-3-2015	As at 31-3-2015	As at 31-3-2015	As at 31-3-2014
Land													
Freehold	402.56	-	2.43	-	404.99	-	-	-	-	-	-	404.99	402.56
Leashold	83.63	-	7.04	-	90.67	6.24	-	0.90	-	7.14	-	83.53	77.39
<b>Sub total-Land</b>	<b>486.19</b>	<b>-</b>	<b>9.47</b>	<b>-</b>	<b>495.66</b>	<b>6.24</b>	<b>-</b>	<b>0.90</b>	<b>-</b>	<b>7.14</b>	<b>-</b>	<b>488.52</b>	<b>479.95</b>
Buildings													
Owned	2552.43	-	295.99	47.50	2800.92	394.57	-	132.50	22.30	504.77	-	2296.15	2157.86
Leased out	190.85	-	-	-	190.85	13.38	-	6.06	-	19.44	-	171.41	177.47
<b>Sub total-Buildings</b>	<b>2743.28</b>	<b>-</b>	<b>295.99</b>	<b>47.50</b>	<b>2991.77</b>	<b>407.95</b>	<b>-</b>	<b>138.56</b>	<b>22.30</b>	<b>524.21</b>	<b>-</b>	<b>2467.56</b>	<b>2335.33</b>
Plant and equipment													
Owned	6865.89	21.05	554.56	100.82	7298.58	2735.92	7.81	678.85	82.96	3324.00	-	3974.58	4129.97
Leased out	34.22	-	-	-	34.22	9.28	-	2.58	-	11.86	6.93 #	15.43	18.01
<b>Sub total-Plant &amp; equipment</b>	<b>6900.11</b>	<b>21.05</b>	<b>554.56</b>	<b>100.82</b>	<b>7332.80</b>	<b>2745.20</b>	<b>7.81</b>	<b>681.43</b>	<b>82.96</b>	<b>3335.86</b>	<b>6.93</b>	<b>3990.01</b>	<b>4147.98</b>
Computers													
Owned	529.15	80.00	68.36	28.69	488.82	305.92	36.82	104.13	27.96	345.27	-	143.55	223.23
Taken on lease	0.09	-	-	0.01	0.08	0.08	-	0.01	0.01	0.08	-	-	0.01
<b>Sub total-Computers</b>	<b>529.24</b>	<b>80.00</b>	<b>68.36</b>	<b>28.70</b>	<b>488.90</b>	<b>306.00</b>	<b>36.82</b>	<b>104.14</b>	<b>27.97</b>	<b>345.35</b>	<b>-</b>	<b>143.55</b>	<b>223.24</b>
Office equipment													
Owned	213.80	8.95	27.54	5.17	227.22	109.88	2.71	56.93	4.76	159.34	-	67.88	103.92
<b>Sub total-Office equipment</b>	<b>213.80</b>	<b>8.95</b>	<b>27.54</b>	<b>5.17</b>	<b>227.22</b>	<b>109.88</b>	<b>2.71</b>	<b>56.93</b>	<b>4.76</b>	<b>159.34</b>	<b>-</b>	<b>67.88</b>	<b>103.92</b>
Furniture and fixtures													
Owned	246.91	24.62	23.81	7.40	238.70	128.10	12.25	21.50	5.12	132.23	-	106.47	118.81
<b>Sub total-Furniture &amp; fixture</b>	<b>246.91</b>	<b>24.62</b>	<b>23.81</b>	<b>7.40</b>	<b>238.70</b>	<b>128.10</b>	<b>12.25</b>	<b>21.50</b>	<b>5.12</b>	<b>132.23</b>	<b>-</b>	<b>106.47</b>	<b>118.81</b>
Vehicles													
Owned	214.26	8.31	30.64	18.23	218.36	102.95	3.14	28.12	12.83	115.10	-	103.26	111.31
<b>Sub total-Vehicles</b>	<b>214.26</b>	<b>8.31</b>	<b>30.64</b>	<b>18.23</b>	<b>218.36</b>	<b>102.95</b>	<b>3.14</b>	<b>28.12</b>	<b>12.83</b>	<b>115.10</b>	<b>-</b>	<b>103.26</b>	<b>111.31</b>
Other assets													
Owned													
Railway sidings	0.25	-	-	-	0.25	0.25	-	-	-	0.25	-	-	-
Ships	69.54	-	-	1.13	68.41	26.20	-	4.96	0.77	30.39	-	38.02	43.34
<b>Sub total-Other assets</b>	<b>69.79</b>	<b>-</b>	<b>-</b>	<b>1.13</b>	<b>68.66</b>	<b>26.45</b>	<b>-</b>	<b>4.96</b>	<b>0.77</b>	<b>30.64</b>	<b>-</b>	<b>38.02</b>	<b>43.34</b>
Lease Adjustment	-	-	-	-	-	-	-	-	-	-	-	(3.07)	(3.07)
<b>Total</b>	<b>11403.58</b>	<b>142.93</b>	<b>1010.37</b>	<b>208.95</b>	<b>12062.07</b>	<b>3832.77</b>	<b>62.73</b>	<b>1036.54</b>	<b>156.71</b>	<b>4649.87</b>	<b>6.93</b>	<b>7402.20</b>	<b>7560.81</b>
Previous year	11778.26	1164.06	960.83	171.45	11403.58	3549.61	368.94	746.25	94.15	3832.77	6.93		
Add: Capital work-in-progress												304.54	411.86
												7706.74	7972.67

# Impairment up to 31-03-2015 ₹ 6.93 crore. During the year ₹ NIL

\* Includes ₹ 86.28 crore transferred to opening reserve as on April 1, 2014 pursuant to Schedule II of Companies Act, 2013

§ [Note Q(15)]

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, shop-owners' associations and non-trading corporations ₹ 88.80 crore, including 2,575 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250 each.
  - (b) in various apartments ₹ 11.20 crore.

## Notes forming part of the Accounts (contd.)

### NOTE [E(I)] (contd.)

- (c) in various co-operative societies ₹ 12.88 crore for which share certificates are yet to be issued.
- (d) in proposed co-operative societies ₹ 0.53 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 ₹ 18.50 crore (*previous year ₹ 9.87 crore*) being borrowing cost capitalised in accordance with Accounting Standard (AS)16 on "Borrowing Costs". Asset wise break-up of borrowing costs capitalised is as follows:

Asset class	₹ crore	
	2014-15	2013-14
Building (owned)	26.30	1.81
Plant and equipment (owned)	0.30	0.01
Office Equipment (owned)	0.02	–
Furniture and Fixtures (owned)	0.03	0.01
Capital Work-in-progress	(8.15)	8.04
<b>Total</b>	<b>18.50</b>	<b>9.87</b>

4. Depreciation for the year include obsolescence ₹ 30.68 crore (*previous year ₹ 17.09 crore*).
5. Own assets given on operating lease have been presented separately in the schedule as per Accounting Standard (AS) 19.
6. Cost/valuation as at April 1, 2014 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. With effect from April 1, 2014, depreciation has been computed and provided on the basis of useful life of fixed assets as specified in Schedule II to the Companies Act, 2013 except in respect of assets specified in Note 9 below where the useful life was determined by technical evaluation, considering business specific usage, the consumption pattern of the assets and the past performance of similar assets. Consequently, the depreciation for the year ended March 31, 2015 is higher and the profit before tax lower to the extent of ₹ 147.41 crore.

In respect of assets where useful life specified in Schedule II has expired as on April 1, 2014, the carrying amount of ₹ 86.28 crore before tax (*₹ 56.95 crore net of tax of ₹ 29.33 crore*) was adjusted against retained earnings as on April 1, 2014.

9. Details of assets where useful life is different from that specified in Schedule II:

Sr. No	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Non-factory buildings (RCC frame structure)		60	20-60
2.	Non-factory buildings (other than RCC frame structure)		30	10-30
3.	Ownership flats	Building portion-RCC frame structure	60	50
4.	Office equipment	Multifunctional devices	5	4
5.	Air conditioning and refrigeration equipment		15	12
6.	Laboratory equipment		10	8
7.	Canteen equipment		15	8
8.	Motor vehicles		8	7



## Notes forming part of the Accounts (contd.)

### NOTE [E(I)] (contd.)

#### Assets used in Heavy Engineering/Shipbuilding Business:

Sr. No	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Factory buildings		30	15-50
2.	Plant & equipment general	Boring/Rolling/Drilling/Milling machines Modular Furnace Other Furnaces Horizontal Autoclaves Load bearing structures Cranes	15	10-30 5-15 5-30 10-30 50 10-30
3.	Roads	Carpeted Roads-other than RCC	5	5-15

#### Assets used in Electrical & Automation business:

Sr. No	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & equipment general	Specialised machine tools, dies, jigs, fixtures, gauges for electrical business DG sets above 30 kva	15 15	5 12

#### Assets used in Construction business:

Sr. No	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant and equipment used in civil construction	Minor plant & equipment of construction activity	12	5
2.	Photographic equipment		15	5

#### Assets used in Metallurgical & Material Handling business:

Sr. No	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant and equipment used in civil construction	Minor plant & equipment of construction activity	12	5
2.	Office equipment	Office equipment - deployed at project sites	5	3
3.	Air conditioning and refrigeration equipment	Air conditioning and refrigeration equipment - deployed at project sites	15	3
4.	Photographic equipment	Photographic equipment - deployed at project sites	15	3

### NOTE [E(II)]

#### Intangible assets

₹ crore

Particulars	Cost/valuation					Amortisation					Book value	
	As at 1-4-2014	Transfer of Business \$	Additions	Deductions	As at 31-3-2015	Up to 31-3-2014	Transfer of Business \$	For the year	Deductions	Up to 31-3-2015	As at 31-3-2015	As at 31-3-2014
Specialised Softwares	227.15	56.08	7.39	12.22	166.24	126.92	18.57	19.40	11.21	116.54	49.70	100.23
Technical knowhow	17.15	-	2.31	0.37	19.09	14.57	-	1.21	0.37	15.41	3.68	2.58
New Product Design and development	15.33	-	27.63	-	42.96	4.15	-	7.03	-	11.18	31.78	11.18
Total	259.63	56.08	37.33	12.59	228.29	145.64	18.57	27.64	11.58	143.13	85.16	113.99
Previous year	207.37	4.51	67.17	10.40	259.63	120.98	2.40	30.02	2.96	145.64		
Add: Intangible assets under development											189.50 #	150.55
											274.66	264.54

# Impairment during the year ₹ 1.16 crore

\$ [Note Q(15)]

## Notes forming part of the Accounts (contd.)

### NOTE [F]

#### Non-current investments (at cost unless otherwise specified)

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
<b>Long term investments</b>				
(1) Trade Investments				
(A) Investment in fully paid equity/preference instruments				
(a) Subsidiaries companies				
(i) Fully paid equity shares	14769.69		13832.61	
(ii) Fully paid preference shares	2426.00		990.00	
		17195.69		14822.61
(b) Associate companies				
Fully paid equity shares	30.63		32.43	
Less: Provision for diminution in value	0.56		0.56	
		30.07		31.87
(c) Other companies	43.00		43.00	
Less: Provision for diminution in value	15.90		15.90	
		27.10		27.10
(B) Investment in integrated joint ventures		419.96		286.83
(2) Other investments				
Other fully paid equity shares		—		—
		17672.82		15168.41

#### Non-current Investments (at cost unless otherwise specified)

Particulars	Face value per unit	Number of units	As at	As at
		As at 31-3-2015	31-3-2015	31-3-2014
	₹		₹ crore	₹ crore
<b>(1) Trade Investments</b>				
<b>(A) Investments in fully paid equity / preference instruments</b>				
<b>(a) Subsidiary companies:</b>				
<b>(i) Fully paid equity shares</b>				
L&T Valves Limited	100	1,800,000	201.54	201.54
Bhilai Power Supply Company Limited	10	49,950	0.05	0.05
EWAC Alloys Limited	100	829,440	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	4,000,016	4.00	4.00
L&T Ahmedabad-Maliya Tollway Limited [₹ 1000 (previous year ₹ 1000)]	10	100	—	—
L&T Aviation Services Private Limited	10	45,600,000	45.60	45.60
L&T Capital Company Limited (face value changed from ₹ 10 per share to ₹ 4400 per share w.e.f.22 Dec 2014)	4,400	50,000	22.00	22.00
L&T Cassidian Limited	10	37,000	0.04	0.04
L&T Finance Holdings Limited (quoted)	10	1,254,936,010	1575.15	1652.54
L&T Chennai-TADA Tollway Limited [₹ 1000 (previous year ₹ 1000)]	10	100	—	—
L&T Construction Equipment Limited	10	120,000,000	84.32	84.32
L&T Devihalli Hassan Tollway Limited [₹ 1000 (previous year ₹ 1000)]	10	100	—	—
Carried forward			2083.27	2160.66

## 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 31-3-2015 ₹ crore	As at 31-3-2014 ₹ crore
		As at 31-3-2015	As at 31-3-2015		
<b>(i) Fully paid equity shares (contd.)</b>	₹			₹ crore	₹ crore
Brought forward				2083.27	2160.66
L&T General Insurance Company Limited	10	620,000,000		620.00	495.00
L&T Halol-Shamlaji Tollway Limited [₹ 1000 (previous year ₹ 1000)]	10	100		–	–
L&T Howden Private Limited	10	15,030,000		15.03	15.03
L&T Infocity Limited	10	24,030,000		16.02	16.02
L&T Metro Rail (Hyderabad) Limited	10	19,813,980		19.82	11.55
L&T Infrastructure Development Projects Limited	10	312,869,096		2696.48	2696.48
L&T Kobelco Machinery Private Limited	10	25,500,000		25.50	25.50
L&T Krishnagiri Walajahpet Tollway Limited [₹ 26000 (previous year ₹ 26000)]	10	2,600		–	–
L&T-MHPS Boilers Private Limited	10	119,391,000		119.39	119.39
L&T-MHPS Turbine Generators Private Limited	10	362,406,000		362.41	194.11
L&T Natural Resources Limited	10	50,000		0.05	0.05
L&T Power Development Limited	10	2,729,300,000		2729.30	2729.30
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	47,160,700		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	95,311,850		95.31	95.31
L&T Seawoods Limited (formerly known as L&T Seawoods Private Limited)	10	1,999,550,000		1999.55	1506.00
L&T Shipbuilding Limited	10	818,680,000		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	419,284,000		419.28	419.28
L&T Electricals and Automation Limited	10	50,000		0.05	0.05
L&T Transportation Infrastructure Limited	10	10,864,000		10.86	10.86
L&T-Sargent & Lundy Limited	10	2,782,736		0.82	0.82
L&T Hydrocarbon Engineering Limited	10	1,000,050,000		1000.05	1000.05
L&T Technology Services Limited	10	300,000,000		300.00	102.50
L&T-Valdel Engineering Limited	10	1,179,000		23.89	23.89
Larsen & Toubro Infotech Limited	5	32,250,000		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	0.68
Larsen & Toubro LLC	USD 1	50,000		0.23	0.23
PNG Tollway Limited	10	43,966,000		43.97	43.97
Raykal Aluminum Company Private Limited	10	37,750		0.04	0.04
Spectrum Infotech Private Limited	10	440,000		6.80	6.80
Carried forward				14747.54	13832.31

## 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	As at
		As at 31-3-2015	As at 31-3-2015	As at 31-3-2015	As at 31-3-2014
	₹			₹ crore	₹ crore
<b>(i) Fully paid equity shares (contd.)</b>					
Brought forward				14747.54	13832.31
L&T Infrastructure Engineering Limited (formerly known as L&T-Ramboll Consulting Engineers Limited) [prior to September 8, 2014 Associate Company]	10	3,600,000		21.85	–
L&T Cutting Tools Limited	1,000	68,000		0.30	0.30
				14769.69	13832.61
<b>(ii) Fully paid preference shares</b>					
L&T Shipbuilding Limited -12% Non-convertible cumulative redeemable preference shares, October 23, 2028.	10	90,000,000		90.00	90.00
L&T Shipbuilding Limited -12% Non-convertible cumulative redeemable preference shares, June 26, 2029	10	50,000,000		50.00	–
L&T Technology Services Limited -10% Non-convertible Non-cumulative redeemable preference shares, February 15, 2024	10	400,000,000		400.00	400.00
L&T Technology Services Limited -10% Non-convertible Non-cumulative redeemable preference shares, September 22, 2024	10	350,000,000		350.00	–
L&T Seawoods Limited -10% Convertible non-cumulative and redeemable preference shares	2	1,036,000,000		1036.00	–
L&T Hydrocarbon Engineering Limited -10% Non-convertible Non-cumulative redeemable preference shares, February 7, 2029	10	500,000,000		500.00	500.00
				2426.00	990.00
<b>Total [1]-(A) (a) (i+ii)</b>				17195.69	14822.61
<b>(b) Associate companies:</b>					
Gujarat Leather Industries Limited	10	735,000		0.56	0.56
JSK Electricals Private Limited	10	2,120,040		2.12	2.12
L&T-Chiyoda Limited	10	4,500,000		4.50	4.50
L&T-Ramboll Consulting Engineers Limited (subsidiary company w.e.f. September 8, 2014)	10	–		–	1.80
Magtorq Private Limited	100	9,000		4.42	4.42
Rishi Consfab Private Limited	10	2,704,000		2.70	2.70
Salzer Electronics Limited (quoted)	10	2,679,808		16.33	16.33
				30.63	32.43
Less: Provision for diminution in value				0.56	0.56
<b>Total [1]-(A) (b)</b>				30.07	31.87
<b>(c) Other companies:</b>					
International Seaport Dredging Limited	10,000	15,899		15.90	15.90
Tidel Park Limited	10	4,000,000		4.00	4.00
Astra Microwave Products Limited (quoted)	2	7,950,045		23.00	23.00
BBT Elevated Road Private Limited	10	100,000		0.10	0.10
				43.00	43.00
Less: Provision for diminution in value				15.90	15.90
<b>Total [1]-(A) (c)</b>				27.10	27.10

## 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	As at
		As at 31-3-2015	As at 31-3-2015	31-3-2015	31-3-2014
	₹			₹ crore	₹ crore
<b>(B) Other investments</b>					
<b>Integrated joint venture</b>					
Desbuild-L&T Joint Venture				0.07	0.05
HCC-L&T Purulia Joint Venture				0.28	0.06
International Metro Civil Contractors Joint Venture				9.24	8.36
L&T-Eastern Joint Venture				5.21	6.13
L&T-AM Tapovan Joint Venture				107.72	91.71
L&T-Hochtief Seabird Joint Venture				23.72	23.81
L&T-Shanghai Urban Construction (Group) Corporation Joint Venture				13.27	13.16
Metro Tunneling Group				14.90	15.13
Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture				56.58	19.10
L&T- Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi				65.26	12.66
Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture				44.95	57.84
Laren & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture				21.64	38.82
Civil Works Joint Venture				57.12	–
<b>Total [1]-(B)</b>				419.96	286.83
<b>Trade Investments- Total (1)</b>				17672.82	15168.41
<b>(2) Other Investments</b>					
<b>Investments in fully paid equity Instruments</b>					
<b>Other companies:</b>					
Utmal Multi purpose Service Co-operative Society Limited (B Class) [₹ 30,000 (previous year ₹ 30,000)]	100	300		0.00	0.00
<b>Other Investments- Total (2)</b>				0.00	0.00
<b>Total Non current Investments (1+2)</b>				17672.82	15168.41

#### Details of quoted/unquoted investments:

Particulars	As at	
	31-3-2015	31-3-2014
	₹ crore	₹ crore
(a) Aggregate amount of quoted investments and market value thereof;		
Book Value	1614.48	1691.87
Market Value	8060.92	9740.38
(b) Aggregate amount of unquoted investments;		
Book Value	16058.34	13476.54
(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 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
Secured considered good:		
Loans against mortgage of house property	2.36	3.76
Capital advances	1.63	2.65
Inter corporate deposits including interest accrued-others	3.00	–
Other loans and advances (KMPs)	0.01	–
Unsecured considered good		
Capital advances	57.46	67.41
Loans and advances to related parties:		
Subsidiary Companies		
Advances towards equity commitment	1986.84	1208.37
Intercorporate deposit including interest accrued [Note Q(2)(a)]	57.51	1342.27
Joint venture company		
Loans	–	490.27
Other loans and advances		
Security deposits	63.23	109.18
Earnest money deposits	0.46	0.74
Advances recoverable in cash or in kind	548.33	496.92
	<u>2720.83</u>	<u>3721.57</u>

### NOTE [G(II)]

#### Cash and bank balances

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
Cash and bank balances not available for immediate use [Note G(II)(a)]	75.43	9.54
	<u>75.43</u>	<u>9.54</u>

#### G(II)(a) Particulars of cash and bank balances not available for immediate use

Particulars	₹ crore	
	As at 31-3-2015	As at 31-3-2014
1 Amount deposited under credit support arrangement which is refundable only on cessation of exposure to a bank.	–	35.15
2 Amount received including interest accrued there on from customers of property development business – to be handed over to housing society on its formation.	20.72	19.89
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.	16.73	14.89
4 Other bank balances including interest accrued thereon 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.	160.54	58.28
<b>Total</b>	<b>197.99</b>	<b>128.21</b>
Less: Amount reflected under Current assets [Note H(IV)]	122.56	118.67
<b>Amount reflected under non-current assets [Note G(II)]</b>	<b>75.43</b>	<b>9.54</b>

## Notes forming part of the Accounts (contd.)

### NOTE [G(III)]

#### Other non-current asset

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore		₹ crore	
Unamortised expenses	52.43		53.24	
	<u>52.43</u>		<u>53.24</u>	

### NOTE [H(I)]

#### Current Investments

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Current investments				
Government and trust securities	1484.77		944.28	
Less: Provision for diminution in value	2.53		15.23	
		1482.24		929.05
Debentures and Bonds	861.26		723.93	
Less: Provision for diminution in value	0.84		0.06	
		860.42		723.87
Mutual funds	3037.62		2118.68	
Less: Provision for diminution in value	0.20		–	
		3037.42		2118.68
Other current investments	–		274.63	
Less: Provision for diminution in value	–		–	
		–		274.63
		<u>5380.08</u>		<u>4046.23</u>

#### Other particulars in respect of current investment mentioned in H(1) are as follows:

Particulars	Face value per unit	Number of Units		As at 31-3-2015 ₹ crore	As at 31-3-2014 ₹ crore
		As at 31-3-2015	As at 31-3-2014		
<b>Current investments:</b>					
<b>(1) Government and trust securities:</b>					
8.28% Government of India Bonds 2032 (quoted)	100	500,000		4.91	4.91
7.16% Government of India Bond 2023 (quoted)	100	8,500,000		81.56	66.49
8.15% Government of India Bonds 2022 (quoted)	100	2,000,000		20.29	19.71
8.33% Government of India Bonds 2026 (quoted)	100	7,500,000		79.77	106.37
8.12% Government of India Bond 2020 (quoted)	100	–		–	262.68
8.28% Government of India Bond 2027 (quoted)	100	10,000,000		103.75	179.98
9.20% Government of India Bond 2030 (quoted)	100	26,100,000		290.10	54.69
8.32% Government of India Bond 2032 (quoted)	100	1,500,000		15.63	13.89
7.28% Government of India Bond 2019 (quoted)	100	–		–	167.47
8.24% Government of India Bond 2027 (quoted)	100	–		–	66.00
9.84% Andhra Pradesh SDL 2024 (quoted)	100	–		–	2.01
Carried forward				596.01	944.20

## Notes forming part of the Accounts (contd.)

### NOTE [H(I)]

#### Current investments (contd.)

Particulars	Face value per unit	Number of Units		As at	As at
		As at 31-3-2015	As at 31-3-2015	31-3-2015	31-3-2014
	₹			₹ crore	₹ crore
<b>(1) Government and trust securities: (contd.)</b>					
Brought forward				596.01	944.20
8.90% Maharashtra SDL 2022 (quoted)	100	–	–	–	0.08
8.83% Government of India Bond 2023 (quoted)	100	22,500,000		238.70	–
6.90% Oil Mktg Cos GOI Special Bonds 2026 (quoted)	100	1,300,000		12.04	–
9.23% Government of India Bond 2043 (quoted)	100	30,000,000		346.02	–
8.17% Government of India Bond 2044 (quoted)	100	3,000,000		31.26	–
8.27% Government of India Bond 2020 (quoted)	100	25,500,000		260.74	–
				1484.77	944.28
Less: Provision for diminution in value				2.53	15.23
<b>Government and trust securities -Total</b>				1482.24	929.05
<b>(2) Debentures and Bonds</b>					
<b>(i) Subsidiary companies:</b>					
L&T Finance Limited - 10.24% Secured Redeemable Non Convertible Debenture, 17 September 2019 (quoted)	1,000	217,575		22.95	36.96
				22.95	36.96
Less: Provision for diminution in value				–	–
<b>Subsidiary companies -Total</b>				22.95	36.96
<b>(ii) Other Debentures and Bonds</b>					
6.86% IIFCL Tax Free Bonds 26 March 2023 (quoted)	1,000	250,000		25.00	25.00
7.18% IRFC Ltd. Tax Free Bonds 19 February 2023 (quoted)	1,000	3,000,000		304.28	300.00
10.75% The Tata Power Co. Ltd. NCD 21 August 2072 (quoted)	1,000,000	1,037		109.08	0.51
8.00% Indian Overseas Bank Bonds 13 Mar 2016 (quoted)	1,000,000	46		4.51	4.90
8.20% NHAI Tax Free Bonds 25 Jan 2022 (quoted)	1,000	–		–	76.92
8.20% PFC Ltd. Tax Free Bonds 01 Feb 2022 (quoted)	1,000	604,355		64.89	89.22
8.46% PFC Ltd. Tax Free Bonds 30 Aug 2028 (quoted)	1,000,000	227		25.32	1.70
9.18% HDFC Ltd. NCD 22 Oct 2014 (quoted)	1,000,000	–		–	14.99
9.32% NABARD Bonds 23 Feb 2015 (quoted)	1,000,000	–		–	10.00
1.44% Inflation Indexed Bonds 05 Jun 2023 (quoted)	100	5,000,000		41.79	41.79
10.05% HDB Financial Services Ltd. Bonds SR-I/1/5 20 Dec 2023 (quoted)	1,000,000	260		28.04	25.99
10.20% HDB Financial Services Ltd. Bonds 09 Aug 2022 (quoted)	1,000,000	21		2.27	2.12
8.41% NTPC Ltd. Tax Free Bonds SR-1A 16 Dec 2023 (quoted)	1,000	79,162		8.54	7.92
9.80% BOI Bonds SR-XI 30 Sep 2023 (quoted)	1,000,000	–		–	9.80
Citicorp Finance India Ltd. SR-515 NCD 12 Apr 2016 (quoted)	100,000	–		–	26.11
ECL Finance Ltd. NCD SR-C5C401 11 Mar 2015 (quoted)	10,000,000	–		–	25.00
ECL Finance Ltd. NCD SR-C5C403 19 Mar 2015 (quoted)	10,000,000	–		–	25.00
8.46% REC Ltd. Tax Free Bonds SR-3B 29 Aug 2028 (quoted)	1,000,000	370		41.56	–
ECL Finance Ltd. NCD SR-J5K403 04 Nov 2015 (quoted)	10,000,000	25		25.00	–
ECL Finance Ltd. NCD SR-L5L402 15 Dec 15 (quoted)	10,000,000	25		26.28	–
Edelweiss Finance & Investments Ltd. NCD SR-A6A501 06 Jan 16	10,000,000	25		29.69	–
Edelweiss Finance & Investments Ltd. NCD SR-A6A502 08 Jan 16	10,000,000	25		29.85	–
Edelweiss Finance & Investments Ltd. NCD SR-A6A503 11 Jan 16	10,000,000	25		27.20	–
Edelweiss Finance & Investments Ltd. NCD SR-K5L401 17 Dec 15 (quoted)	10,000,000	25		26.86	–
Carried forward				820.16	686.97

## Notes forming part of the Accounts (contd.)

### NOTE [H(I)]

#### Current investments (contd.)

Particulars	Face value per unit	Number of Units		As at	As at
		As at 31-3-2015	As at 31-3-2015	31-3-2015	31-3-2014
	₹			₹ crore	₹ crore
<b>(ii) Other Debentures and Bonds (contd.)</b>					
Brought forward				820.16	686.97
8.70% PNB Housing Finance Ltd. Bonds SR-III 24 Nov 2024 (quoted)	1,000,000	150		15.16	–
7.40% Syndicate Bank TI-2 SR-8 NCD 20 Apr 2015 (quoted)	1,000,000	30		2.99	–
				838.31	686.97
Less: Provision for diminution in value				0.84	0.06
<b>Other Debentures &amp; Bonds -Total</b>				837.47	686.91
<b>Debentures &amp; Bonds -Total</b>				860.42	723.87
<b>(3) Mutual funds:</b>					
DWS Short Maturity Fund - Direct Plan - Annual Bonus	10	69,269,027		118.26	105.71
Baroda Pioneer Liquid Fund - Plan A - Growth	1,000			–	50.00
JM Money Manager Fund - Super Plus Plan - Bonus -Bonus Units	10	302,625,946		360.12	330.88
L&T FMP - Series VIII - Plan J (368 Days) - Growth (quoted)	10			–	15.85
DWS Treasury Fund - Investment Plan - Direct Plan - Bonus	10	18,464,465		21.43	19.66
HDFC Liquid Fund - Growth	10	18,139,997		50.00	50.00
IDFC Cash Fund - Reg - Growth	1,000	1,177,941		200.00	50.00
JP Morgan India Treasury Fund - Direct Plan - Bonus	10			–	36.82
L&T FMP - VII (January 507D A) - Growth (quoted)	10			–	22.08
L&T FMP - VII (March 13M A) - Growth (quoted)	10			–	10.99
L&T FMP - VII (March 381D A) - Growth (quoted)	10			–	10.90
L&T FMP - Series VIII - Plan A - Growth (quoted)	10			–	21.25
L&T Floating Rate Fund Direct Plan - Growth	10	18,845,876		25.54	35.99
L&T Liquid Fund - Growth	1,000	3,033,892		581.09	600.00
Religare Invesco Liquid Fund - Growth	1,000	–		–	50.00
SBI Premier Liquid Fund - Growth	1,000	455,657		100.00	150.00
Birla Sun Life Infrastructure Fund - Regular Plan - Dividend	10	–		–	28.37
DSP BlackRock India Tiger Fund - Regular Plan - Dividend	10	–		–	22.35
DWS Ultra Short Term Fund - Direct Plan - Annual Bonus	10	33,497,695		37.49	33.34
Franklin India Prima Fund - Dividend	10	–		–	23.31
HDFC Infrastructure Fund - Dividend	10	–		–	64.29
HDFC Mid-Cap Opportunities Fund - Dividend	10	–		–	16.47
ICICI Prudential Discovery Fund - Regular Plan - Dividend	10	–		–	24.44
ICICI Prudential Infrastructure Fund - Regular Plan-Dividend	10	–		–	27.84
IDFC Sterling Equity Fund - Regular Plan - Dividend	10	–		–	57.76
L&T FMP - Series X - Plan A (368 days) - Growth (quoted)	10	–		–	10.22
Principal Cash Management Fund - Regular Plan - Growth	1,000	147,330		20.00	50.00
Birla Sun Life Cash Plus - Regular Plan - Growth	100	4,461,557		100.00	50.00
DWS Insta Cash Plus Fund - Super Institutional Plan - Growth	100	–		–	50.00
ICICI Prudential Liquid - Regular Plan - Growth	100	–		–	50.00
L&T FMP SR X - Plan D (367 Days) - Direct Plan - Growth (quoted)	10	–		–	5.08
L&T FMP SR X - Plan D (367 Days) - Growth (quoted)	10	–		–	5.08
Pramerica Liquid Fund - Growth	1,000	134,216		20.00	20.00
Templeton India TMA - Super IP - Growth	1,000	–		–	20.00
Carried forward				1633.93	2118.68

## Notes forming part of the Accounts (contd.)

### NOTE [H(I)]

#### Current investments (contd.)

Particulars	Face value per unit	Number of Units		As at	As at
		As at 31-3-2015	As at 31-3-2015	31-3-2015	31-3-2014
	₹			₹ crore	₹ crore
<b>(3) Mutual funds: (contd.)</b>					
Brought forward				1633.93	2118.68
L&T Emerging Businesses Fund - Direct Plan - Growth	10	10,000,000		13.71	–
JM Arbitrage Advantage Fund - Direct Plan - Bonus	10	465,166,900		487.31	–
L&T Business Cycles Fund - Direct Plan - Growth	10	9,999,800		12.44	–
DSP BlackRock India Tiger Fund - Regular - Growth	10	732,920		5.23	–
IDFC Sterling Equity Fund - Regular Plan - Growth	10	2,840,594		10.41	–
JPMorgan India Liquid Fund - Super Institutional Plan - Growth	10	27,623,394		50.00	–
BNP Paribas Overnight Fund - Growth	1,000	465,489		100.00	–
DWS Treasury Fund - Cash - Regular - Growth	10	3,334,585		50.00	–
Reliance Liquid Fund - TP - Growth	1,000	293,788		100.00	–
Taurus Liquid Fund - Super Institutional Plan - Growth	1,000	661,443		100.00	–
UTI Liquid Fund - Cash Plan - Institutional Plan - Growth	1,000	436,994		100.00	–
LIC Nomura MF Liquid Fund - Growth	1,000	197,498		50.00	–
DWS Ultra Short Term Fund - Direct Plan - Growth	10	29,933,846		50.00	–
ICICI Prudential Money Market Fund - Regular Plan - Growth	10	5,176,838		100.00	–
HSBC Cash Fund - Growth	1,000	717,527		100.00	–
L&T Resurgent India Corporate Bond Fund - Direct Plan-Growth	10	10,000,000		10.19	–
HDFC Small & Midcap Fund - Growth	10	12,870,026		33.00	–
L&T Arbitrage Opportunities Fund - Growth	10	19,999,544		21.26	–
Birla Sun Life Manufacturing Equity Fund - Direct - Dividend	10	10,009,772		10.14	–
				3037.62	2118.68
Less: Provision for diminution in value				0.20	–
<b>Mutual funds-Total</b>				3037.42	2118.68
<b>(4) Other Current investments:</b>					
<b>(i) Investment in collateralized borrowing and lending obligation :</b>	NA	NA		–	274.63
<b>Other Current investments-Total (4) (i)</b>				–	274.63
<b>Total Current Investments</b>				5380.08	4046.23

#### Details of quoted/unquoted investments:

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
(a) Aggregate amount of quoted current investments and market value thereof;		
Book Value	2255.94	1754.39
Market Value	2342.93	1798.22
(b) Aggregate amount of unquoted current investments;		
Book Value	3124.14	2291.84
(c) Aggregate provision for diminution in value of current investments is ₹ 3.57 crore (previous year ₹ 15.29 crore)		



## Notes forming part of the Accounts (contd.)

### NOTE [H(II)]

#### Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore		₹ crore	
Raw Materials [Includes goods-in-transit ₹ 21.59 crore (Previous year ₹ 17.17 crore)]	448.71		416.09	
Components [Includes goods-in-transit ₹ 17.73 crore (Previous year ₹ 15.38 crore)]	331.41		310.04	
Construction material [Includes goods-in-transit ₹ 72.87 crore (Previous year ₹ 85.22 crore)]	74.80		88.74	
Manufacturing work-in-progress [Note Q(26)(e)]	582.78		547.59	
Finished goods	261.20		203.17	
Stock in trade (in respect of goods acquired for trading) [Includes goods-in-transit ₹ 35.95 crore (Previous year ₹ 6.07 crore)]	161.13		117.21	
Stores and spares [Includes goods-in-transit ₹ 6.34 crore (Previous year ₹ 8.15 crore)]	140.07		135.09	
Loose tools	6.66		5.33	
Property development related work-in-progress [Note Q(7)(b)]	201.03		159.27	
	<u>2207.79</u>		<u>1982.53</u>	

### NOTE [H(III)]

#### Trade receivables

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Secured:				
Debts outstanding for more than 6 months: Considered good	4.71		18.23	
Unsecured:				
Debts outstanding for more than 6 months: Considered good	2235.07		1959.71	
Considered doubtful	565.93		473.54	
	<u>2801.00</u>		<u>2433.25</u>	
Other debts [Note H(III)(a)]				
Considered good	20811.33		19560.82	
Considered doubtful	0.46		0.19	
	<u>23612.79</u>		<u>21994.26</u>	
Less: Allowance for doubtful debts	566.39		473.73	
		<u>23046.40</u>		<u>21520.53</u>
		<u>23051.11</u>		<u>21538.76</u>

**H(III)(a)** Other debts includes ₹ 15105.86 crore (previous year: ₹ 14846.62 crore) contractually not due.

## Notes forming part of the Accounts (contd.)

### NOTE [H(IV)]

#### Cash and bank balances

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Cash and cash equivalents				
Balance with banks	921.66		1174.94	
Cheques and drafts on hand	159.74		195.51	
Cash on hand	90.52		2.31	
Fixed deposits with banks (maturity less than 3 months)	175.04		250.20	
		1346.96		1622.96
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)]	3.00		2.88	
Earmarked balances with banks-unclaimed dividend	33.59		28.01	
Margin money deposits	9.69		10.34	
Cash and bank balances not available for immediate use [Note G(II)(a)]	122.56		118.67	
		168.84		159.90
		1515.80		1782.86

### NOTE [H(V)]

#### Short term loans and advances

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Secured considered good:				
Loans against mortgage of house property		0.89		1.06
Rent deposit (KMPs)		–		0.01
Inter corporate deposits including interest accrued-others		70.00		100.00
Unsecured considered good:				
Loans and advances to related parties:				
Subsidiary Companies:				
Intercorporate deposit including interest accrued [Note Q(2)(a)]		1926.58		995.69
Others		1036.06		934.76
Associate Companies:				
Advances recoverable		3.65		2.37
Joint Ventures:				
Others		81.34		25.46
Carried forward		3118.52		2059.35

## Notes forming part of the Accounts (contd.)

### NOTE [H(V)]

#### Short term loans and advances (contd.)

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore		₹ crore	
Brought forward	3118.52		2059.35	
Others considered good:				
Security deposits	265.37		198.64	
Earnest money deposits	63.12		64.49	
Advances recoverable in cash or in kind	4289.09		3761.20	
Income tax receivable of current year [Net of provision ₹ 1684.53 crore]	–		209.16	
Balances with customs, port trust etc.	76.25		52.73	
Lease receivable [Note Q(12)(i)(b)]	–		0.08	
Considered doubtful:				
Deferred credit against sale of ships	25.99		24.92	
Security deposits	4.55		1.39	
Other loan and advances	140.26		141.14	
	7983.15		6513.10	
Less: Allowance for doubtful loan and advances	170.80		167.45	
	7812.35		6345.65	

### NOTE [H(VI)]

#### Other current asset

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Other current assets:				
Due from customers (construction and project related activity)	18313.58		15203.35	
Due from customers (property development activity) [Note Q(7)(b)]	48.68		84.85	
Interest accrued on investments	46.83		39.23	
Unbilled revenue	–		71.78	
Unamortised expenses	24.63		19.37	
	18433.72		15418.58	
	18433.72		15418.58	

## Notes forming part of the Accounts (contd.)

### NOTE [I] Contingent liabilities

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
(a) Claims against the Company not acknowledged as debts	883.06	184.75
(b) Sales-tax liability that may arise in respect of matters in appeal	173.96	122.11
(c) Excise duty/Service Tax liability that may arise in respect of matters in appeal/challenged by the Company in WRIT	55.41	41.80
(d) Income-tax liability (including penalty) that may arise in respect of which the Company is in appeal	826.44	463.58
(e) Corporate guarantees for debt given on behalf of Subsidiary companies	8723.55	3772.85
(f) Corporate and bank guarantees for performance given on behalf of Subsidiary companies	9201.96	5627.07

#### Notes:

- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- 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.
- In respect of matters at (e), the cash outflows, if any, could generally occur up to twelve years, being the period over which the validity of the guarantees extends except in a few cases where the cash outflows, if any, could occur any time during the subsistence of the borrowing to which the guarantees relate.
- In respect of matters at (f), the cash outflows, if any, could generally occur up to four years, being the period over which the validity of the guarantees extends.
- Contingent liability with respect to interest in joint ventures - Note Q(16)

### NOTE [J] Commitments

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	294.40	404.38
(b) Estimated amount of committed funding by way of equity/loans to Subsidiary companies	2738.00	4289.00

### NOTE [K]

#### Revenue from operations

Particulars	Note	2014-15		2013-14	
		₹ crore	₹ crore	₹ crore	₹ crore
<b>Sales &amp; service:</b>					
Construction and project related activity	Q(7)(a), Q(26)(a)(iii)	49480.38		47861.55	
Manufacturing and trading activity	Q26(a)(i)	5743.51		6176.82	
Property development activity	Q(7)(b), Q(26)(a)(ii)	946.94		447.84	
Engineering and service fees	Q(26)(a)(vi)	3.59		1539.86	
Servicing	Q(26)(a)(iv)	507.93		422.47	
Commission	Q(26)(a)(v)	108.78		118.64	
			56791.13		56567.18
<b>Other operational revenue:</b>					
Income from hire of plant and equipment		33.39		61.95	
Company's share in profit of Integrated joint ventures	Q16(b)	59.78		20.86	
Lease rentals		76.91		61.98	
Income from services to the Group companies		240.37		89.35	
Premium earned (net) on related forward exchange contract		103.24		120.04	
Miscellaneous income		253.25		242.49	
			766.94		596.67
			57558.07		57163.85

## Notes forming part of the Accounts (contd.)

### NOTE [K(I)]

Revenue from sales & service include:

(a) ₹ 1443.57 crore (previous year: ₹ 1558.70 crore) for price variations net of liquidated damages in terms of contracts with the customers.

(b) Shipbuilding subsidy ₹ Nil (previous year: ₹ Nil) and reversal of shipbuilding subsidy of ₹ Nil (previous year: ₹ 31.54 crore)

### NOTE [L]

#### Other Income

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Interest Income				
From current investments				
Subsidiary companies	3.00		4.06	
Others	212.44		263.01	
From others				
Subsidiary and associate companies	292.74		196.36	
Others	57.73		31.49	
		565.91		494.92
Dividend income				
From long term investments:				
Subsidiary companies	850.70		863.06	
Associate companies	0.58		2.35	
Other trade investments	2.07		1.84	
	853.35		867.25	
From current investments	0.84		–	
		854.19		867.25
Net gain/(loss) on sale of investment				
Current investments (net)	406.63		197.55	
		406.63		197.55
Net gain/(loss) on sale of fixed assets (net)		29.19		25.06
Lease rental		51.57		45.94
Miscellaneous income (net of expenses) [Note L(I)]		375.88		250.17
		2283.37		1880.89

### 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 given hereunder, have been netted off from miscellaneous income.

Expenses	2014-15	2013-14
	₹ crore	₹ crore
Salaries	43.78	58.37
Contribution to Provident Fund	1.53	2.31
Compensation for Employee Stock Option Plan (ESOP)	2.54	3.26
Welfare expenses	1.07	2.13
Other expenses	0.85	2.46
Total	49.77	68.53



## Notes forming part of the Accounts (contd.)

### NOTE [M]

#### Manufacturing, construction and operating expenses

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Materials consumed:				
Raw materials and components [Note Q(26)(b)]	5329.27		6110.42	
Less: Scrap sales	<u>104.61</u>		<u>107.62</u>	
		5224.66		6002.80
Construction materials		18761.89		16106.79
Purchase of stock-in-trade [Note Q(26)(c)]	1296.75		2025.59	
Value of stock-in-trade transferred on sale of business	<u>–</u>		<u>(103.43)</u>	
		1296.75		1922.16
Stores,spares and tools consumed		1831.46		1920.83
Sub-contracting charges		13232.57		13278.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade and property development:				
Closing stock:				
Finished goods	261.20		203.17	
Stock-in-trade	161.13		117.21	
Work-in-progress	<u>3244.67</u>		<u>3068.09</u>	
	<u>3667.00</u>		<u>3388.47</u>	
Less: Opening stock:				
Finished goods	203.17		209.11	
Stock-in-trade	117.21		169.19	
Work-in-progress	<u>3068.09</u>		<u>3120.20</u>	
	<u>3388.47</u>		<u>3498.50</u>	
		(278.53)		110.03
Other manufacturing, construction and operating expenses:				
Excise duty	10.35		0.17	
Power and fuel [Note O(l)]	631.14		593.15	
Royalty and technical know-how fees	6.39		3.25	
Packing and forwarding [Note O(l)]	338.41		290.07	
Hire charges - plant & equipment and others	575.38		556.55	
Engineering, technical and consultancy fees	499.98		485.53	
Insurance [Note O(l)]	149.53		131.16	
Rent [Note O(l)]	332.42		278.82	
Rates and taxes [Note O(l)]	218.00		223.72	
Travelling and conveyance [Note O(l)]	652.14		658.69	
Repairs to plant and equipment	52.42		44.16	
Repairs to buildings [Note O(l)]	7.19		8.31	
General repairs and maintenance [Note O(l)]	221.89		189.79	
Bank guarantee charges	106.93		99.69	
Miscellaneous expenses [Note O(l)]	<u>525.58</u>		<u>447.43</u>	
		4327.75		4010.49
		<u>44396.55</u>		<u>43351.51</u>

## Notes forming part of the Accounts (contd.)

### NOTE [N]

#### Employee benefits expense

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Salaries, wages and bonus		3375.48		3806.74
Contribution to and provision for:				
Provident funds and pension fund	115.58		123.94	
Superannuation/employee pension schemes	11.73		29.06	
Gratuity funds [Note Q(9)(b)]	46.85		36.32	
		174.16		189.32
Expenses on Employee Stock Option Schemes [Note A(VIII)(e)(ii)]		49.11		55.88
Insurance expenses-Medical and others [Note O(l)]		41.43		68.23
Staff welfare expenses		510.66		536.73
		4150.84		4656.90

[Note L(l) for employee benefit expenses netted off]

### NOTE [O]

#### Sales, administration and other expenses

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Power and fuel [Note O(l)]		54.46		63.58
Packing and forwarding [Note O(l)]		99.59		147.02
Professional fees		184.37		163.33
Audit fees [Note Q(19)]		3.80		3.63
Insurance [Note O(l)]		40.54		20.57
Rent [Note O(l)]		123.55		126.17
Rates and taxes [Note O(l)]		34.52		67.37
Travelling and conveyance [Note O(l)]		229.13		262.69
Repairs to buildings [Note O(l)]		17.68		23.47
General repairs and maintenance [Note O(l)]		205.25		218.03
Directors' fees		0.52		0.26
Telephone, postage and telegrams		90.63		104.55
Advertising and publicity		52.60		63.50
Stationery and printing		40.33		41.86
Commission:				
Distributors and agents	18.17		20.86	
Others	3.09		3.04	
		21.26		23.90
Bank charges		52.89		32.55
Contribution to political parties [Note Q(27)]		11.00		-
Miscellaneous expenses [Note O(l)]		378.55		350.12
Carried Forward		1640.67		1712.60

## Notes forming part of the Accounts (contd.)

### NOTE [O]

#### Sales, administration and other expenses (contd.)

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Brought Forward		1640.67		1712.60
Bad debts and advances written off	10.58		43.56	
Less: Allowance for doubtful debts and advances written back	4.08		43.19	
		6.50		0.37
Company's share in loss of integrated joint ventures [Note (16)(b)]		35.81		0.36
Discount on sales		75.77		74.40
Allowance for doubtful debts and advances (net)		114.02		85.13
Provision (reversal) for foreseeable losses on construction contracts		13.99		(60.99)
Provision (reversal) for diminution in value of investments (net)		(11.72)		13.64
Exchange (gain)/loss (net)		116.61		226.53
Other provisions [Note (17)(a)]		5.46		(119.60)
		1997.11		1932.44

### NOTE [O(I)]

Aggregation of expenses disclosed vide notes M, N and O in respect of specific items as mentioned in the schedule III to the Companies Act 2013, are as follows:

Sr. no.	Nature of expenses	₹ crore							
		2014-15				2013-14			
		Note M	Note N	Note O	Total	Note M	Note N	Note O	Total
1	Power and fuel	631.14	–	54.46	685.60	593.15	–	63.58	656.73
2	Packing and forwarding	338.41	–	99.59	438.00	290.07	–	147.02	437.09
3	Insurance	149.53	41.43	40.54	231.50	131.16	68.23	20.57	219.96
4	Rent	332.42	–	123.55	455.97	278.82	–	126.17	404.99
5	Rates and taxes	218.00	–	34.52	252.52	223.72	–	67.37	291.09
6	Travelling and conveyance	652.14	–	229.13	881.27	658.69	–	262.69	921.38
7	Repairs to building	7.19	–	17.68	24.87	8.31	–	23.47	31.78
8	General repairs and maintenance	221.89	–	205.25	427.14	189.79	–	218.03	407.82
9	Miscellaneous expenses	525.58	–	378.55	904.13	447.43	–	350.12	797.55

### NOTE [P]

#### Finance costs

Particulars	2014-15	2013-14
	₹ crore	₹ crore
Interest expenses	1289.08	1012.46
Other borrowing costs	22.08	18.00
Exchange loss (attributable to finance costs)	107.87	45.62
	1419.03	1076.08

## Notes forming part of the Accounts (contd.)

### NOTE [Q]

Q(1) The balance sheet as on March 31, 2015 and the Statement of Profit and Loss for the year ended March 31,2015 are drawn and presented as per the format prescribed under Schedule III to the Companies Act, 2013.

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	
	31-3-2015	31-3-2014	2014-15	2013-14
(a) Loans and advances in the nature of loans given to subsidiaries:				
1 Larsen & Toubro Infotech Limited	–	–	–	40.14
2 L&T Seawoods Limited (formerly known as L&T Seawoods Private Limited)	–	–	677.03	–
3 L&T Infrastructure Development Projects Limited	–	314.54	531.69	324.55
4 L&T Realty Limited	710.03	841.20	962.11	998.52
5 L&T Chennai Projects Private Limited	–	–	–	179.31
6 L&T Finance Holdings Limited	–	200.61	201.69	200.61
7 L&T Shipbuilding Limited	386.76	–	386.76	–
8 L&T Special Steels & Heavy Forgings Private Limited	554.71	245.30	554.71	245.30
9 L&T Sapura Offshore Private Limited	–	–	–	4.21
10 PNG Tollway Limited	57.51	52.64	57.51	52.64
11 L&T Infocity Limited	–	–	–	36.77
12 Ewac Alloys Limited	–	5.51	5.52	10.50
13 L&T Hydrocarbon Engineering Limited	150.03	603.10	1269.70	603.10
14 L&T Technology Services Limited	–	15.02	108.41	15.02
15 L&T Valves Limited	15.00	60.04	61.20	60.05
16 Nabha Power Limited	110.05	–	1550.84	–
17 L&T Power Development Limited	–	–	42.40	–
<b>Total</b>	<b>1984.09*</b>	<b>2337.96*</b>		
(b) Loans and advances in the nature of loans where repayment schedule is not specified/is beyond 7 years:				
1 PNG Tollway Limited	57.51	52.64	57.51	52.64
<b>Total</b>	<b>57.51</b>	<b>52.64</b>		
(c) Loans and advances in the nature of loans where interest is not charged or charged below prevailing yield of one year, three year, five year or ten year government security closest to the tenor of the Loan:				
1 L&T Realty Limited	–	–	–	200.00
<b>Total</b>	<b>–</b>	<b>–</b>		

\* Long term loans and advances [Note G(I)] - ₹ 57.51 crore (previous year: ₹ 1342.27 crore) and

Short term loans and advances [Note H(V)] - ₹ 1926.58 crore (previous year: ₹ 995.69 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.

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Q(3) Disclosure pursuant to section 186 of the Companies Act 2013:

₹ crore				
Sr. no.	Nature of the transaction (loans given/investment made/ guarantee given/security provided)	Purpose for which the loan/ guarantee/security is proposed to be utilised by the recipient	As at 31-3-2015	As at 31-3-2014
<b>1</b>	<b>Loan and Advances:</b>			
	<b>(i) Subsidiary Companies:</b>			
	L&T Infrastructure Development Projects Limited	Project funding	–	314.54
	L&T Realty Limited	Project funding	710.03	841.20
	L&T Finance Holdings Limited	Short term funding	–	200.61
	L&T Shipbuilding Limited	Working capital	386.76	–
	L&T Special Steels & Heavy Forgings Private Limited	Working Capital and Project funding	554.71	245.30
	PNG Tollway Limited	Project funding	57.51	52.64
	EWAC Alloys Limited	Short term funding	–	5.51
	L&T Hydrocarbon Engineering Limited	Working capital	150.03	603.10
	L&T Technology Services Limited	Short term funding	–	15.02
	Nabha Power Limited	Project funding	110.05	–
	L&T Valves Limited	Short term funding	15.00	60.04
			1984.09	2337.96
	<b>(ii) Joint Ventures:</b>			
	The Dhamra Port Company Limited	Project Funding	–	490.27
	<b>(iii) Others:</b>			
	Boyance Infrastructure Private Limited	Working Capital and Project funding	73.00	100.00
	<b>Total (i+ii+iii)</b>		2057.09	2928.23
<b>2</b>	<b>Other Advances:</b>			
	Subsidiary Companies:			
	L&T Power Development Limited	Towards capital contribution *	379.40	73.00
	L&T Realty Limited	Towards capital contribution *	648.29	699.00
	L&T Shipbuilding Limited	Towards capital contribution *	421.86	421.86
	L&T Technology Services Limited	Towards capital contribution	–	0.22
	Larsen & Toubro Saudi Arabia LLC	Towards capital contribution	14.29	14.29
	L&T Uttaranchal Hydropower Limited	Towards capital contribution *	523.00	–
	<b>Total</b>		1986.84	1208.37
<b>3</b>	<b>Guarantees:</b>			
	Subsidiary Companies:			
	L&T Aviation Services Private Limited	Corporate Guarantee given for subsidiary's debt	64.54	72.17
	L&T - MHPS Boilers Private Limited (formerly known as L&T- MHI Boilers Private Limited)	Corporate Guarantee given for subsidiary's debt	261.21	263.87
	L&T - MHPS Turbine Generators Private Limited (formerly known as L&T - MHI Turbine Generators Private Limited)	Corporate Guarantee given for subsidiary's debt	516.80	522.14
	L&T Shipbuilding Limited	Corporate Guarantee given for subsidiary's debt	2881.00	2881.00
	Larsen & Toubro (Qingdao) Rubber Machinery Company Limited	Corporate Guarantee for subsidiary's Stand by Letter of Credit	–	33.67
	Nabha Power Limited	Corporate Guarantee given for subsidiary's debt	5000.00	–



## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

			₹ crore	
Sr. no.	Nature of the transaction (loans given/investment made/ guarantee given/security provided)	Purpose for which the loan/ guarantee/security is proposed to be utilised by the recipient	As at 31-3-2015	As at 31-3-2014
	Larsen & Toubro ATCO Saudia LLC	Corporate Guarantee for subsidiary's Project performance	752.30	510.39
	Larsen Toubro Arabia LLC	Corporate Guarantee for subsidiary's Project performance	923.31	804.96
	Larsen & Toubro Infotech Limited	Corporate Guarantee for subsidiary's Project performance	231.18	507.04
	L&T Technology Services Limited	Corporate Guarantee for subsidiary's Project performance	522.09	29.96
	L&T Electrical & Automation FZE	Corporate Guarantee for subsidiary's Project performance	42.06	40.32
	Larsen & Toubro Heavy Engineering LLC	Corporate Guarantee for subsidiary's Project performance	1004.97	963.41
	Larsen & Toubro Saudi Arabia LLC	Corporate Guarantee for subsidiary's Project performance	1339.22	616.92
	Spectrum Infotech Private Limited	Corporate Guarantee for subsidiary's Project performance	2.90	2.90
	L&T Hydrocarbon Engineering Limited	Corporate Guarantee for subsidiary's Project performance	4374.65	2151.18
	L&T - MHPS Boilers Private Limited (formerly known as L&T- MHI Boilers Private Limited)	Guarantees issued by bank out of the companies sanctioned limits to customers of subsidiary for Project performance	9.28	–
	Total		17925.51	9399.93
<b>4</b>	<b>Investments in fully paid equity instruments and current investments</b>		[Note F and Note H(l)]	

\* the shares since allotted

Q(4) Exceptional Item [Note R4]:

Exceptional item for the year ended March 31, 2015 includes gain of ₹ 357.16 crore (previous year: ₹ 588.50 crore) on sale of the Company's part stake in L&T Finance Holdings Limited, a subsidiary company.

Q(5) The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 139.44 crore (previous year: ₹ 114.15 crore). Further, the company has incurred capital expenditure on research and development activities as follows:

- (a) on tangible assets of ₹ 6.50 crore (previous year: ₹ 5.02 crore);
- (b) on intangible assets being expenditure on new product development of ₹ 56.93 crore (previous year: ₹ 60.73 crore) [Note R5(b)]; and
- (c) on other intangible assets of ₹ 0.69 crore (previous year: ₹ 1.20 crore).

Q(6) (a) Provision for current tax includes ₹ Nil crore in respect of income tax payable outside India (previous year: ₹ 9.74 crore)

- (b) Tax effect of ₹ 9.29 crore (previous year: ₹ 2.00 crore) on account of debenture/share/foreign currency convertible bond issue expenses and premium on inflation linked debenture has been credited to securities premium account.

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Q(7) (a) Disclosures pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts": ₹ crore

Particulars	2014-15	2013-14
i) Contract revenue recognised for the financial year [Note (K)]	49480.38	47861.55
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	180575.53 *	156833.52 *
iii) Amount of customer advances outstanding for contracts in progress as at end of the financial year	8338.91	7695.87
iv) Retention amounts by customers for contracts in progress as at end of the financial year	5761.50	6736.98

\* includes provision for foreseeable loss: ₹ 117.64 crore (previous year: ₹ 103.65 crore)

b) Disclosures pursuant to Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India

Particulars	2014-15	2013-14
i) Amount of project revenue recognised for the financial year [Note (K)]	946.94	447.84
ii) Aggregate amount of costs incurred and profits recognised as at the end of the financial year	1464.96	518.02
iii) Amount of advances received	31.40	39.65
iv) Amount of work-in-progress and the value of inventories [Note H(II)]	201.03	159.27
v) Excess of revenue recognised over actual bills raised (unbilled revenue) [Note H(VI)]	48.68	84.85

Q(8) 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 companies 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 K TTL.
- 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 alongwith 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.
- 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.

## **Notes forming part of the Accounts (contd.)**

### **NOTE [Q] (contd.)**

- 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:
  - (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 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.
  - (iii) 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;
  - (iv) 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;
  - (v) the lenders of L&T Sapura Shipping Private Limited, not to sell or transfer equity stake without prior approval;
  - (vi) L&T Aviation Services Private Limited, to hold at least 51% stake, directly or indirectly, in L&T Aviation Services Private Limited, until any amount is outstanding under the Credit Facility Agreement.
- i. To the Government of Telangana (erstwhile Government of Andhra Pradesh) 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 COD of the project;
  - (iii) 26% stake (or such lower proportion as may be permitted by the Government of Telangana (erstwhile Government of Andhra Pradesh), till the remaining concession period.
- j. To hold certain minimum stake in its subsidiary companies namely, L&T–MHPS Boilers Private Limited and L&T–MHPS Turbine Generators Private Limited. These undertakings have been given to the customers/potential customers of the Company and customers/potential customers of L&T–MHPS 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.
- k. To hold 15,899 shares comprising 9.85% of the issued capital of International Seaport Dredging Limited till January 24, 2016.
- l. 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 Limited (formerly known as L&T Seawoods Private Limited) until CIDCO executes the lease deed for land in favour of L&T Seawoods Limited (formerly known as L&T Seawoods Private Limited).
- m. To the lenders of L&T Seawoods Limited (formerly known as L&T Seawoods Private Limited), to maintain a minimum 51% stake in L&T Seawoods Limited (formerly known as L&T Seawoods Private Limited) until any amount is outstanding towards banking credit facilities.
- n. 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.
- o. 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.
- p. To the joint venture partner in L&T Howden Private Limited, to not sell, transfer or dispose of any stake in L&T Howden Private Limited till December 17, 2017 (90 months from the date of incorporation).

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Q(9) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits".

- i. Defined contribution plans: [Note R(6)(b)(i)] Amount of ₹ 82.64 crore (previous year ₹ 74.85 crore) is recognised as an expense and included in "employee benefits expense" (Note N) in the Statement of Profit and Loss Account.
- 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 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
A) Present value of defined benefit obligation								
– Wholly funded	422.41	350.30	–	–	–	–	1856.97	1745.52
– Wholly unfunded	1.33	1.14	148.90	103.57	221.47	188.93	27.78	45.69
	423.74	351.44	148.90	103.57	221.47	188.93	1884.75	1791.21
Less: Fair value of plan assets	479.71	323.91	–	–	–	–	1857.15	1784.96
Less: Unrecognised asset	(2.08)	–	–	–	–	–	–	–
Less: Unrecognised past service costs	–	–	0.97	1.11	0.30	0.41	–	–
Amount to be recognised as liability or (asset)	(53.89)	27.53	147.93	102.46	221.17	188.52	27.60	6.25
B) Amounts reflected in the Balance Sheet								
Liabilities	–	27.53	147.93	102.46	221.17	188.52	27.61	7.60
Assets	53.89	–	–	–	–	–	–	–
Net liability/(asset)	(53.89)	27.53	147.93	102.46	221.17	188.52	27.61	7.60
Net liability/(asset) - Current	(53.89)	27.53	10.04	5.92	13.47	13.00	22.75#	(19.95)**
Net liability/(asset) - Non-current	–	–	137.89	96.54	207.70	175.52	4.86	27.55

- b) The amounts recognised in Statement of Profit and Loss Account are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1 Current service cost	24.80	27.58	6.29	7.00	1.59	1.83	83.66	107.66
2 Interest cost	29.90	28.13	9.49	8.39	16.82	15.69	134.54	128.28
3 Expected (return) on plan assets	(21.98)	(21.39)	–	–	–	–	(134.54)	(128.28)
4 Actuarial losses/(gains)	25.26	(7.94)	39.74	(5.80)	29.25	(14.38)	(23.97)	45.03
5 Past service cost	–	–	0.14	0.14	0.11	0.11	–	–
6 Amount not recognised as an asset	2.08	–	–	–	–	–	–	–
7 Losses/(Gains) on Divestiture	–	–	–	–	–	–	–	–
8 Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	1.28	(16.94)
Total (1 to 8)	60.06	26.38	55.66	9.73	47.77	3.25	60.97	135.75
I Amount included in "employee benefits expense"	46.85	36.32	17.46	21.42	0.68	6.78	83.66	107.66
II Amount included as part of "Interest"	12.79	(10.89)	38.20	(11.69)	45.95	(3.53)	(22.69)	28.09
III Amount capitalised on New Product Development	0.02	0.14	–	–	–	–	–	–
IV Amount recovered from S&A companies	0.40	0.81	–	–	1.14	–	–	–
Total (I+II+III+IV)	60.06	26.38	55.66	9.73	47.77	3.25	60.97	135.75
Actual return on plan assets	53.69	10.44	–	–	–	–	140.60	116.85

## 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	As at	As at	As at	As at	As at	As at	As at
	31-3-2015	31-3-2014	31-3-2015	31-3-2014	31-3-2015	31-3-2014	31-3-2015	31-3-2014
Opening 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
Add: Current service cost	24.80	27.58	6.29	7.00	1.59	1.83	83.66	107.66
Add: Interest cost	29.90	28.13	9.49	8.39	16.82	15.69	134.54	128.28
Add: Contribution by plan participants								
i) Employer	-	-	-	-	-	-	-	-
ii) Employee	-	-	-	-	-	-	174.50	170.39
iii) Transfer-in/(out)~	(12.20)	(25.11)	(3.75)	(7.01)	-	-	-	(154.98)
Add/(less): Actuarial losses/(gains)	56.97	(18.89)	39.74	(5.80)	29.25	(14.38)	(17.91)	33.60
Less: Benefits paid	(27.17)	(24.72)	(6.44)	(5.57)	(15.12)	(13.10)	(281.25)	(169.68)
Add: Past service cost	-	-	-	-	-	-	-	-
Closing balance of the present value of defined benefit obligation	423.74	351.44	148.90	103.57	221.47	188.93	1884.75	1791.21

- 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	As at	As at	As at
	31-3-2015	31-3-2014	31-3-2015	31-3-2014
Opening balance of the fair value of the plan assets	323.91	311.80	1784.96	1648.23
Add: Expected Return on Plan Assets*	21.98	21.39	134.54	128.28
Add/(Less): Actuarial gains/(losses)	31.71	(10.95)	6.06	(11.43)
Add: Contribution by the employer	141.48	51.48	63.39	148.59
Add/(less): Transfer in/(out)~	(12.20)	(25.11)	-	(154.98)
Add: Contribution by Plan participants	-	-	149.45	195.95
Less: Benefits paid	(27.17)	(24.70)	(281.25)	(169.68)
Closing balance of the plan assets	479.71	323.91	1857.15	1784.96

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(9)(ii)(f)(7) *infra*].

The Company expects to fund ₹ 59.74 crore (*previous year: ₹ 26.38 crore*) towards its gratuity plan and ₹ 92.03 crore (*previous year: ₹ 86.74 crore*) towards its trust-managed provident fund plan during the year 2015-16.

# Employer's contribution due towards Provident fund

\*\* Employer's and employees' contribution paid in advance

~ Amount transferred pursuant to transfer of Integrated Engineering Services Business employees to wholly owned subsidiary L&T Technology Services Limited [Note Q(15)].



## 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 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
Government of India securities	31%	30%	24%	24%
State government securities	11%	11%	15%	15%
Corporate bonds	30%	29%	8%	8%
Equity shares of listed companies	2%	2%	–	–
Fixed deposits under special deposit scheme framed by central government for provident funds	–	–	10%	12%
Insurer managed funds	1%	1%	–	–
Public sector unit bonds	17%	20%	42%	41%
Others	8%	7%	1%	–

f) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	As at 31-3-2015	As at 31-3-2014
1 Discount rate:		
a) Gratuity plan	7.83%	9.19%
b) Company pension plan	7.83%	9.19%
c) Post-retirement medical benefit plan	7.83%	9.19%
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	
	2014-15	2013-14	2014-15	2013-14
Effect on the aggregate of the service cost and interest cost	4.01	2.89	(3.04)	(2.24)
Effect on defined benefit obligation	18.35	11.70	(14.57)	(9.37)

## 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 31-3-2015	As at 31-3-2014	As at 31-3-2013	As at 31-3-2012	As at 31-3-2011
1 Post-retirement medical benefit plan (unfunded)					
Defined benefit obligation	147.93	102.46	105.31	87.01	91.31
Experience adjustment plan liabilities	13.58	14.10	1.62	(6.60)	7.91
2 Gratuity plan (funded/unfunded)					
Defined benefit obligation	423.74	351.44	364.45	341.07	336.33
Plan assets	479.71	323.91	311.80	291.66	308.38
Less: Amount not recognised as an asset	(2.08)	–	–	–	–
Surplus/(deficit)	(53.89)	(27.53)	(52.65)	(49.41)	(27.95)
Experience adjustment plan liabilities	22.73	5.49	26.26	30.52	30.00
Experience adjustment plan assets	31.29	(8.72)	13.01	(0.45)	4.48
3 Post-retirement pension plan (unfunded)					
Defined benefit obligation	221.17	188.52	198.36	184.03	162.14
Experience adjustment plan liabilities	5.13	(0.22)	(2.79)	23.21	17.46
4 Trust managed provident fund plan (funded/ unfunded)					
Defined benefit obligation	1884.75	1791.21	1675.94	1544.72	1396.21
Plan assets	1857.15	1784.96	1648.23	1507.47	1369.08
Surplus/(deficit)	(27.60)	(6.25)	(27.71)	(37.25)	(27.13)

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 care plan:

The Post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement.

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, the provision of ₹ 27.55 crore created in 2013-14 based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan, has been reversed to the extent of ₹ 22.69 crore in the current year, because the balance in surplus account of the fund is higher than the interest obligation of ₹ 27.78 crore as on March 31, 2015.

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Q(10) Disclosures pursuant to Accounting Standard (AS) 17 "Segment Reporting"

a) Primary segments (business segments):

₹ crore

Particulars	For the year ended 31-3-2015			For the year ended 31-3-2014		
	External	Inter-segment	Total	External	Inter-segment	Total
<b>Revenue - including excise duty</b>						
Infrastructure	40113.41	538.55	40651.96	34515.70	599.61	35115.31
Power	4452.23	6.72	4458.95	5131.83	8.23	5140.06
Metallurgical & Material Handling	3070.91	231.82	3302.73	5357.07	189.01	5546.08
Heavy Engineering	3254.08	45.18	3299.26	4290.63	31.14	4321.77
Electrical & Automation	3871.95	257.47	4129.42	3656.66	250.68	3907.34
Others	2795.49	32.45	2827.94	4211.96	77.96	4289.92
Elimination	–	(1112.19)	(1112.19)	–	(1156.63)	(1156.63)
<b>Total</b>	<b>57558.07</b>	<b>–</b>	<b>57558.07</b>	<b>57163.85</b>	<b>–</b>	<b>57163.85</b>
<b>Result</b>						
Infrastructure			4442.38			3879.07
Power			201.49			518.25
Metallurgical & Material Handling			238.78			821.40
Heavy Engineering			336.11			685.67
Electrical & Automation			503.87			433.87
Others			653.36			425.48
<b>Total</b>			<b>6375.99</b>			<b>6763.74</b>
Inter-segment margin on capital jobs			(3.04)			(5.56)
			6372.95			6758.18
Unallocated corporate income/(expenditure) (net)			1181.39			1090.89
<b>Operating Profit (PBIT)</b>			<b>7554.34</b>			<b>7849.07</b>
Interest expense			(1419.03)			(1076.08)
Interest income			565.91			494.92
<b>Profit before tax (PBT)</b>			<b>6701.22</b>			<b>7267.91</b>
Provision for current tax			(1628.74)			(1686.53)
Provision for deferred tax			(16.30)			(88.25)
<b>Profit after tax (before extraordinary items)</b>			<b>5056.18</b>			<b>5493.13</b>
<b>Profit from extraordinary items</b>			<b>–</b>			<b>–</b>
<b>Profit after tax (after extraordinary items)</b>			<b>5056.18</b>			<b>5493.13</b>

₹ crore

Other information	Segment assets		Segment liabilities	
	As at	As at	As at	As at
	31-3-2015	31-3-2014	31-3-2015	31-3-2014
Infrastructure	33963.23	27655.68	21010.27	16277.38
Power	6020.23	6564.38	5796.29	6273.85
Metallurgical & Material Handling	4927.07	5315.06	1723.93	2047.73
Heavy Engineering	4931.70	5311.12	2510.35	2674.95
Electrical & Automation	3081.41	2729.62	1385.19	1238.80
Others	2795.71	3466.64	1338.97	1627.66
<b>Total</b>	<b>55719.35</b>	<b>51042.50</b>	<b>33765.00</b>	<b>30140.37</b>
Unallocable corporate assets/liabilities	31184.41	27262.08	16054.18	14502.38
<b>Total assets/liabilities</b>	<b>86903.76</b>	<b>78304.58</b>	<b>49819.18</b>	<b>44642.75</b>

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

₹ 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 31-3-2015	For the year ended 31-3-2014	For the year ended 31-3-2015	For the year ended 31-3-2014	For the year ended 31-3-2015	For the year ended 31-3-2014
Infrastructure	419.25	519.28	415.06	352.35	21.52	25.86
Power	35.13	24.16	53.88	47.92	3.95	4.54
Metallurgical & Material Handling	64.39	17.21	92.90	81.41	4.05	6.00
Heavy Engineering	80.30	70.22	124.33	83.27	3.18	5.46
Electrical & Automation	222.35	176.46	136.33	78.60	4.41	4.44
Others	31.92	128.69	61.17	79.75	2.13	8.15

b) Secondary segments (geographical segments):

₹ crore

Particulars	Domestic		Overseas		Total	
	For the year ended 31-3-2015	For the year ended 31-3-2014	For the year ended 31-3-2015	For the year ended 31-3-2014	For the year ended 31-3-2015	For the year ended 31-3-2014
External revenue by location of customers	48300.19	48035.29	9257.88	9128.56	57558.07	57163.85
Carrying amount of segment assets by location of assets	47894.49	44547.59	7824.87	6494.91	55719.36	51042.50
Cost incurred on acquisition of tangible and intangible fixed assets	776.98	915.88	76.36	20.14	853.34	936.02

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.

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.

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

- **Others** segment includes realty, shipbuilding, marketing and servicing of construction & mining machinery and parts thereof, manufacture and sale of rubber processing machinery & castings. Others also included integrated engineering services, manufacture and marketing of industrial valves and cutting equipment (up to the date of transfer) in the previous year.
  - v) The businesses of marketing and servicing of construction & mining machinery and parts thereof, manufacture and sale of rubber processing machinery & castings which was hitherto reported as the Machinery and Industrial Products segment have been grouped under "Others" segment during the year based on internal restructuring. The figures pertaining to the previous year have been regrouped and restated for proper comparison.  
The businesses of manufacture and marketing of industrial valves and cutting equipment (up to the date of transfer) which were reported as part of the Machinery and Industrial Products segment in the previous year have also been grouped under "Others" segment in the previous year.
  - vi) Pursuant to the business transfer agreement dated March 15, 2014, the Company has transferred at book value to its wholly owned subsidiary L&T Technology Services Limited, the business of integrated engineering services as a going concern effective April 1, 2014. The same was hitherto reported as part of the "Others" segment [Note Q(15)].
- Q(11) 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	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 Limited (formerly known as L&T Seawoods Private Limited)	Wholly owned Subsidiary	Yes
10	L&T-Gulf Private Limited	Subsidiary*	Yes
11	L&T - MHPS Boilers Private Limited (formerly known as L&T - MHI Boilers Private Limited)	Subsidiary*	Yes
12	L&T - MHPS Turbine Generators Private Limited (formerly known as 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	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
28	L&T Asian Realty Project LLP###	Subsidiary of L&T Realty 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)
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 Thales Technology Services Private Limited (formerly known as Thales Software India Private Limited)	Subsidiary of L&T Technology Services Limited	No
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 Infrastructure Engineering Limited (formerly known as L&T Ramboll Consulting Engineers Limited) ^	Wholly owned Subsidiary	Yes
37	CSJ Infrastructure Private Limited	Wholly owned Subsidiary of L&T Realty Limited	Yes
38	Information Systems Resource Centre Private Limited	Wholly owned Subsidiary of Larsen & Toubro Infotech Limited	No
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	Yes
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	Wholly owned Subsidiary of L&T Finance Holdings Limited	Yes
57	L&T Access Distribution 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	Yes
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	No
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

## 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)
72	L&T Western India Tollbridge Limited	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	Yes
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	L&T Technology Services LLC	Wholly owned Subsidiary of L&T Technology Services Limited	Yes
92	L&T Infrastructure Development Projects Lanka (Private) Limited	Subsidiary of L&T Infrastructure Development Projects Limited #	No
93	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Subsidiary*	No
94	L&T IDPL Trustee Manager Pte Ltd.	Wholly owned Subsidiary of L&T Infrastructure Development Projects Limited	No
95	Kana Controls General Trading & Contracting Company W.L.L.	Subsidiary of L&T Electrical & Automation FZE ##	No
96	L&T Diversified India Equity Fund \$	Wholly owned Subsidiary of L&T Capital Company Limited	No
97	L&T Information Technology Services (Shanghai) Co. Ltd.	Wholly owned Subsidiary of Larsen & Toubro Infotech 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 and Asphalt Concrete Industries LLC (formerly known as Larsen & Toubro Readymix Concrete Industries LLC)	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)
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	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	No
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 #	No
128	L&T Valves 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	Yes
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	Yes
135	L&T Trustee Services Private Limited ^^	Wholly owned Subsidiary of L&T Mutual Fund Trustee Limited	No
136	Mudit Cement Private Limited	Wholly owned subsidiary of L&T Vrindavan Properties Limited	Yes
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	Larsen & Toubro Hydrocarbon International Limited LLC	Subsidiary*	No
140	L&T Construction Equipment 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
*	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 stake on May 22, 2014		
@@	Companies merged with L&T Infrastructure Development Projects Limited pursuant to high court order with retrospective effect from April 1, 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's wholly owned subsidiary holds one-half of the capital and has management control		
^	Associate became a wholly owned subsidiary w.e.f. September 8, 2014		
^^	The company is merged with L&T Mutual Fund Trustee Limited with retrospective effect from April 1, 2013		
^^^	Companies merged with L&T Infrastructure Development Projects Limited pursuant to high court order with retrospective effect from April 1, 2014		
%	The Company is dissolved w.e.f. April 24, 2014		
\$	The Company is dissolved w.e.f. August 20, 2014		
\$\$	The Company is dissolved w.e.f. February 16, 2015		
\$\$\$	The Company is dissolved w.e.f. December 19, 2014		

## 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:

<b>Associate companies:</b>			
1	L&T-Chiyoda Limited	2	Salzer Electronics Limited
3	Feedback Ventures Limited	4	Magtorq Private Limited
5	JSK Electricals Private Limited		
<b>Joint ventures (other than associates):</b>			
1	Metro Tunneling Group	2	L&T-Hochtief Seabird Joint Venture
3	Desbuild-L&T Joint Venture	4	Metro Tunneling Chennai - 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	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture
9	L&T - Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	10	L&T-Eastern Joint Venture \$
11	Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture	12	Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture
13	International Metro Civil Contractors Joint Venture	14	Civil Works Joint Venture
15	Aktor- Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering	16	L&T-Delma Mafraq Joint Venture
17	Larsen & Toubro Limited and NCC Limited Joint Venture		

@ The Company has sold its stake on June 23, 2014      \$ The Joint Venture is in the process of dissolution

- ii (b) Names of the Key management personnel and their relatives with whom transactions were carried out during the year:

<b>Key management personnel &amp; their relatives:</b>			
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. Subrahmanyam (Whole-time Director)	6	Mr. S. N. Roy (Whole-time Director)

- iii. Disclosure of related party transactions:

Sr. no.	Nature of transaction/relationship/major parties	₹ crore			
		2014-15		2013-14	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	Purchase of goods & services (including commission paid)				
	Subsidiaries, including:	2340.85		3040.06	
	L&T - MHPS Turbine Generators Private Limited (formerly known as L&T - MHI Turbine Generators Private Limited)		484.72		782.29
	L&T Valves Limited		-		425.52
	L&T - MHPS Boilers Private Limited (formerly known as L&T - MHI Boilers Private Limited)		1105.64		1042.90
	Associates & joint ventures, including:	153.46		161.91	
	Salzer Electronics Limited		123.81		120.11
	JSK Electricals Private Limited		24.04		26.73
	<b>Total</b>	<b>2494.31</b>		<b>3201.97</b>	

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

		₹ crore			
		2014-15		2013-14	
Sr. no.	Nature of transaction/relationship/major parties	Amount	Amounts for major parties	Amount	Amounts for major parties
2	Sale of goods/contract revenue & services				
	Subsidiaries, including:	5623.44		6355.55	
	L&T BPP Tollway Limited		–		1072.01
	L&T Metro Rail (Hyderabad) Limited		2080.94		1671.24
	Nabha Power Limited		661.06		1261.76
	Larsen and Toubro Saudi Arabia LLC		618.03		–
	Associates & joint ventures, including:	86.91		5.07	
	The Dhamra Port Company Limited		–		5.06
	Civil Works Joint Venture		50.12		–
	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi		19.09		–
	Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		9.58		–
	<b>Total</b>	<b>5710.35</b>		<b>6360.62</b>	
3	Purchase/lease of fixed assets				
	Subsidiaries, including:	11.03		20.33	
	L&T Hydrocarbon Engineering Limited		–		7.46
	L&T Construction Equipment Limited		1.37		5.22
	Tamco Switchgear (Malaysia) SDN. BHD		3.29		–
	L&T Technology Services Limited		2.15		–
	Henikwon Corporation SDN. BHD		1.55		–
	Associates & joint ventures, including:	0.11		–	
	L&T-Chiyoda Limited		0.11		–
	<b>Total</b>	<b>11.14</b>		<b>20.33</b>	
4	Sale of fixed assets				
	Subsidiaries, including:	15.78		20.36	
	L&T Vrindavan Properties Limited		–		16.01
	L&T - MHPS Boilers Private Limited (formerly known as L&T - MHI Boilers Private Limited)		–		3.33
	Larsen & Toubro Infotech Limited		10.34		–
	<b>Total</b>	<b>15.78</b>		<b>20.36</b>	
5	Sale of Receivables				
	Subsidiaries, including:	276.16		98.96	
	L&T Finance Limited		276.16		98.96
	<b>Total</b>	<b>276.16</b>		<b>98.96</b>	
6	Subscription to equity and preference shares (including application money paid)				
	Subsidiaries, including:	2428.61		4655.77	
	L&T Seawoods Limited (formerly known as L&T Seawoods Private Limited)		1529.55		1505.99
	L&T Hydrocarbon Engineering Limited		–		1500.00
	L&T Power Development Limited		–		930.30
	L&T Technology Services Limited		547.50		502.45
	<b>Total</b>	<b>2428.61</b>		<b>4655.77</b>	



## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Sr. no.	Nature of transaction/relationship/major parties	₹ crore			
		2014-15		2013-14	
		Amount	Amounts for major parties	Amount	Amounts for major parties
7	Investment in Integrated Joint Ventures [Note R(21)]				
	Increase in Investment, including:	164.43		104.29	
	Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		–		28.95
	Laren & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture		–		33.63
	Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		37.48		12.78
	L&T- Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi		52.60		12.66
	Civil Works Joint Venture		57.12		–
	<b>Total</b>	<b>164.43</b>		<b>104.29</b>	
	Decrease in Investment, including:	31.30		0.03	
	Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		12.89		–
	Laren & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture		17.18		–
	International Metro Civil Contactors Joint Venture		–		0.03
	<b>Total</b>	<b>31.30</b>		<b>0.03</b>	
8	Purchase of investments from				
	Subsidiary:	4280.66		1243.04	
	L&T Capital Company Limited		4280.66		1243.04
	<b>Total</b>	<b>4280.66</b>		<b>1243.04</b>	
9	Sale of investments to				
	Subsidiary:	4277.56		1255.10	
	L&T Capital Company Limited		4277.56		1242.45
	<b>Total</b>	<b>4277.56</b>		<b>1255.10</b>	
10	Charges paid for miscellaneous services				
	Subsidiaries, including:	89.94		80.14	
	Larsen & Toubro Infotech Limited		33.71		29.54
	L&T Aviation Services Private Limited		27.37		27.28
	Associates & joint ventures, including:	1.04		0.45	
	Feedback Ventures Limited		0.77		–
	L&T-Chiyoda Limited		0.23		–
	L&T Infrastructure Engineering Limited (formerly known as L&T Ramboll Consulting Engineers Limited)		–		0.45
	<b>Total</b>	<b>90.98</b>		<b>80.59</b>	
11	Rent paid, including lease rentals under leasing/hire purchase arrangements:				
	Subsidiaries, including:	1.82		4.70	
	L&T Construction Equipment Limited		–		1.08
	L&T Electrical & Automation FZE		0.98		0.50
	L&T Infocity Limited		0.35		1.59
	PT Tamco Indonesia		0.30		–
	L&T-Sargent & Lundy Limited		–		1.04
	Key management personnel	0.01		0.01	
	<b>Total</b>	<b>1.83</b>		<b>4.71</b>	

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Sr. no.	Nature of transaction/relationship/major parties	₹ crore			
		2014-15		2013-14	
		Amount	Amounts for major parties	Amount	Amounts for major parties
12	Charges for deputation of employees to related parties				
	Subsidiaries, including:	69.85		67.24	
	L&T Power Development Limited		7.35		11.36
	L&T-Valdel Engineering Limited		–		12.30
	L&T Parel Project LLP		24.49		15.82
	Associates & joint ventures, including:	21.12		25.65	
	L&T-Chiyoda Limited		21.06		25.22
	<b>Total</b>	<b>90.97</b>		<b>92.89</b>	
13	Dividend received				
	Subsidiaries, including:	850.70		863.06	
	Larsen & Toubro Infotech Limited		480.52		551.48
	L&T Construction Equipment Limited		–		96.00
	L&T Technology Services Limited		219.93		–
	L&T Finance Holdings Limited		96.68		106.28
	Associates & joint ventures, including:	0.58		2.35	
	Salzer Electronics Limited		0.40		0.32
	Magtorq Private Limited		0.18		–
	L&T Infrastructure Engineering Limited (formerly known as L&T Ramboll Consulting Engineers Limited)		–		1.80
	<b>Total</b>	<b>851.28</b>		<b>865.41</b>	
14	Commission received, including those under agency arrangements				
	Subsidiaries, including:	3.73		9.70	
	L&T Kobelco Machinery Private Limited		2.24		–
	L&T Construction Equipment Limited		1.49		9.04
	<b>Total</b>	<b>3.73</b>		<b>9.70</b>	
15	Rent received, overheads recovered and miscellaneous income				
	Subsidiaries, including:	507.14		431.11	
	Larsen & Toubro Infotech Limited		84.71		75.18
	L&T Technology Services Limited		68.64		–
	L&T Geostucture LLP		–		60.35
	L&T Hydrocarbon Engineering Limited		105.86		129.58
	Associates & joint ventures, including:	139.45		1.67	
	Aktor-Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture		28.57		–
	Civil Works Joint Venture		72.63		–
	L&T Delma Mafraq JV		32.02		–
	L&T-Chiyoda Limited		–		1.66
	<b>Total</b>	<b>646.59</b>		<b>432.78</b>	
16	Guarantee charges recovered from				
	Subsidiaries, including:	9.12		–	
	Nabha Power Limited		6.36		–
	Larsen and Toubro Saudi Arabia LLC		1.21		–
	L&T Hydrocarbon Engineering Limited		1.06		–
	<b>Total</b>	<b>9.12</b>		<b>–</b>	

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Sr. no.	Nature of transaction/relationship/major parties	₹ crore			
		2014-15		2013-14	
		Amount	Amounts for major parties	Amount	Amounts for major parties
17	Interest received from				
	Subsidiaries, including:	286.42		159.42	
	L&T Hydrocarbon Engineering Limited		76.00		–
	L&T Special Steels and Heavy Forgings Private Limited		33.57		–
	L&T Realty Limited		104.48		116.88
	Associates & joint ventures, including:	9.32		41.00	
	The Dhamra Port Company Limited		9.32		41.00
	<b>Total</b>	<b>295.74</b>		<b>200.42</b>	
18	Interest paid to				
	Subsidiaries, including:	14.67		31.88	
	L&T Finance Limited		–		3.49
	L&T Construction Equipment Limited		4.11		4.87
	L&T Infrastructure Development Projects Limited		2.35		–
	L&T Realty Limited		1.54		–
	Nabha Power Limited		4.76		–
	L&T Cutting Tools Limited		1.72		–
	Larsen and Toubro Infotech Limited		–		5.34
	L&T Shipbuilding Limited		–		6.41
	L&T Seawoods Limited (formerly known as L&T Seawoods Private Limited)		–		10.74
	<b>Total</b>	<b>14.67</b>		<b>31.88</b>	
19	Amount provided for bad debts:				
	Subsidiaries, including:	3.09		–	
	Larsen and Toubro (Qingdao) Rubber Machinery Company Limited		3.09		–
	<b>Total</b>	<b>3.09</b>		<b>–</b>	
20	Transfer of Business to				
	Subsidiaries, including:	549.49		1909.60	
	L&T Technology Services Limited		549.49		–
	L&T Hydrocarbon Engineering Limited		–		1760.00
	L&T Valves Limited		–		149.60
	<b>Total</b>	<b>549.49</b>		<b>1909.60</b>	
21	Payment of Salaries/ Perquisites (Other than commission) (Key management personnel)	16.98		15.34	
	A. M. Naik		4.22		3.91
	K. Venkataramanan *		4.20		4.08
	M. V. Kotwal		3.01		2.49
	S. N. Subrahmanyam		1.74		1.63
	R. Shankar Raman		1.59		1.48
	Shailendra Roy		2.22		1.75
	<b>Total</b>	<b>16.98</b>		<b>15.34</b>	

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Sr. no.	Nature of transaction/relationship/major parties	₹ crore			
		2014-15		2013-14	
		Amount	Amounts for major parties	Amount	Amounts for major parties
22	Commission to directors @ (Key management personnel)	64.27		67.18	
	A. M. Naik		23.10		24.50
	K. Venkataramanan		9.38		9.18
	M. V. Kotwal		6.24		6.65
	S. N. Subrahmanyam		11.09		11.63
	R. Shankar Raman		8.78		9.31
	Shailendra Roy		5.68		5.91
	<b>Total</b>	<b>64.27</b>		<b>67.18</b>	

\* Out of the above, the Company has recovered ₹ 0.75 crore from L&T Hydrocarbon Engineering Limited which has been included in Note Q(11)(iii)(15) *supra*.

@ Commission to director comprises:

Sr. no.	Particulars	₹ crore	
		2014-15	2013-14
1	Commission	50.61	52.90
2	Contribution to provident fund	6.07	6.35
3	Contribution to superannuation fund on commission	7.59	7.93
	<b>Total</b>	<b>64.27</b>	<b>67.18</b>

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective period.

iv Amount due to/from related parties:

Sr. no.	Nature of transaction/relationship/major parties	₹ crore			
		As at 31-3-2015		As at 31-3-2014	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	Accounts receivable	1443.50		2082.90	
	Subsidiaries, including:				
	Nabha Power Limited		256.39		1028.70
	L&T Metro Rail (Hyderabad) Limited		-		221.77
	Larsen and Toubro Saudi Arabia LLC		253.41		-
	Associates & joint ventures, including:				
	The Dhamra Port Company Limited		-	66.63	66.61
	<b>Total</b>	<b>1443.50</b>		<b>2149.53</b>	

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

		₹ crore			
Sr. no.	Nature of transaction/relationship/major parties	As at 31-3-2015		As at 31-3-2014	
		Amount	Amounts for major parties	Amount	Amounts for major parties
2	Accounts payable (including acceptance & interest accrued)				
	Subsidiaries, including:	1782.16		2540.89	
	L&T - MHPS Boilers Private Limited (formerly known as L&T - MHI Boilers Private Limited)		830.70		1134.94
	L&T - MHPS Turbine Generators Private Limited (formerly known as L&T - MHI Turbine Generators Private Limited)		547.20		823.60
	Associates & joint ventures, including:	104.19		81.59	
	Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		31.77		39.21
	L&T- Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi		18.78		16.76
	Larsen & Toubro Limited and NCC Limited Joint Venture		25.20		–
	Salzer Electronic Limited		18.54		13.37
	<b>Total</b>	<b>1886.35</b>		<b>2622.48</b>	
3	Investment in Debt Securities				
	Subsidiary:	22.95		36.96	
	L&T Finance Limited		22.95		36.96
	<b>Total</b>	<b>22.95</b>		<b>36.96</b>	
4	Loans & advances recoverable				
	Subsidiaries, including:	3021.29		3292.70	
	L&T Hydrocarbon Engineering Limited		–		775.68
	L&T - MHPS Boilers Private Limited (formerly known as L&T - MHI Boilers Private Limited)		304.77		–
	L&T Special Steels and Heavy Forgings Private Limited		564.02		–
	L&T Shipbuilding Limited		400.18		–
	L&T Realty Limited		710.90		841.04
	Associates & joint ventures, including:	84.99		518.10	
	L&T - AM Tapovan Joint Venture		12.01		–
	Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture		23.39		–
	L&T- Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi		27.94		–
	L&T Delma Mafraq Joint Venture		14.96		–
	The Dhamra Port Company Limited		–		490.30
	Key management personnel	0.01		0.01	
	<b>Total</b>	<b>3106.29</b>		<b>3810.81</b>	
5	Advances against equity contribution				
	Subsidiaries, including:	1986.84		1208.37	
	L&T Shipbuilding Limited		421.86		421.86
	L&T Realty Limited		648.29		699.00
	L&T Power Development Limited		379.40		–
	L&T Uttaranchal Hydropower Limited		523.00		–
	<b>Total</b>	<b>1986.84</b>		<b>1208.37</b>	



## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

		₹ crore			
Sr. no.	Nature of transaction/relationship/major parties	As at 31-3-2015		As at 31-3-2014	
		Amount	Amounts for major parties	Amount	Amounts for major parties
6	Unsecured loans (including lease finance)				
	Subsidiaries, including:	57.25		113.80	
	L&T Construction Equipment Limited		45.00		50.00
	Nabha Power Limited		–		13.00
	L&T Seawoods Limited (formerly known as L&T Seawoods Private Limited)		–		28.30
	L&T Cutting Tools Limited		12.25		22.50
	<b>Total</b>	<b>57.25</b>		<b>113.80</b>	
7	Advances received in the capacity of supplier of goods/services classified as “advances from customers” in the Balance Sheet				
	Subsidiaries, including:	586.12		694.21	
	Nabha Power Limited		–		110.83
	L&T Metro Rail (Hyderabad) Limited		223.24		346.79
	L&T Seawoods Limited (formerly known as L&T Seawoods Private Limited)		82.95		153.83
	L&T Deccan Tollways Limited		96.03		–
	L&T Infrastructure Development Projects Limited		122.24		–
	<b>Total</b>	<b>586.12</b>		<b>694.21</b>	
8	Due to whole time directors (Key management personnel)	50.61		52.90	
	A. M. Naik		18.19		19.29
	K. Venkataramanan		7.39		7.23
	M. V. Kotwal		4.91		5.24
	S. N. Subrahmanyam		8.73		9.16
	R. Shankar Raman		6.91		7.33
	Shailendra Roy		4.48		4.65
	<b>Total</b>	<b>50.61</b>		<b>52.90</b>	

“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, a subsidiary company. As per the terms of the arrangement, the Company is an agent of L&T-Construction Equipment Limited to market construction equipment and hydraulic equipment & parts manufactured by L&T-Construction Equipment Limited and to provide after sales product support for construction equipment. 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(11)(iii) *supra*.

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Q(12) Disclosure in respect of Leases pursuant to Accounting Standard (AS 19) "Leases"

- (i) Where the Company is a Lessor:
- The Company had given on finance leases certain items of plant and equipment. The leases had a primary period that is fixed and non-cancellable. The leases were cancellable upon payment by the lessee of an additional amount such that, at inception, continuation of the lease was reasonably certain. There were no exceptional/restrictive covenants in the lease agreement.
  - The total gross investment in those leases as on March 31, 2015 and the present value of minimum lease payments receivable as on March 31, 2015 is as under:

Particulars	₹ crore	
	31-3-2015	31-3-2014
1. Receivable not later than 1 year	–	0.09
2. Receivable later than 1 year and not later than 5 years	–	–
3. Receivable later than 5 years	–	–
Gross investment in lease (1+2+3)	–	0.09
Less: Unearned finance income	–	0.01
Present value of minimum lease payments receivables	–	0.08*

\* Short term loans and advances [Note H(V)] - ₹ Nil (previous year: ₹ 0.08 crore)

- (ii) Where the Company is a lessee:
- Operating leases:
    - The Company had taken various commercial premises and plant and equipment under cancellable operating leases. Those lease agreements were normally renewed on expiry.
    - [a] The Company had taken certain assets like cars, technology assets, etc. on non-cancellable operating leases, the future minimum lease payments in respect of which were as follows:

Particulars	₹ crore	
	Minimum lease payments	
	As at 31-3-2015	As at 31-3-2014
1. Payable not later than 1 year	–	0.15
2. Payable later than 1 year and not later than 5 years	–	–
Total	–	0.15

- [b] The lease agreements provided for an option to the Company to renew the lease period at the end of the non-cancellable period. There were no exceptional/restrictive covenants in the lease agreements.
- Lease rental expense in respect of operating leases: ₹ 87.14 crore (previous year: ₹ 102.18 crore).
- Contingent rent recognised in the Statement of Profit and Loss: ₹ Nil (previous year: Nil).

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Q(13) 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	
	2014-15	2013-14	2014-15	2013-14
<b>Basic</b>				
Profit after tax as per accounts (₹ crore) A	5056.18	5493.13	5056.18	5493.13
Weighted average number of shares outstanding B	92,83,48,310	92,54,16,187	92,83,48,310	92,54,16,187
<b>Basic EPS (₹) A/B</b>	54.46	59.36	54.46	59.36
<b>Diluted</b>				
Profit after tax as per accounts (₹ crore) A	5056.18	5493.13	5056.18	5493.13
Weighted average number of shares outstanding B	92,83,48,310	92,54,16,187	92,83,48,310	92,54,16,187
Add: Weighted average number of potential equity shares on account of employee stock options C	62,19,750	56,56,640	62,19,750	56,56,640
Weighted average number of shares outstanding for diluted EPS D=B+C	93,45,68,060	93,10,72,827	93,45,68,060	93,10,72,827
<b>Diluted EPS (₹) A/D</b>	54.10	59.00	54.10	59.00
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. Hence, they have not been considered in working of diluted EPS in accordance with Accounting Standard (AS) 20 "Earning per share".

Q(14) Major components of deferred tax liabilities and deferred tax assets: pursuant to Accounting Standard (AS) 22 "Accounting for Taxes on Income"

Particulars	₹ crore					
	Deferred tax liabilities/ (assets) As at 31-3-2014	Less: Transfer out *	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to Opening reserves \$	Charge/ (credit) to Hedging reserve **	Deferred tax liabilities/ (assets) As at 31-3-2015
<b>Deferred tax liabilities:</b>						
Difference between book and tax depreciation	643.79	8.91	1.76	(29.33)	–	607.31
Gain on derivative transactions to be offered for tax purposes in the year of transfer to the Statement of Profit and Loss	30.41	–	–	–	(25.70)	4.71
Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to the Statement of Profit and Loss	93.74	–	6.74	–	–	100.48
Other items giving rise to timing differences	143.62	10.59	100.51	–	–	233.54
Total	911.56	19.50	109.01	(29.33)	(25.70)	946.04
<b>Deferred tax (assets):</b>						
Provision for doubtful debts and advances debited to the Statement of Profit and Loss	(209.47)	(19.25)	(46.17)	–	–	(236.39)
Loss on derivative transactions to be claimed for tax purposes in the year of transfer to the Statement of Profit and Loss	(93.36)	(40.81)	–	–	(57.08)	(109.63)
Unpaid statutory liabilities/provision for compensated absences debited to the Statement of Profit and Loss	(142.96)	(8.32)	(38.88)	–	–	(173.52)
Other items giving rise to timing differences	(55.85)	–	(7.66)	–	–	(63.51)
Total	(501.64)	(68.38)	(92.71)	–	(57.08)	(583.05)
<b>Net deferred tax liability/(assets)</b>	409.92	(48.88)	16.30	(29.33)	(82.78)	362.99
Previous year	242.22	(47.35)	88.25	–	32.10	409.92

\* Net deferred tax assets of ₹ 48.88 crore was transferred pursuant to transfer of business to wholly owned subsidiaries.

\*\* The amount of ₹ (198.25 crore) [previous year: ₹ (122.25 crore)] represents net gains/(losses) on effective hedges recognised in hedge reserve, applying the principles of hedge accounting set out in the Accounting Standard (AS) 30 "Financial Instruments:

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Recognition and Measurement". The amount is after considering the net deferred tax asset of ₹ 82.78 crore (previous year net deferred tax liability: ₹ 32.10 crore).

- ₹ Reversal of deferred tax on depreciation charged against opening reserves as on April 1, 2014, pursuant to Schedule II of Companies Act 2013, ₹ 29.33 crore.

Q(15) Pursuant to the business transfer agreement dated March 15, 2014, the Integrated Engineering Service business of the Company has been transferred at book value to a wholly owned subsidiary L&T Technology Services Limited as a going concern with effect from April 1, 2014 for a lump sum consideration of ₹ 549.49 crore.

Q(16) 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 Joint Venture	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
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 Construction (Group) Corporation 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 Shanghai Urban Construction (Group) Corporation 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 Shanghai Urban Construction (Group) Corporation Joint Venture	Jointly Controlled Entity (Construction of Delhi Metro Corridor - Tunnel Project-Phase - CC5)	60	India
11	Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture	Jointly Controlled Entity (Design & Build work for Construction of TCS SEZ at Kolkata, West Bengal)	50	India
12	L&T- Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	Jointly Controlled Entity (Design and Construction of Tunnel for Delhi MRTS Project for Phase-III)	68	India
13	Civil Works Joint Venture	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 Joint Venture	Jointly Controlled Entity (Improvement of Mafraq to Al Ghwaifat Border Post Highway Section No.4A)	60	UAE
16	Larsen & Toubro Limited - Scomi Engineering BHD Consortium - Residual Joint Works - Joint Venture	Jointly Controlled Entity (Implementation of residual joint works for monorail system in Mumbai)	60	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
17	Larsen and Toubro Limited-Scomi Engineering BHD Consortium – O&M Joint Venture	Jointly Controlled Entity (Operation and Maintenance of monorail system)	50	India
18	Larsen & Toubro Limited and NCC Limited Joint Venture	Jointly Controlled Entity (Supply and construction of 2 parallel 2100 mm diameter steel gravity mains conduit pipes from Palra to Bhureka)	55	India
19	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
20	L&T - HCC Joint Venture	Jointly Controlled Operations (Four laning and strengthening of exiting two lane sections from 240 km to 320 km NH-2)	–	India
21	Patel-L&T Consortium	Jointly Controlled Operations (Parbati Hydro Electric Project)	–	India
22	L&T-SVEC Joint Venture	Jointly Controlled Operations (Lift Irrigation Project at Hyderabad)	–	India
23	L&T-KBL-MAYTAS Joint Venture	Jointly Controlled Operations (Transmission of 735 Mld treated water associated with all Civil, Electrical & Mechanical works at Hyderabad)	–	India
24	Larsen & Toubro Limited & Bharat Rail Automation Pvt Ltd Joint Venture (Package 3)	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
25	Larsen & Toubro Limited & Bharat Rail Automation Pvt Ltd Joint Venture (Package 3)	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
26	L&T and Scomi Engineering BHD Joint Venture	Jointly Controlled Operations (Implementation of monorail system in Mumbai)	–	India

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, 2015		For the Year 2014-15				
		Assets	Liabilities	Income	Expenses	Tax	Net profit (Note K)	Net loss (Note O)
1	L&T-Hochtief Seabird Joint Venture	71.47 (71.02)	47.75 (47.21)	– (0.12)	0.01 (0.01)	– (0.43)	– (–)	0.01 (0.32)
2	International Metro Civil Contractors Joint Venture	13.06 (12.21)	3.82 (3.85)	– \$ (–)	0.11 (0.03)	– (–)	– (–)	0.10 (0.03)
3	Metro Tunneling Group	22.20 (22.37)	7.30 (7.23)	1.12 (1.17)	– * (-0.47)	0.36 (0.22)	0.76 (0.48)	– (–)
4	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	18.39 (17.97)	5.12 (4.81)	0.45 (0.63)	0.29 (0.02)	0.05 (0.19)	0.11 (0.42)	– (–)
5	HCC-L&T Purulia Joint Venture	2.98 (2.98)	2.69 (2.91)	0.22 (–)	– (0.01)	– (–)	0.22 (–)	– (0.01)
6	L&T-AM Tapovan Joint Venture	148.68 (146.91)	40.96 (55.20)	1.26 (11.32)	1.26 (11.32)	– (–)	– (–)	– (–)
7	Desbuild - L&T Joint Venture	0.04 (0.34)	-0.03 (0.28)	– (–)	– ^ (–) Ω	- 0.02 (–)	0.02 (–)	– (–) #

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

₹ crore

Sr. no.	Name of Integrated joint ventures/jointly controlled entities	Company's share						
		As at March 31, 2015		For the Year 2014-15				
		Assets	Liabilities	Income	Expenses	Tax	Net profit (Note K)	Net loss (Note O)
8	L&T - Eastern Joint Venture	17.79 (24.72)	12.57 (18.60)	0.23 (0.46)	0.54 (-1.61)	- (-)	- (2.07)	0.30 (-)
9	Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture	109.62 (167.88)	64.67 (110.04)	216.66 (180.01)	221.20 (167.47)	-0.04 (3.82)	- (8.73)	4.14 (-)
10	Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture	128.51 (118.65)	71.94 (99.55)	140.44 (196.00)	141.71 (194.23)	- (0.55)	- (1.22)	1.26 (-)
11	Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture	75.16 (104.97)	53.51 (66.15)	82.55 (166.22)	96.94 (160.27)	- (1.84)	- (4.11)	14.39 (-)
12	L&T- Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	261.99 (263.53)	196.73 (250.88)	383.54 (279.39)	384.73 (273.87)	- (1.71)	- (3.81)	1.19 (-)
13	Aktor-Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture	553.11 (-)	553.11 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
14	Civil Works Joint Venture	1799.47 (-)	1742.36 (-)	57.12 (-)	- (-)	- (-)	57.12 (-)	- (-)
15	L&T-Delma Mafraq Joint Venture	125.92 (-)	125.92 (-)	106.78 (-)	106.78 (-)	- (-)	- (-)	- (-)
16	Larsen and Toubro Limited -Scomi Engineering BHD Consortium- Residual Joint works - Joint Venture	184.85 (-)	184.85 (-)	1316.08 (-)	1313.96 (-)	0.55 (-)	1.57 (-)	- (-)
17	Larsen and Toubro Limited-Scomi Engineering BHD Consortium - O&M Joint Venture	7.60 (-)	7.60 (-)	7.11 (-)	21.52 (-)	- (-)	- (-)	14.41 (-)
18	Larsen & Toubro Limited and NCC Limited Joint Venture	72.10 (-)	72.10 (-)	41.35 (-)	41.35 (-)	- (-)	- (-)	- (-)
	Total	3612.92 (953.55)	3192.97 (666.72)	2354.91 (834.16)	2330.38 (804.91)	0.90 (8.75)	59.78 (20.86)	35.81 (0.36)
	Share of Net Assets in Jointly Controlled Entities	419.96 (286.83)						

Amounts less than ₹ 0.01 crore:

Current year: \* ₹ 2634, \$ ₹ 3352, ^ ₹ 8258

Previous year: Ω ₹ 8258, # ₹ 8258

#### Notes:

- Figures in brackets () relate to previous year.
- Contingent liabilities, if any, incurred in relation to interest in Joint Ventures as at March 31, 2015 : ₹ 3248.49 crore (previous year ₹ 505.07 crore) and share in Contingent liabilities incurred jointly with other ventures as at March 31, 2015 : ₹ Nil (previous year ₹ Nil)
- Share in Contingent liabilities of Joint Ventures themselves for which the company is contingently liable as on March 31, 2015: ₹ 80.13 crore (previous year ₹ 74.72 crore)
- Contingent liabilities in respect of liabilities of other ventures of Joint Ventures as on March 31, 2015: ₹ 10840.81 crore (previous year ₹ 402.08 crore)
- Capital Commitments, if any, in relation to Interest in Joint Ventures as at March 31, 2015 : ₹ Nil (previous year ₹ Nil)
- Share in Capital Commitments of Joint Ventures themselves for which the Company is contingent liable as at March 31, 2015 : ₹ 159.34 crore (previous year ₹ Nil)



## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Q(17) Disclosures pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets":

a) Movement in provisions:

₹ crore

Sr. no.	Particulars	Class of Provisions				Total
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation related obligations	Contractual rectification cost - construction contracts	
1	Balance as at 1-4-2014	9.71	72.36	8.27	167.89	258.23
2	Additional provision during the year	3.70	41.30	-	63.29	108.29
3	Provision used/reversed during the year #	(2.69)	(20.24)	-	(84.48)	(107.41)
4	Balance as at 31-3-2015 (4=1+2-3)	10.72	93.42	8.27	146.70	259.11

# includes provision used during the year ₹ 4.58 crore (previous year: ₹ 0.64 crore)

b) Nature of provisions:

- Product warranties: The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2015 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.
- Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms.
- Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.
- Contractual rectification cost represents the estimated cost the Company is likely to incur during defect liability period as per the contract obligations in respect of completed construction contracts accounted under (AS) 7 (Revised) "Construction Contracts".

c) Disclosure in respect of contingent liabilities is given as part of Note (I) to the Balance Sheet.

Q(18) 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, 2015 are as under:

₹ crore

Category of Derivative Instruments	Amount of exposures hedged	
	As at 31-3-2015	As at 31-3-2014
i) For hedging foreign currency risks		
a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	4501.34	4727.46
b) Forward contracts for payables including firm commitments and highly probable forecasted transactions	10825.77	8898.31
c) Currency and Interest rate Swaps	2567.35	2530.89
d) Option Contracts	204.23	160.11
ii) For hedging commodity price risks		
Commodity Futures	242.52	307.01

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

b) Unhedged foreign currency exposures as at March 31, 2015 are as under:

Unhedged Foreign Currency Exposures	₹ crore	
	As at 31-3-2015	As at 31-3-2014
i) Receivables, including firm commitments and highly probable forecasted transactions	27042.70	39564.88
ii) Payables, including firm commitments and highly probable forecasted transactions	26158.82	34775.68

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 excludes exposures [Receivables amounting to ₹ 1646.07 crore (previous year: ₹ 345.34 crore) and payables amounting to ₹ 1142.08 crore (previous year ₹ 121.46 crore)] with respect to currencies such as Bhutan Ngultrum (BTN).

Q(19) Auditors' remuneration (excluding service tax):

Particulars	₹ crore	
	2014-15	2013-14
a. For Audit fees	1.25	1.08
b. For Taxation matters	0.30	0.26
c. For Other services		
(i) Limited review of standalone and consolidated financial statements on a quarterly basis	1.25	1.08
(ii) Other services including certification work	0.88	0.97
d. For reimbursement of expenses	0.20	0.24

Note: The above figures include fees paid for services rendered in connection with issue of Foreign Currency Convertible Bonds (FCCB) amounting to ₹ 0.08 crore (Previous year: ₹ Nil) charged to securities premium account during the year.

Q(20) Value of imports (on C.I.F. basis):

Particulars	₹ crore	
	2014-15	2013-14
Raw materials	1412.86	1954.36
Components and spare parts	1074.52	1701.93
Capital goods	219.69	205.37

Q(21) Expenditure in foreign currency:

Particulars	₹ crore	
	2014-15	2013-14
On overseas contracts	6133.77	4948.13
Royalty and technical know-how fees	5.67	5.59
Interest	126.97	147.40
Professional/consultation fees	187.67	183.12
Other matters	482.19	719.10

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Q(22) Dividends remitted in foreign currency:

₹ crore		
Particulars	2014-15	2013-14
Dividend for the year ended March 31, 2014 to:		
i. 11 non-resident shareholders on 20,826 shares held by them (previous year: 11 non-residents on 20,826 shares) on 26-8-2014	0.03	0.03
ii. Custodian of global depository receipts on 2,10,12,316 shares (previous year: 2,93,92,990 shares) on 26-8-2014	29.94	36.24

Q(23) Earnings in foreign exchange:

₹ crore		
Particulars	2014-15	2013-14
Export of goods [including ₹ 672.93 crore on FOB basis (previous year: ₹ 942.14 crore)]	687.45	1006.72
Construction and project related activities	8431.36	6728.40
Export of services	128.71	1614.39
Commission	5.69	6.73
Interest received	0.00*	0.02
Other receipts	187.51	53.49

\* ₹ 9652

Q(24) The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2015. The disclosure pursuant to the said Act is as under:

₹ crore		
Particulars	2014-15	2013-14
Principal amount due to suppliers under MSMED Act, 2006	106.94	51.49
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	3.76	0.11
Payment made to suppliers (other than interest) beyond the appointed day during the year	109.94	19.89
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	0.45	0.04
Interest due and payable towards suppliers under MSMED Act for payments already made	1.35	0.14
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	3.61	0.69

Q(25) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2015.

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

Q(26) Details of sales, raw materials and components consumed, manufacturing work-in-progress and purchase of stock-in-trade:

a) Sales:

Class of goods	2014-15 ₹ crore	2013-14 ₹ crore
<b>(i) Manufacturing and trading activity:</b>		
Switchgear, all types	2446.26	2245.06
Earthmoving and agriculture machinery and spares	807.55	753.48
Valves and accessories	–	539.92
Industrial Machinery	402.20	431.54
Electricity meters	416.28	413.12
Rubber processing machinery and accessories	193.96	175.34
Chemical plant & machinery, including pharmaceutical, dyestuff, distillery, brewery, and solvent extraction plants, evaporator and crystallizer plants and pollution control equipment in aggregate	35.92	115.03
Industrial electronic control panels	77.20	102.03
Steel structural fabrication	33.55	53.62
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	21.65	53.28
Defence equipment, all types	110.92	44.55
Parts and accessories for Prime movers, Boilers, Steam Generating Plants and Nuclear reactors	107.63	38.75
Transmission line tower	73.86	15.27
Others	1016.53	1195.83
<b>Total</b>	<u>5743.51</u>	<u>6176.82</u>
<b>(ii) Property development activity</b>	946.94	447.84
<b>(iii) Construction and project related activity:</b>		
Civil/Infrastructure/Mechanical/Electrical Construction	41930.17	38810.68
Thermal/Hydro/Gas based power plants	4264.89	5045.99
Chemical plant & machinery, including pharmaceutical, dyestuff, distillery, brewery, and solvent extraction plants, evaporator and crystallizer plants and pollution control equipment in aggregate	559.82	699.24
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.	1212.37	1883.39
Defence equipment, all types	517.37	545.48
Nuclear purpose equipment, de-aerators, ultra high pressure vessels including multiwall vessels, high pressure heat exchangers and high pressure heaters in aggregate	117.89	101.47
Parts and accessories for Prime movers, Boilers, Steam Generating Plants and Nuclear reactors	6.78	15.99
Ship auxiliaries and components of mechanized sailing vessels	–	0.07
Commercial ships	–	(150.21)
Others	871.09	909.45
<b>Total</b>	<u>49480.38</u>	<u>47861.55</u>
<b>(iv) Servicing</b>	507.93	422.47
<b>(v) Commission</b>	108.78	118.64
<b>(vi) Engineering and service fees</b>	3.59	1539.86
<b>Total Sales &amp; service (i) to (vi) - [Note K]</b>	<u><u>56791.13</u></u>	<u><u>56567.18</u></u>

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

b) Raw materials and components consumed:

i) Class of goods:

Class of goods	2014-15	2013-14
	₹ crore	₹ crore
Power plant & machinery components	1924.07	2266.26
Chemical plant components	147.04	162.09
Nuclear equipment components, including items for oil & gas etc. industries , in aggregate	19.70	40.91
Steel	891.25	1322.34
Switchgear components	734.82	858.59
Electronic devices, test & measuring instruments and industrial electronic control panel components	117.63	31.41
Non-ferrous metals	195.73	163.24
Metering & protection systems and medical equipment and components	276.09	166.14
Industrial machinery components	64.07	20.17
Others	958.87	1079.27
Sub-total	5329.27	6110.42
Less: Sale value of scrap	104.61	107.62
<b>Total [Note M]</b>	<b>5224.66</b>	<b>6002.80</b>

ii) Classification of goods:

Classification of goods	2014-15		2013-14	
	% to total consumption	₹ crore	% to total consumption	₹ crore
Imported (including through canalising agencies)	27	1390.20	37	2200.97
Indigenous	73	3834.46	63	3801.83
Total	100	5224.66	100	6002.80

c) Purchases of stock-in-trade:

Class of goods	2014-15	2013-14
	₹ crore	₹ crore
Electronic, medical & other instruments, accessories and spares	828.61	874.19
Valves and accessories	–	429.52
Earthmoving and agricultural machinery and spares	354.20	371.63
Industrial Machinery	11.22	59.13
Others	102.72	187.69
<b>Total [Note M]</b>	<b>1296.75</b>	<b>1922.16</b>

d) Stores and spare parts consumed:

Classification of goods	2014-15		2013-14	
	% to total consumption	₹ crore	% to total consumption	₹ crore
Imported (including through canalising agencies)	18	258.16	13	193.07
Indigenous	82	1190.00	87	1294.69
Total	100	1448.16	100	1487.76

## Notes forming part of the Accounts (contd.)

### NOTE [Q] (contd.)

e) Details of manufacturing work-in-progress:

Class of goods	2014-15	2013-14
	₹ crore	₹ crore
Industrial Machinery	43.52	44.34
Defence equipment, all types	42.96	36.47
Steel structural fabrication	34.25	27.39
Switchgear, all types	46.87	50.55
Transmission line tower	73.88	59.86
Chemical plant & machinery, including pharmaceutical, dyestuff, distillery, brewery and solvent extraction plants, evaporator and crystallizer plants and pollution control equipment in aggregate	6.50	11.22
Low voltage and Medium voltage switchboards and panels	100.41	71.61
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.	16.62	17.66
Casting products	20.51	15.20
Rubber processing machinery and accessories	21.48	8.80
Nuclear purpose equipment, de-aerators, ultra high pressure vessels including multiwall vessels, high pressure heat exchangers and high pressure heaters in aggregate	7.46	5.13
Ship auxiliaries and components of mechanised sailing vessels	111.41	107.46
Servicing of construction machinery	12.28	5.41
AC drives, DC drives, programmable logic controllers	2.79	1.53
Meters and protection systems	0.47	0.54
Others	41.37	84.42
<b>Total [Note H(II)]</b>	<b>582.78</b>	<b>547.59</b>

Q(27) Contribution to political parties include:

Contribution to political parties aggregating to ₹ 11.00 crore (*previous year: ₹ Nil*) made during the year as follows: Indian National Congress: ₹ 5.00 crore, Bharatiya Janata Party: ₹ 5.00 crore and Shiv Sena ₹ 1.00 crore.

Q(28) a) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year ₹ 106.21 crore.

b) The amount recognised as expense in the Statement of Profit & Loss on CSR related activities is ₹ 76.54 crore, which comprises of:

₹ crore					
Sr. no.	Particulars	Disclosed under	In cash	Yet to be paid in cash	Total
i)	Construction/Acquisition of assets charged to the Statement of Profit and Loss	Note O	10.71	2.43	13.14
ii)	For purposes other than (i) above	Note O	40.68	6.96	47.64
		Note N	15.76	–	15.76
	<b>Total</b>		<b>67.15</b>	<b>9.39</b>	<b>76.54</b>

Q(29) 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, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 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 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 Schedule III to the Companies Act, 2013 ("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 Schedule III 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 Equity 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 III. 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 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. 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.

- v. Revenue from contracts for the rendering of engineering design services and other 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"], is 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.

## **Notes forming part of the Accounts (contd.)**

### **NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)**

#### **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. 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 cost. 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

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*.)

### 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.

iii. 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.

iv. 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 based 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 costs is provided on straight line method on the basis of useful life as specified in Schedule II to the Companies Act, 2013 except in respect of certain assets where the useful life was determined by technical evaluation. The carrying amount of the assets as on April 1, 2014 is depreciated over the remaining useful life. Where the useful life of the asset has expired, the carrying amount as on April 1, 2014 has been charged to the retained earnings as on April 1, 2014.

##### 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 II to the Companies Act, 2013, 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 based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life 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.

## Notes forming part of the Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

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.

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.



## **Notes forming part of the Accounts (contd.)**

### **NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)**

#### **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) incurred on issue of debentures/bonds
  - v. Premium (net of tax) 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. The amount recognised as expense each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve.

#### **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.

## **Notes forming part of the Accounts (contd.)**

### **NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)**

- 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.

### **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 operational revenue directly identifiable with/allocable to the segment including inter segment revenue.
- ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. 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.

## Notes forming part of the Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

- vi. Segment non-cash expenses forming part of segment expenses includes the intrinsic value of the employee stock options which is accounted as employee compensation cost [see Note R(17)] 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.

### 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	<p>(a) Integrated joint ventures:</p> <ul style="list-style-type: none"> <li>(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.</li> <li>(ii) Investments in integrated joint ventures are carried at cost net of Company's share in recognised profits or losses.</li> </ul> <p>(b) Incorporated jointly controlled entities:</p> <ul style="list-style-type: none"> <li>(i) Income on investments in incorporated jointly controlled entities is recognised when the right to receive the same is established.</li> <li>(ii) Investment in such joint ventures is carried at cost after providing for any diminution in value which is other than temporary in nature.</li> </ul>

Joint venture interests accounted as above, other than investments in incorporated jointly controlled entities, are included in the segments to which they relate.

### 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.

## Notes forming part of the Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

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.

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, 2015

N. HARIHARAN  
Company Secretary

A. M. NAIK  
Group Executive Chairman (DIN 00001514)

K. VENKATARAMANAN  
Chief Executive Officer &  
Managing Director (DIN 00001647)

M. M. CHITALE (DIN 00101004)

M. DAMODARAN (DIN 02106990)

SUSHOBHAN SARKER (DIN 00088276)

R. SHANKAR RAMAN  
Chief Financial Officer &  
Whole-time Director (DIN 00019798)

SUBODH BHARGAVA (DIN 00035672)

SUNITA SHARMA (DIN 02949529)

Directors

Mumbai, May 30, 2015

# Consolidated Financial Statements 2014-15

## **Independent Auditors' Report**

To the members of Larsen & Toubro Limited

### **Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of Larsen & Toubro Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the consolidated balance sheet as at 31 March 2015, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's responsibility for the consolidated financial statements**

The Holding Company's board of directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective board of directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31 March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other matters**

- a) We did not audit the financial statements of 70 subsidiaries and 11 jointly controlled entities, whose financial statements reflect total assets of ₹ 62,254.30 crores as at 31 March 2015, total revenues of ₹ 12,951.38 crores and net cash flows amounting to ₹ 1,707.67 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 1.13 crores for the year ended 31 March 2015, as considered in the consolidated financial statements, in respect of 4 associates, whose financial statements have not been audited by us. These financial statements have been audited/jointly audited by other auditors whose reports have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these

subsidiaries, jointly controlled entities and associates and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates is based solely on the reports of the other auditors.

- b) We did not audit the financial statements of 1 subsidiary and 2 jointly controlled entities, whose financial statements reflect total assets of ₹ 150.53 crores as at 31 March 2015, total revenues of ₹ 3.38 crores and net cash flows amounting to ₹ 1.29 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 2.96 crores for the year ended 31 March 2015, as considered in the consolidated financial statements, in respect of 5 associates, whose financial statements have not been audited by us. These financial statements are certified by management and have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates is based solely on such financial statements certified by management. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by management.

#### **Report on other legal and regulatory requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies, associate companies and jointly controlled entities incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the board of directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities- refer notes I, Q(17)(VI), Q(18) and Q(23) to the consolidated financial statements.
    - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – refer (a) notes C(II), D(IV) and Q(9)(a) to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled companies; and (b) the Group's share of net profit in respect of its associates.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associates and jointly controlled entities.

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W

MILIND P. PHADKE  
Partner  
Membership No. 33013

Mumbai, May 30, 2015



## Annexure to the Auditors' report

(Referred to in 'Other matters' and paragraph 1 under 'Report on other legal and regulatory requirements' of our report of even date)

- 1 (a) The Group is maintaining proper records to show full particulars including quantitative details and situation of all fixed assets.
- (b) We are informed that the respective companies in the Group have formulated a program of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the respective companies and nature of their 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.
- 2 (a) Where applicable in the Group, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management of the Group are, in our opinion, reasonable and adequate in relation to the size of the Group and the nature of its business.
- (c) The Group is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records in certain companies in the Group were not material and have been properly dealt with in the books of account.
- 3 According to the information and explanations given to us, there are no companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013 other than in the case of an associate company, which has granted interest bearing unsecured loans to four entities covered under the said section. The principal amount is repayable on demand and there is no repayment schedule.
- 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 respective companies in the Group and the nature of their businesses for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of the examination of the books and records of the respective companies in the Group and according to the information and explanations given to us, we have neither come across nor have we 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, the Group has not accepted deposits from the public and accordingly, paragraph 3(v) of the Order is not applicable.
- 6 The books of account and records maintained by certain companies in the Group pursuant to the rules prescribed by the central government for the maintenance of cost records under section 148(1) of the Act have been broadly reviewed and we 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.
- 7 (a) According to the information and explanations given and as per the records of the respective companies in the Group examined, in our opinion, the Group is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, 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, employees state insurance, income-tax, sales-tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other statutory dues outstanding as at 31 March 2015, 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 respective companies examined, the particulars of income-tax, sales-tax, wealth tax, service tax, duty of custom, duty of excise, value added tax or cess as at 31 March 2015, 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	Classification disputes, disallowance of input tax credit of other matters, VAT liability, taxability of sub-contractor turnover, rate of tax for declared goods, interstate sales and non submission of forms	108.44	1991-1992, 1995-1996, 1997-1998, 1999-2000 to 2013-2014	Supreme Court
	Penalty on the disputed tax not covered by declaration forms, disallowance of deemed sales in course of import, taxability of sub-contractor's turnover, local hire purchase turnover made taxable and other matter, dispute regarding question of law, non-submission of forms, classification dispute, tax deducted at source at lower rate, sales in transit, high sea sales, labour turnover, local VAT, local WCT, rate of tax on declared goods and other matters	338.95	1986-1987 to 2011-2012	High Court

Name of the statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
	Disallowance of deemed sales in course of inter state and import transactions, classification disputes, non submission of forms, disallowance of Form N 14B sale by appellate authority which was earlier allowed by assessing authority, tax on additional turnover, differential rate of tax including interest and penalty, disallowance of sales occasioning import, arbitrary demand raised, sub-contractors turnover disallowed, pumping and freight charges, TDS disallowed, rates of tax of declared goods, disallowance of works contract tax and other matters	353.52	1987-1988 to 1991-1992, 1994-1995 to 2011-2012	Sales Tax Tribunal
	Classification disputes, disallowance of CST sales, non submission of forms, wrong classification of sales, disallowances of high sea sales, interest levied on short payment arising out of disallowance of input tax credit, differential tax levied for non-submission of Form-C, disallowance of exemption claimed for deemed sale in the course of inter state and import transactions, refusal of Input tax credit, disallowance of sale-in-transit, forms submitted but rejected by Assessing Officer and other matters	264.87	1995-1996, 1996-1997, 1997-1998, 1999-2000 to 2012-2013	Commissioner (Appeals) / Joint Commissioner (Appeals)
	Disallowance of deemed interstate sales, non-submission of forms, disallowance of sales occasioning imports, rate of tax dispute and other matters	1.91	1991-1992, 1992-1993, 1996-1997 to 2005-2006, 2008-2009	Assistant Commissioner (Appeals)
	Non submission of forms	17.50	1995-1996, 1997-1998, 2001-2002 to 2004-2005, 2006-2007 to 2012-2013	Additional Commissioner (Appeals)
	Disallowance of sales in transit, deemed inter state sales, import transactions, non-submission of forms, software exports and service income revenue considered as domestic sales and other classification disputes, VAT liability, additional demand for pending forms, rate of tax dispute, disallowance of branch transfer, sub-contractors turnover, interest demand on road permit and other matters	1103.25	1989-1990, 1991-1992, 1992-1993, 1994-1995 to 2013-2014	Deputy Commissioner (Appeals)
	Sales tax on scrap sales and sale of assets, non-submission of forms and dispute related to sales in transit, disallowance of exemption claimed for deemed sale in the course of inter state and import transactions	4.71	1994-1995 to 2014-2015	The Commercial Tax Officer
The Central Excise Act, 1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Dispute of excise duty on site mix concrete and PSC grinder	0.27	1997-1998	Supreme Court
	Demand of interest on the cenvat credit availed on inputs removed, export rebate claim, service tax on commercial construction services, service tax liability against rate change and penalty imposed for wrong availment of cenvat credit	42.49	2003-2004 to 2006-2007	High Court
	Valuation disputes, demand for excise duty on fabrication of tanks, platforms and ladders, demand for service tax on manpower recruitment and supply agency service and dispute on adjustment of excess service tax paid, demand for service tax including penalty and interest on lump-sum turnkey jobs, dispute on classification, demand for duty on sales through inter-connected units, denial of benefit of exemption under notification no. 108/95, denial	862.11	1989-1990, 1991-1992, 2001-2002 to 2013-2014	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

Name of the statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
	of service tax credit on payment of commission to sole selling agent, denial of cenvat credit on input services, service tax on reimbursement of electricity, water and diesel charges, demand of excise duty on site fabricated steel structures, export rebate disallowance, excise duty on concrete mix made at site, non maintenance of separate records, demand of service tax including penalty, demand of penalty on late payment of service tax and other matters			
	Demand for duty for availing cenvat credit on the basis of supplementary invoice, penalty disputed on the delayed period of payment of duty on the scrap in job worker place, dispute in classification of cobalt rod during imports, disallowance of cenvat credit, excise duty refund, short payment of service tax, service tax rate dispute, excise duty on concrete mix made at site, service tax on reimbursement of electricity, water and diesel charges and other matters	2.87	1993-1994 to 1999-2000, 2006-2007, 2008-2009 to 2012-2013, 2014-2015	Commissioner (Appeals)
	Demand for service tax on manpower recruitment, dispute on software procurement, denial of excise duty exemption under Excise Notification 6 of 2006, service tax levied on receipt of interest on delayed payment	8.38	2005-2006 to 2012-2013	Commissioner
	Service tax, demand for excise duty on fabrication of tanks, platforms and ladders	0.63	1989-1990 to 2011-2012	Additional Commissioner
Income-tax Act, 1961	Dispute regarding depreciation and income tax dues	0.80	2002-2003, 2004-2005	High Court
	Dispute regarding tax not deducted on bank guarantee charges and interest charges, disallowance of distributorship commission, revenue expenditure, adjustment on account of arms length price of transfer pricing transaction under section 92CA(3), disallowance of exemption under section 10A, dispute regarding shortfall in tax deducted at source, income tax, interest and penalty, cenvat credit treated as income, disallowance of deduction under Section 80IA for income from BTS projects, assessment under section 143(3) read with section 144C(13)	484.16	2003-2004 to 2012-2013	Income Tax Appellate Tribunal (ITAT)
	Dispute regarding tax not deducted on bank guarantee charges and interest charges	1.11	2011-2012	Chief Commissioner of Income Tax (Appeals)
	Disallowance of expenses and exemption under section 10A, dispute regarding depreciation and disallowance under section 14A, disallowance under section 40(a)(ia) and computation of deduction under section 80IA, taxability of income received in advance, treatment of reimbursement of expenses as income, income tax, interest and penalty, dispute regarding applicability of tonnage tax provision, cenvat credit treated as income, hedging loss disallowed, dispute regarding tax deducted at source at lower rates	63.79	2004-2005 to 2012-2013	Commissioner of Income Tax (Appeals)
	Tax, interest and penalty	19.56	2006-2007, 2009-2010, 2010-2011	Commissioner of Income Tax
	Difference in rate of tax deducted at source	2.57	2007-2008, 2008-2009	Director of Income Tax (International Taxation)

Name of the statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
	Dispute regarding depreciation, disallowance under section 14A, mismatch of TDS credit, income tax dues including interest and fringe benefit tax dues	4.32	2007-2008 to 2010-2011	Assessing Officer
	Dispute regarding depreciation and income tax dues	0.80	2002-2003, 2004-2005	High Court
	Income tax dues	13.17	2012-2013	Assistant Commissioner of Income Tax
	Tax, interest and penalty	19.56	2006-2007, 2009-2010, 2010-2011	Commissioner of Income Tax

\*Net of pre-deposit paid in getting the stay/appeal admitted

Note: The above amounts do not include penalty and interest of ₹ 104.85 crores stayed by the Honourable Customs, Excise and Service Tax Appellate Tribunal (CESTAT) and VAT authorities.

- (c) The amounts required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder are transferred to such fund within time.
- 8 The Group has no accumulated losses as at 31 March 2015 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 9 According to the records of the respective companies in the Group and the information and explanations given to us, none of the companies in the Group has defaulted in repayment of dues to any financial institution or bank or debenture holder as at the balance sheet date.
- 10 The terms and conditions of guarantees given by certain companies in the Group for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interests of the Group.
- 11 In our opinion and according to the information and explanations given to us, on an overall basis, we are of the opinion that the respective companies have applied term loans for the purpose for which they were obtained.
- 12 According to the information and explanations given to us, there were no instances of material fraud on or by the companies in the Group, 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

MILIND P. PHADKE  
Partner  
Membership No.33013

Mumbai, May 30, 2015

## Consolidated Balance Sheet as at March 31, 2015

	Note	As at 31-3-2015		As at 31-3-2014	
		₹ crore	₹ crore	₹ crore	₹ crore
<b>EQUITY AND LIABILITIES:</b>					
<b>Shareholders' funds</b>					
Share capital	A	185.91		185.38	
Reserves and surplus	B	40723.16		37526.23	
Minority interest			40909.07		37711.61
			4998.62		3179.18
<b>Non-current liabilities</b>					
Long term borrowings	C(I)	65277.98		55444.89	
Deferred payment liabilities for acquisition of fixed assets	Q(22)	2905.01		2966.75	
Deferred tax liabilities (net)	Q(15)	539.56		617.85	
Other long term liabilities	C(III)	1273.57		1024.11	
Long term provisions	C(III)	573.05		374.24	
			70569.17		60427.84
<b>Current liabilities</b>					
Short term borrowings	D(I)	16989.24		13858.52	
Current maturities of deferred payment liabilities for acquisition of fixed assets	Q(22)	127.23		515.13	
Current maturities of long term borrowings	D(II)	8304.16		11026.98	
Trade payables	D(III)	24858.99		20849.88	
Other current liabilities	D(IV)	23902.51		18665.83	
Short term provisions	D(V)	3525.11		2926.91	
			77707.24		67843.25
<b>TOTAL</b>			<u>194184.10</u>		<u>169161.88</u>
<b>ASSETS:</b>					
<b>Non-current assets</b>					
Fixed assets					
Tangible assets	E(I)	18821.58		20855.49	
Intangible assets	E(II)	13701.48		9405.80	
Capital work-in-progress	E(I)	5420.42		4165.31	
Intangible assets under development	E(II)	10103.29		10013.21	
Goodwill on consolidation	E(III)	2215.00		2136.17	
			50261.77		46575.98
Non-current investments	F		1646.80		1432.79
Deferred tax assets (net)	Q(15)		724.20		280.39
Long term loans and advances	G(I)(a)		2160.74		2461.19
Long term loans and advances towards financing activities	G(I)(b)		43932.02		32939.96
Cash and bank balances	G(II)		99.31		38.68
Other non-current assets	G(III)		369.41		184.93
<b>Current assets</b>					
Current investments	H(I)	7965.32		6676.16	
Inventories	H(II)	6518.19		5527.47	
Trade receivables	H(III)	30089.37		26384.55	
Cash and bank balances	H(IV)	5756.21		4096.57	
Short term loans and advances	H(V)	9006.35		7187.12	
Short term Loans and advances towards financing activities	H(V)(a)	11434.85		10911.77	
Other current assets	H(VI)	24219.56		24464.32	
			94989.85		85247.96
<b>TOTAL</b>			<u>194184.10</u>		<u>169161.88</u>
<b>CONTINGENT LIABILITIES</b>	I				
<b>COMMITMENTS</b> (capital and others)	J				
<b>OTHER NOTES FORMING PART OF THE ACCOUNTS</b>	Q				
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	R				

A. M. NAIK

Group Executive Chairman (DIN 00001514)

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, 2015

K. VENKATARAMANAN  
Chief Executive Officer &  
Managing Director (DIN 00001647)

M. M. CHITALE (DIN 00101004)

M. DAMODARAN (DIN 02106990)

SUSHOBHAN SARKER (DIN 00088276)

N. HARIHARAN  
Company Secretary

R. SHANKAR RAMAN  
Chief Financial Officer &  
Whole-time Director (DIN 00019798)

SUBODH BHARGAVA (DIN 00035672)

SUNITA SHARMA (DIN 02949529)

Directors

Mumbai, May 30, 2015

## Consolidated Statement of Profit and Loss for the year ended March 31, 2015

	Note	2014-15		2013-14	
		₹ crore	₹ crore	₹ crore	₹ crore
<b>REVENUE:</b>					
Revenue from operations (gross)	K	92761.66		85889.04	
Less: Excise duty		757.08		760.64	
Revenue from operations (net)			92004.58		85128.40
Other income	L		1007.15		981.78
<b>Total revenue</b>			<b>93011.73</b>		<b>86110.18</b>
<b>EXPENSES:</b>					
Manufacturing, construction and operating expenses:	M				
Cost of raw materials, components consumed		10305.52		9574.68	
Construction materials consumed		20331.39		18567.02	
Purchase of stock-in-trade		1424.04		1607.22	
Stores, spares and tools consumed		2501.80		2586.57	
Sub-contracting charges		17404.01		16949.91	
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(848.30)		(549.16)	
Other manufacturing, construction and operating expenses		7935.87		7347.59	
Finance cost of financial services business and finance lease activity		4158.13		3160.06	
Staff expenses for software development business		4081.24		3364.77	
Employee benefits expense			67293.70		62608.66
Sales, administration and other expenses	N		7922.20		7135.05
Finance costs	O		5478.03		4690.91
Depreciation, amortisation, impairment and obsolescence	P		2850.72		3138.00
Less: Transfer from revaluation reserve		2624.09		1446.77	
		1.59		0.95	
			2622.50		1445.82
Less: Overheads charged to fixed assets			86167.15		79018.44
			24.96		35.99
<b>Total expenses</b>			<b>86142.19</b>		<b>78982.45</b>
<b>Profit before exceptional and extraordinary items and tax</b>			<b>6869.54</b>		<b>7127.73</b>
Exceptional items	Q(5)		347.70		361.50
<b>Profit before extraordinary items and tax</b>			<b>7217.24</b>		<b>7489.23</b>
Extraordinary items	Q(6)		-		(6.25)
<b>Profit before tax</b>			<b>7217.24</b>		<b>7482.98</b>
Tax expense:					
Current tax	Q(8)	2661.91		2501.64	
Deferred tax (net)	Q(15)	(408.67)		105.94	
			2253.24		2607.58
<b>Profit after tax</b>			<b>4964.00</b>		<b>4875.40</b>
Less: Additional tax on dividend distributed/proposed by subsidiary companies			30.32		20.81
			4933.68		4854.59
Add: Share in profit/(loss) (net) of associate companies			2.14		9.25
			4935.82		4863.84
Add/(less): Minority interest in (income)/losses			(171.00)		38.16
<b>Net Profit after tax, minority interest and share in profit of associates</b>			<b>4764.82</b>		<b>4902.00</b>
Basic earnings per equity share before extraordinary items (₹)	Q(14)		51.33		53.04
Diluted earnings per equity share before extraordinary items (₹)			50.98		52.72
Basic earnings per equity share after extraordinary items (₹)			51.33		52.97
Diluted earnings per equity share after extraordinary items (₹)			50.98		52.65
Face value per equity share (₹)			2.00		2.00
<b>OTHER NOTES FORMING PART OF ACCOUNTS</b>	Q				
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	R				

A. M. NAIK  
Group Executive Chairman (DIN 00001514)

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No.109982W  
by the hand of

MILIND P. PHADKE  
Partner  
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K. VENKATARAMANAN  
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M. DAMODARAN (DIN 02106990) SUNITA SHARMA (DIN 02949529)

SUSHOBHAN SARKER (DIN 00088276)

Mumbai, May 30, 2015

N. HARIHARAN  
Company Secretary

Directors

Mumbai, May 30, 2015



## Consolidated Cash Flow Statement for the year ended March 31, 2015

	2014-15	2013-14
	₹ crore	₹ crore
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax (excluding minority interest, exceptional and extraordinary items)</b>	6869.54	7127.73
Adjustments for:		
Dividend received	(79.56)	(50.91)
Depreciation (including obsolescence), amortisation and impairment	2622.50	1445.82
Exchange difference on items grouped under financing/investing activities	40.56	302.48
Effect of exchange rate changes on cash and cash equivalents	39.06	(21.07)
Interest expense	2850.72	3138.00
Interest income	(404.73)	(488.32)
(Profit)/loss on sale of fixed assets (net)	(19.58)	(90.81)
(Profit)/loss on sale of investments (net)	(444.23)	(299.77)
(Profit)/loss on sale of stake in Subsidiary and Joint Venture Companies of Developmental Projects and Realty Segments	(1381.76)	21.27
Employee stock option-discount forming part of staff expenses	65.91	75.68
Provision/(reversal) for diminution in value of investments	35.39	24.15
<b>Operating profit before working capital changes</b>	10193.82	11184.25
Adjustments for:		
(Increase)/decrease in trade and other receivables	(9606.08)	(12895.18)
(Increase)/decrease in inventories	(1001.03)	(209.09)
Increase/(decrease) in trade payables and customer advances	9707.17	4172.07
<b>Cash generated from operations before financing activities</b>	9293.88	2252.05
(Increase)/decrease in loans and advances towards financing activities	(6984.04)	(6448.22)
<b>Cash generated from operations</b>	2309.84	(4196.17)
Direct taxes refund/(paid) (net)	(2978.71)	(2946.60)
<b>Net cash (used in)/from operating activities</b>	(668.87)	(7142.77)
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	(6929.19)	(6967.30)
Sale of fixed assets	157.80	289.23
Purchase of long term investments	(829.99)	(674.27)
Sale of long term investments	841.41	185.15
(Purchase)/Sale of current investments (net)	(976.93)	1269.38
Loans/deposits made with associates companies and third parties (net)	561.80	(186.95)
Interest received	387.06	498.76
Dividend received from associates	4.24	10.13
Dividend received from other investments	79.56	50.91
Consideration received on disposal of subsidiaries (including advance received)	220.80	2.48
Consideration received on disposal of joint venture	1120.51	-
Consideration paid on acquisition of subsidiaries	(106.78)	(32.73)
Cash & cash equivalents acquired pursuant to acquisition of subsidiaries	8.76	31.83
Cash & cash equivalents discharged pursuant to disposal of subsidiaries/joint ventures	(11.60)	(11.49)
<b>Net cash (used in)/from investing activities</b>	(5472.55)	(5534.87)
Extraordinary items		
Insurance claim received against loss due to flood	10.00	25.00
<b>Net cash (used in)/from investing activities (after extraordinary items)</b>	(5462.55)	(5509.87)
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of share capital	98.89	144.05
Proceeds from long term borrowings	29221.10	22261.41
Repayment of long term borrowings	(20836.14)	(10963.87)
Proceeds from other borrowings (net)	3064.37	6123.99
Payment (to)/from minority interest (net)-including sale proceeds on divestment of part stake in subsidiary companies and issue of preference shares by subsidiary companies to external parties	1871.10	893.15
Dividends paid	(1322.73)	(1140.85)
Additional tax on dividend	(280.10)	(277.50)
Interest paid (including cash flows on account of interest rate swaps)	(3925.74)	(3904.75)
<b>Net cash (used in)/from financing activities</b>	7890.75	13135.63
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	1759.33	482.99
<b>Cash and cash equivalents at beginning of the year</b>	4086.57	3603.58
<b>Cash and cash equivalents at end of the year</b>	5845.90	4086.57

**Notes:**

- 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.
- Purchase of fixed assets includes movement of capital work-in-progress during the year.
- For cash and cash equivalents not available for immediate use as on the Balance Sheet date, see Note G(II) and H(IV).
- Cash and cash equivalents are reflected in the Balance Sheet as follows:

	2014-15	2013-14
	₹ crore	₹ crore
(a) Cash and cash equivalents disclosed under current assets [Note H(IV)]	5756.21	4096.57
(b) Cash and cash equivalents disclosed under non-current assets [Note G(II)]	99.31	38.68
<b>Total cash and cash equivalents as per Balance Sheet</b>	5855.52	4135.25
(c) Unrealised exchange loss/(gain) on cash and cash equivalents	(9.62)	(48.68)
<b>Total cash and cash equivalents as per Cash Flow Statement</b>	5845.90	4086.57

- Previous year's figures have been regrouped/reclassified wherever applicable.

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

N. HARIHARAN  
Company Secretary

Mumbai, May 30, 2015

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Directors

Mumbai, May 30, 2015

## Notes forming part of the Consolidated Accounts

### NOTE [A]

#### Share capital

#### A(I) Share capital authorised, issued, subscribed and paid up:

Particulars	As at 31-3-2015		As at 31-3-2014	
	Number of shares	₹ crore	Number of shares	₹ crore
<b>Authorised:</b>				
Equity shares of ₹ 2 each	1,62,50,00,000	325.00	1,62,50,00,000	325.00
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of ₹ 2 each	92,95,62,061	185.91	92,69,12,658	185.38

#### A(II) Reconciliation of the number of equity shares and share capital:

Particulars	2014-15		2013-14	
	Number of shares	₹ crore	Number of shares	₹ crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	92,69,12,658	185.38	61,53,85,981	123.08
Add: Shares issued on exercise of employee stock options during the year	26,49,403	0.53	32,32,101	0.65
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	92,95,62,061	185.91	92,69,12,658	185.38

#### 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 31-3-2015		As at 31-3-2014	
	Number of shares	Shareholding %	Number of shares	Shareholding %
Life Insurance Corporation of India	15,55,22,285	16.73	15,75,56,473	17.00
L&T Employees Welfare Foundation	11,16,06,174	12.01	11,16,04,174	12.04
Administrator of the Specified Undertaking of the Unit Trust of India	7,59,25,962	8.17	7,59,25,962	8.19

#### A(V) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2015		As at 31-3-2014	
	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 #	77,08,842	1.54 *	98,66,116 @	1.97 *
3.5% 5 years & 1 day US\$ denominated foreign currency convertible bonds (FCCB) ##	–	–	73,60,864 @	1.47 **
0.675% 5 years & 1 day US\$ denominated foreign currency convertible bonds (FCCB) ##	63,46,986	1.27 **	–	–

\* The equity shares will be issued at a premium of ₹ 278.09 crore (previous year: ₹ 367.43 crore)

\*\* The equity shares will be issued at a premium of ₹ 1215.13 crore (previous year: ₹ 934.93 crore) on the exercise of options by the bond holders

# Note A(VIII) for terms of employee stock option schemes

## Note C(I)(b) for terms of foreign currency convertible bonds

@ The number of options have been adjusted consequent to bonus issue wherever applicable

## Notes forming part of the Consolidated Accounts (contd.)

**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, 2015 are 30,82,94,576 (previous period of five years ended March 31, 2014: 30,82,94,576 shares)

**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, 2015: Nil (previous period of five years ended March 31, 2014: 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)	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Grant price (₹)	2.30	2.30	2.30	2.30	2.30	2.30	11.70	11.70	11.70	11.70	400.70	400.70	400.70	400.70
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	25200	16800	32250	21500	59550	39700	47178	31452	499543	435202	510181	911468	8692214	7289329
5	Options lapsed prior to bonus	-	-	-	-	-	-	-	-	-	3400	-	2746	-	201054
6	Options granted prior to bonus	-	-	-	-	-	-	-	-	-	4500	-	-	-	1115
7	Options exercised prior to bonus	-	-	-	-	-	-	-	-	-	45750	-	387135	-	770285
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	-	-	-	-	-	-	-	-	68450	10950	35625	21311	676786	530097
11	Options granted post bonus issue	-	-	-	-	-	-	-	-	337800	93300	-	-	935190	1352790
12	Options exercised post bonus issue	-	-	-	-	-	-	-	-	183609	168636	169900	250898	2295894	1609397
13	Options granted and outstanding at the end of the year of which	25200	25200	32250	32250	59550	59550	47178	47178	585284	499543	304656	510181	6654724	8692214
14	Options vested	25200	25200	32250	32250	59550	59550	47178	47178	100390	127015	304656	510181	2663571	3096418
15	Options yet to vest	-	-	-	-	-	-	-	-	484894	372528	-	-	3991153	5595796
16	Weighted average remaining contractual life of options (in years)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5.38	4.87	0.03	0.08	3.95	4.17

\*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	2014-15		2013-14	
	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	98,66,116	374.42	87,45,451	564.54
(ii) Options granted pre bonus issue	-	-	5,615	133.37
(iii) Options allotted pre bonus issue	-	-	12,03,170	578.81
(iv) Options lapsed pre bonus issue	-	-	2,07,200	591.43
(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	12,72,990	297.48	14,46,090	375.60
(viii) Options allotted post bonus issue	26,49,403	373.74	20,28,931	368.37
(ix) Options lapsed post bonus issue	7,80,861	366.60	5,62,358	393.13
(x) Options granted and outstanding at the end of the year	77,08,842	362.74	98,66,116	374.42
(xi) Options exercisable at the end of the year out of (x) supra	32,32,795	368.52	38,97,792	371.36

## Notes forming part of the Consolidated Accounts (contd.)

- d) Weighted average share price at the date of exercise for stock options exercised during the period is ₹ 1554.71 (*previous year: ₹ 1120.61*) 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 2014-15 is ₹ 65.91 crore (*previous year: ₹ 75.68 crore*) (net) [Note M and N]. The entire amount pertains to equity-settled employee share-based payment plans.
- f) Pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Company has adopted the guidance note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India and revised the method of computation of stock option compensation based on the number of grants that are expected to vest. Consequently, the charge on account of employee stock option compensation for the year ended March 31, 2015 is lower and the profit before tax is higher by ₹ 17.06 crore.
- 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 2014-15 would have been higher by ₹ 11.15 crore (*previous year: ₹ 26.75 crore*)
- (ii) Basic EPS before extraordinary items would have decreased from ₹ 51.33 per share to ₹ 51.21 per share
- (iii) Basic EPS after extraordinary items would have decreased from ₹ 51.33 per share to ₹ 51.21 per share
- (iv) Diluted EPS before extraordinary items would have decreased from ₹ 50.98 per share to ₹ 50.86 per share
- (v) Diluted EPS after extraordinary items would have decreased from ₹ 50.98 per share to ₹ 50.86 per share
- h) Weighted average fair values of options granted during the year is ₹ 1190.22 (*previous year: ₹ 556.06*) 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	2014-15	2013-14
(i)	Weighted average risk-free interest rate	8.57%	8.88%
(ii)	Weighted average expected life of options	4.01 years	4.34 years
(iii)	Weighted average expected volatility	33.92%	38.00%
(iv)	Weighted average expected dividends over the life of the option	₹ 57.18 per option	₹ 53.42 per option
(v)	Weighted average share price	₹ 1444.51 per option	₹ 834.48 per option
(vi)	Weighted average exercise price	₹ 313.49 per option	₹ 379.45 per option
(vii)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

- j) The balance in share option outstanding account as on March 31, 2015 is ₹ 252.56 crore (net) (*previous year: ₹ 323.70 crore*), including ₹ 135.98 crore (*previous year: ₹ 148.22 crore*) for which the options have been vested to employees as on March 31, 2015.

**A(IX)** The Directors recommend payment of final dividend of ₹ 16.25 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 92,95,62,061 equity shares outstanding as at March 31, 2015 amounting to ₹ 1510.54 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), 22,66,470 options are outstanding as at March 31, 2015. 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.

## Notes forming part of the Consolidated Accounts (contd.)

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	
		2014-15	2013-14	2014-15	2013-14
1	Grant price (₹)	25.00		10.00	
2	Options granted and outstanding at the beginning of the year	3,93,003	3,93,003	18,80,484	21,55,197
3	Options granted during the year	–	–	–	–
4	Options cancelled/lapsed during the year	–	–	7,017	2,74,713
5	Options exercised and shares allotted during the year	–	–	–	–
6	Options granted and outstanding at the end of the year of which	3,93,003	3,93,003	18,73,467	18,80,484
	Options vested	3,93,003	3,93,003	9,70,917	9,70,917
	Options yet to vest	–	–	9,02,550	9,09,567

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 23,56,570 (previous year: 23,63,587)

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.

Particulars	2014-15		2013-14	
	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
Options granted during the year	–	–	–	–
Options forfeited/lapsed during the year	–	–	60,000	–
Options exercised during the year	–	–	–	–
Options granted and outstanding at the end of the year of which	–	–	–	–
Options vested	–	–	–	–
Options yet to vest	–	–	–	–
Weighted average remaining contractual life of options (comprising the vesting period and the exercise period) (in years)	Nil		Nil	

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 & ESOP 2013)

The subsidiary has formulated Employee Stock Option Schemes 2010 (ESOP Scheme-2010), 2010-A (ESOP Scheme 2010-A) and 2013 (ESOP Scheme 2013). 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 for schemes 10 and 10A. The options granted under scheme 2013 can be exercised within period of 8 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 schemes are summarised below:

Sr. No.	Series reference	2010 - 2010-A		2013	
		2014-15	2013-14	2014-15	2013-14
1	Grant price (₹)	44.20		67.85	
2	Options granted and outstanding at the beginning of the year	91,06,625	1,11,25,955	–	–
3	Options granted during the year	2,50,000	9,83,000	2,63,50,000	–
4	Options cancelled/lapsed during the year	7,17,181	13,13,887	–	–
5	Options exercised and shares allotted during the year	18,36,925	16,88,443	–	–
6	Options granted and outstanding at the end of the year	68,02,519	91,06,625	2,63,50,000	–
	of which				
	Options vested	43,39,694	28,39,131	–	–
	Options yet to vest	24,62,825	62,67,494	2,63,50,000	–
7	Weighted average remaining contractual life of options (in years)	5.95	4.33	6.57	–

Weighted average fair values of options granted during the year is ₹ 25.60 (*previous year: ₹ 34.53*) 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	2014-15	2013-14
i.	Weighted average risk-free interest rate	7.90%	8.43%
ii.	Weighted average expected life of options	4.34 years	2.85 years
iii.	Weighted average expected volatility	33.15%	35.46%
iv.	Weighted average expected dividends	₹ 3.47 per option	₹ 2.14 per option
v.	Weighted average share price	₹ 68.57 per option	₹ 69.51 per option
vi.	Weighted average exercise price	₹ 67.63 per option	₹ 44.20 per option
vii.	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's shares price applicable to the expected life of each option.	

The balance in share option outstanding account as on March 31, 2015 is ₹ 6.31 crore (net) (*previous year: ₹ 6.77 crore*), including ₹ 4.16 crore (*previous year: ₹ 2.55 crore*) for which the options have been vested to employees as on March 31, 2015.



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [B]

#### Reserves and surplus

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
<b>Capital reserve</b>				
As per last Balance Sheet	964.89		943.59	
Addition during the year	2.11		21.30	
		967.00		964.89
<b>Capital reserve on consolidation</b>				
As per last Balance Sheet	270.57		145.78	
Addition during the year	0.06		135.06	
Deduction during the year	–		10.27	
		270.63		270.57
<b>Capital redemption reserve</b>				
As per last Balance Sheet	3.27		3.27	
		3.27		3.27
<b>Securities premium account</b> [Note Q(8)(b)]				
As per last Balance Sheet	7737.80		7512.11	
Addition during the year	225.23		291.50	
	7963.03		7803.61	
Less: Share/bond issue expenses (net of tax)	15.13		0.63	
Premium on inflation linked debentures (net of tax)	2.91		3.53	
Issue of bonus shares	–		61.65	
		7944.99		7737.80
<b>Debenture redemption reserve</b>				
As per last Balance Sheet	521.38		428.46	
Less: Transferred to retained earnings	–		68.75	
Add: Transferred from retained earnings	354.70		161.67	
		876.08		521.38
<b>Revaluation reserve</b>				
As per last Balance Sheet	19.25		20.20	
Less: Transferred to Statement of Profit and Loss	1.59		0.95	
Less: Transferred to retained earnings	2.09		–	
		15.57		19.25
<b>Share options outstanding account</b>				
<b>Employee share options outstanding account</b>				
As per last Balance Sheet	514.83		641.61	
Addition during the year	87.77		69.20	
Less: Transferred to retained earnings	11.66		–	
Deduction during the year	158.40		195.98	
		432.54		514.83
<b>Deferred employee compensation expense</b>				
As per last Balance Sheet	(138.04)		(194.69)	
Addition during the year	(87.77)		(69.20)	
Deduction during the year	98.37		125.85	
		(127.44)		(138.04)
Carried forward		10382.64		9893.95

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [B]

#### Reserves and surplus (contd.)

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Brought forward		10382.64		9893.95
<b>Reserve u/s 45 IC of the Reserve Bank of India Act, 1934</b>				
As per last Balance Sheet	722.52		557.68	
Add: Transferred from retained earnings	140.76		164.84	
		863.28		722.52
<b>Reserve u/s 29C of National Housing Bank Act, 1987</b>				
As per last Balance Sheet	6.89		0.04	
Add: Transferred from retained earnings	13.50		6.85	
		20.39		6.89
<b>Tonnage tax reserve</b>				
As per last Balance Sheet	9.98		4.50	
Add: Transferred from retained earnings	1.77		5.48	
		11.75		9.98
<b>Foreign currency translation reserve</b>				
As per last Balance Sheet	571.42		416.99	
Addition during the year (net)	(81.53)		154.48	
Add/(less): Transferred to Statement of Profit and Loss on divestment/dissolution of stake in subsidiaries	(0.06)		(0.05)	
		489.83		571.42
<b>Reserve u/s 36(1)(viii) of Income Tax Act, 1961</b>				
As per last Balance Sheet	203.52		139.12	
Add: Transferred from retained earnings	47.98		64.40	
		251.50		203.52
<b>Hedging reserve (net of tax) [Note Q(15)]</b>				
As per last Balance Sheet	(631.10)		(611.70)	
Addition/(deduction) during the year (net)	248.83		(19.40)	
		(382.27)		(631.10)
<b>Retained earnings</b>				
As per last Balance Sheet	26749.05		23729.65	
Depreciation charged against retained earnings	(115.58)		–	
Reversal of deferred tax on depreciation charged against retained earnings	38.54		–	
Profit for the year	4764.82		4902.00	
	31436.83		28631.65	
Add/(less): Transferred from/(to):				
Debenture redemption reserve	(354.70)		(92.92)	
Revaluation reserve	2.09		–	
Employee share options outstanding account	11.66		–	
Reserve u/s 45 IC of the Reserve Bank of India Act, 1934	(140.76)		(164.84)	
Reserve u/s 29C of National Housing Bank Act, 1987	(13.50)		(6.85)	
Tonnage tax reserve	(1.77)		(5.48)	
Reserve u/s 36(1)(viii) of Income Tax Act, 1961	(47.98)		(64.40)	
Less:				
Other appropriation:				
Dividend paid for previous year	1.88		2.38	
Additional tax on dividend paid for previous year	0.32		0.40	
Proposed dividend	1510.54		1320.85	
Additional dividend tax [Note Q(21)]	293.09		224.48	
		29086.04		26749.05
		40723.16		37526.23

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [C(I)]

#### Long term borrowings

Particulars	As at 31-3-2015			As at 31-3-2014		
	Secured	Unsecured	Total *	Secured	Unsecured	Total *
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Redeemable non-convertible fixed rate debentures	14847.58	8540.00	23387.58	9262.56	4206.48	13469.04
Redeemable non-convertible floating rate debentures	190.00	–	190.00	410.00	–	410.00
Redeemable non-convertible inflation indexed debentures	–	109.76	109.76	–	105.34	105.34
0.675% Foreign currency convertible bonds	–	1250.00	1250.00	–	–	–
Term loans from banks	27102.97	10888.72	37991.69	31037.18	8376.00	39413.18
Term loans from others	337.25	1076.41	1413.66	337.29	631.79	969.08
Loans from financial institutions	484.39	250.00	734.39	626.71	250.00	876.71
Long term maturities of finance lease obligations	–	0.28	0.28	–	0.47	0.47
Sales tax deferment loan	–	0.62	0.62	–	1.07	1.07
Perpetual debts	–	200.00	200.00	–	200.00	200.00
	<u>42962.19</u>	<u>22315.79</u>	<u>65277.98</u>	<u>41673.74</u>	<u>13771.15</u>	<u>55444.89</u>

\* Loans guaranteed by Directors or others ₹ Nil (previous year: ₹ Nil)

### NOTE [C(II)]

#### Other long term liabilities

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
Forward contract payable	205.47	162.14
Interest accrued but not due	570.47	547.50
Others [Note C(II)(a)]	497.63	314.47
	<u>1273.57</u>	<u>1024.11</u>

#### C(II)(a) Other long term liabilities – others include

Advance received against sale of investments represents advance of ₹ 14.30 crore received from M/s. Sical Logistics Limited (SLL) against sale of 1,43,00,000 equity shares of ₹ 10/- each in M/s Sical Iron Ore Terminals Limited (SIOTL) at cost to SLL 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 SIOTL as per clause 18.2.2 (i) (d) of the License agreement dated September 23, 2006 between SIOTL and M/s. Ennore Port Limited (EPL). SIOTL has not been able to commence commercial operation as of March 31, 2015 due to the ban of export of iron ore from the State of Karnataka. SIOTL has sought necessary approvals from EPL and Government of India for handling alternate commodities.

### NOTE [C(III)]

#### Long term provisions

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
Provision for employee benefits:		
Employee pension schemes [Note Q(10)(ii)(a)]	207.70	175.52
Post-retirement medical benefit plan [Note Q(10)(ii)(a)]	165.53	118.99
Interest rate guaranteed-provident fund [Note Q(10)(ii)(a)]	10.43	39.23
Others	3.34	–
Others:		
Periodic major maintenance [Note Q(18)]	186.05	40.50
	<u>573.05</u>	<u>374.24</u>

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [D(I)]

#### Short term borrowings

Particulars	As at 31-3-2015			As at 31-3-2014		
	Secured	Unsecured	Total*	Secured	Unsecured	Total*
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Loans repayable on demand:						
From banks	1873.93	234.79	2108.72	1723.68	567.23	2290.91
Loans from related parties	–	30.00	30.00	–	30.00	30.00
Other loans and advances:						
From banks	1607.96	3716.93	5324.89	1397.14	5357.81	6754.95
Commercial paper	–	8958.40	8958.40	–	3955.32	3955.32
Redeemable non-convertible fixed rate debentures	–	500.00	500.00	–	–	–
From others	–	67.23	67.23	698.86	128.48	827.34
	<u>3481.89</u>	<u>13507.35</u>	<u>16989.24</u>	<u>3819.68</u>	<u>10038.84</u>	<u>13858.52</u>

\* Loans guaranteed by Directors or others ₹ Nil (previous year: ₹ Nil)

### NOTE [D(II)]

#### Current maturities of long term borrowings

Particulars	As at 31-3-2015			As at 31-3-2014		
	Secured	Unsecured	Total*	Secured	Unsecured	Total*
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Redeemable non-convertible fixed rate debentures	2318.46	600.00	2918.46	1866.60	100.00	1966.60
Redeemable non-convertible floating rate debentures	–	–	–	250.00	–	250.00
3.50% Foreign currency convertible bonds	–	–	–	–	1198.30	1198.30
Term loans from banks	4997.52	217.48	5215.00	6575.97	985.18	7561.15
Loans from financial institutions	170.09	–	170.09	43.02	–	43.02
Finance lease obligation [Note Q(13)(ii)(a)(ii)]	–	0.16	0.16	–	0.33	0.33
Sales tax deferment loan	–	0.45	0.45	–	7.18	7.18
Refinance from National Housing Bank	–	–	–	0.40	–	0.40
	<u>7486.07</u>	<u>818.09</u>	<u>8304.16</u>	<u>8735.99</u>	<u>2290.99</u>	<u>11026.98</u>

\* Loans guaranteed by Directors or others ₹ Nil (previous year: ₹ Nil)

### NOTE [D(III)]

#### Trade payables

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
Acceptances	604.07	564.04
Due to related parties:		
Due to others	12.41	–
Associate companies	31.87	31.86
Micro and small enterprises	148.96	94.71
Due to others	2406.68	20159.27
	<u>24858.99</u>	<u>20849.88</u>

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [D(IV)]

#### Other current liabilities

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore		₹ crore	
Interest accrued but not due on borrowings	1303.04		769.06	
Interest accrued and due on borrowings	6.93		13.87	
Unclaimed dividend	33.59		28.01	
Unclaimed interest on debentures	10.31		8.19	
Due to customers (construction and project related activity)	4499.94		4573.54	
Due to customers (property development projects)	637.70		203.21	
Advances from customers	13746.91		9221.54	
Forward contract payable	727.35		1135.39	
Other payables (including sales tax, service tax, excise duty and others) [Note D(IV)(a)]	2936.74		2713.02	
	<u>23902.51</u>		<u>18665.83</u>	

#### D(IV)(a) Other current liabilities - other payables include

- (i) Advance received against sale of investments representing advance of ₹ 180.00 crore from a company under an agreement dated September 29, 2014 towards sale of stake in CSJ Infrastructure Private Limited, a wholly owned subsidiary.
- (ii) Due to Directors ₹ 50.61 crore (*previous year: ₹ 52.90 crore*) on account of commission.

### NOTE [D(V)]

#### Short term provisions

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Provision for employee benefits:				
Gratuity [Note Q(10)(ii)(a)]	102.93		78.63	
Compensated absences	819.06		654.52	
Employee pension schemes [Note Q(10)(ii)(a)]	13.47		13.00	
Post-retirement medical benefit plan [Note Q(10)(ii)(a)]	14.59		6.83	
Provision for interest rate guarantee	0.13		0.75	
Bonus provision	22.33		22.67	
		972.51		776.40
Others:				
Current taxes [net of payments made ₹ 2057.49 crore ( <i>previous year: ₹ 510.95 crore</i> )]	260.78		73.19	
Proposed dividend [Note A(IX)]	1510.54		1320.85	
Additional tax on dividend	148.35		104.72	
Reserve for unexpired risks	155.64		105.79	
Other provisions [Note Q(18)]	477.29		545.96	
		2552.60		2150.51
		<u>3525.11</u>		<u>2926.91</u>

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [E(1)]

#### Tangible assets

₹ crore

Particulars	Cost/valuation					Depreciation						Impairment	Book value		
	Pursuant to acquisition of subsidiaries		Foreign currency fluctuation	Deductions	As at 31-3-2015	Pursuant to acquisition of subsidiaries		For the period @	Foreign currency fluctuation	Deductions	Up to 31-3-2015	As at 31-3-2015	As at 31-3-2015	As at 31-3-2014	
	As at 1-4-2014	As at 31-3-2015				Up to 31-3-2014	Up to 31-3-2015								
<b>Land</b>															
Freehold	1016.44	-	45.28	(1.01)	1.86	1058.85	-	-	-	-	-	6.21	1052.64	1010.33	
Leasehold	981.55	-	13.34	(0.71)	217.61	776.57	72.75	-	15.49	(0.44)	22.36	65.44	-	711.13	908.80
<b>Sub total - Land</b>	<b>1997.99</b>	<b>-</b>	<b>58.62</b>	<b>(1.72)</b>	<b>219.47</b>	<b>1835.42</b>	<b>72.75</b>	<b>-</b>	<b>15.49</b>	<b>(0.44)</b>	<b>22.36</b>	<b>65.44</b>	<b>6.21</b>	<b>1763.77</b>	<b>1919.13</b>
<b>Buildings</b>															
Owned	5117.81	1.51	396.66	8.26	298.90	5225.34	688.80	1.51	237.77	3.10	62.70	868.48	-	4356.86	4429.01
Leased out	910.19	-	2.46	-	159.83	752.82	47.05	-	15.87	-	8.30	54.62	-	698.20	863.14
<b>Sub total - Buildings</b>	<b>6028.00</b>	<b>1.51</b>	<b>399.12</b>	<b>8.26</b>	<b>458.73</b>	<b>5978.16</b>	<b>735.85</b>	<b>1.51</b>	<b>253.64</b>	<b>3.10</b>	<b>71.00</b>	<b>923.10</b>	<b>-</b>	<b>5055.06</b>	<b>5292.15</b>
<b>Plant &amp; equipment</b>															
Owned	13255.51	12.61	987.02	35.79	765.15	13525.78	4518.00	10.37	1256.02	7.99	295.99	5496.39	-	8029.39	8737.51
Leased out	612.31	-	4.42	-	33.29	583.44	252.28	-	23.78	-	11.03	265.03	6.93	311.48	353.10
<b>Sub total - Plant &amp; equipment</b>	<b>13867.82</b>	<b>12.61</b>	<b>991.44</b>	<b>35.79</b>	<b>798.44</b>	<b>14109.22</b>	<b>4770.28</b>	<b>10.37</b>	<b>1279.80</b>	<b>7.99</b>	<b>307.02</b>	<b>5761.42</b>	<b>6.93</b>	<b>8340.87</b>	<b>9090.61</b>
<b>Computers</b>															
Owned	1022.90	5.25	141.61	(3.75)	69.59	1096.42	646.98	4.69	214.44	(2.80)	67.85	795.46	-	300.96	375.92
Leased out	36.65	-	0.14	-	18.52	18.27	28.32	-	8.27	-	18.52	18.07	-	0.20	8.33
Taken on lease	2.58	-	-	-	0.11	2.47	2.52	-	0.03	-	0.11	2.44	-	0.03	0.06
<b>Sub total - Computers</b>	<b>1062.13</b>	<b>5.25</b>	<b>141.75</b>	<b>(3.75)</b>	<b>88.22</b>	<b>1117.16</b>	<b>677.82</b>	<b>4.69</b>	<b>222.74</b>	<b>(2.80)</b>	<b>86.48</b>	<b>815.97</b>	<b>-</b>	<b>301.19</b>	<b>384.31</b>
<b>Office equipment</b>															
Owned	472.61	4.74	56.78	0.54	18.98	515.69	263.35	4.24	108.50	0.38	17.16	359.31	0.01	156.37	209.25
Leased out	2.09	-	0.72	-	0.03	2.78	0.31	-	0.55	-	0.02	0.84	-	1.94	1.78
<b>Sub total - Office equipment</b>	<b>474.70</b>	<b>4.74</b>	<b>57.50</b>	<b>0.54</b>	<b>19.01</b>	<b>518.47</b>	<b>263.66</b>	<b>4.24</b>	<b>109.05</b>	<b>0.38</b>	<b>17.18</b>	<b>360.15</b>	<b>0.01</b>	<b>158.31</b>	<b>211.03</b>
<b>Furniture and fixtures</b>															
Owned	588.96	1.27	65.80	2.41	20.60	637.84	282.97	0.69	66.52	0.76	15.18	335.76	-	302.08	305.99
Leased out	16.91	-	4.30	-	2.23	18.98	5.37	-	1.96	-	1.06	6.27	-	12.71	11.54
<b>Sub total - Furniture &amp; fixtures</b>	<b>605.87</b>	<b>1.27</b>	<b>70.10</b>	<b>2.41</b>	<b>22.83</b>	<b>656.82</b>	<b>288.34</b>	<b>0.69</b>	<b>68.48</b>	<b>0.76</b>	<b>16.24</b>	<b>342.03</b>	<b>-</b>	<b>314.79</b>	<b>317.53</b>
<b>Vehicles</b>															
Owned	466.26	0.17	76.81	8.92	34.26	517.90	249.57	0.03	66.04	3.53	22.54	296.63	-	221.27	216.69
Leased out	226.25	-	42.26	-	54.74	213.77	71.38	-	31.47	-	26.30	76.55	-	137.22	154.87
<b>Sub total - Vehicles</b>	<b>692.51</b>	<b>0.17</b>	<b>119.07</b>	<b>8.92</b>	<b>89.00</b>	<b>731.67</b>	<b>320.95</b>	<b>0.03</b>	<b>97.51</b>	<b>3.53</b>	<b>48.84</b>	<b>373.18</b>	<b>-</b>	<b>358.49</b>	<b>371.56</b>
<b>Other assets</b>															
Owned															
Railway sidings	294.40	-	-	-	294.15	0.25	40.56	-	5.69	-	46.00	0.25	-	-	253.84
Aircraft	119.08	-	-	-	-	119.08	19.65	-	6.67	-	-	26.32	-	92.76	99.43
Ships	788.25	-	-	-	1.14	787.11	156.52	-	40.33	-	0.78	196.07	-	591.04	631.73
Dredged channel	2020.15	-	-	-	378.42	1641.73	144.40	-	69.03	-	39.85	173.58	-	1468.15	1875.75
Breakwater structures	637.72	-	-	-	-	637.72	32.68	-	13.54	-	-	46.22	-	591.50	605.04
<b>Sub total - Other assets</b>	<b>3859.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>673.71</b>	<b>3185.89</b>	<b>393.81</b>	<b>-</b>	<b>135.26</b>	<b>-</b>	<b>86.63</b>	<b>442.44</b>	<b>-</b>	<b>2743.45</b>	<b>3465.79</b>
Lease adjustment														(239.36)	(239.36)
<b>Total</b>	<b>28588.62</b>	<b>25.55</b>	<b>1837.60</b>	<b>50.45</b>	<b>2369.41</b>	<b>28132.81</b>	<b>7523.46</b>	<b>21.53</b>	<b>2181.97</b>	<b>12.52</b>	<b>655.75</b>	<b>9083.73</b>	<b>13.15</b> #	<b>18796.57</b>	<b>20812.75</b>
Previous year	26873.83	251.68	1865.60	129.63	532.12	28588.62	5823.46	123.43	1739.04	54.30	216.77	7523.46	13.05		
Add : Asset held for sale														25.01	42.74
Add : Capital work-in-progress														18821.58	20855.49
														5420.42	4165.31
														24242.00	25020.80

@ Includes ₹ 118.36 crore (gross of ₹ 3.56 crore attributable to minority) transferred to retained earnings pursuant to Schedule II of Companies Act, 2013.

# Impairment upto 31-3-2015 ₹ 13.15 crore, out of which ₹ 0.17 crore pertains to reversal of impairment loss during the year, ₹ 0.27 crore pertains to foreign currency translation adjustments during the year.



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [E(II)]

#### Intangible assets

Particulars	Cost/valuation						Amortisation					Impairment	Book value		
	As at 1-4-2014	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2015	Up to 31-3-2014	Pursuant to acquisition of subsidiaries	For the period	Foreign currency fluctuation	Deductions	Up to 31-3-2015	As at 31-3-2015	As at 31-3-2015	As at 31-3-2014
	Specialised softwares	938.80	11.92	126.43	(47.99)	38.84	990.32	468.40	10.45	147.47	(12.95)	36.21	577.16	-	413.16
Technical knowhow	112.53	-	15.90	(0.22)	0.37	127.84	49.41	-	19.26	(0.22)	0.37	68.08	-	59.76	63.12
New product design and development	30.23	-	31.98	(1.08)	0.53	60.60	7.89	-	8.20	(0.27)	0.53	15.29	-	45.31	22.34
Customer contracts and relationship	112.40	-	29.69	(10.85)	-	131.24	36.53	-	12.33	(4.52)	-	44.34	-	86.90	75.87
Toll collection rights	9508.12	-	4547.01	-	3.96	14051.17	735.35	-	220.63	-	0.01	955.97	-	13095.20	8772.77
Utility right to use	1.53	-	-	-	-	1.53	0.23	-	0.15	-	-	0.38	-	1.15	1.30
Total	10703.61	11.92	4751.01	(60.14)	43.70	15362.70	1297.81	10.45	408.04	(17.96)	37.12	1661.22	-	13701.48	9405.80
Previous year	9098.96	7.73	1646.58	(0.44)	49.22	10703.61	1645.67	6.32	(308.04)	(0.09)	46.05	1297.81	-	-	-
Add: Intangible assets under development														10103.29#	10013.21
														23804.77	19419.01

# Intangible assets under development are net of impairment of Nil upto 31-3-2015, during the year ₹ 138.77 crore, deductions in respect of assets disposed during the year ₹ 138.77 crore.

### NOTE [E(III)]

#### Goodwill on consolidation

Particulars	Cost/valuation						Amortisation					Impairment	Book value		
	As at 1-4-2014	Pursuant to acquisition of subsidiaries	Additions	Foreign currency fluctuation	Deductions	As at 31-3-2015*	Up to 31-3-2014	Pursuant to acquisition of subsidiaries	For the period	Foreign currency fluctuation	Deductions	Up to 31-3-2015	As at 31-3-2015	As at 31-3-2015	As at 31-3-2014*
	Goodwill on consolidation	2184.27	-	108.56	(29.73)	-	2263.10	-	-	-	-	-	-	48.10 #	2215.00
Previous year	2187.49	-	6.26	16.23	25.71	2184.27	-	-	-	-	-	-	48.10	2136.17	2119.75

# Impairment upto 31-3-2015 ₹ 48.10 crore, during the year ₹ Nil.

\*Goodwill represents consideration paid in excess of share in net worth of subsidiaries acquired during the year. It also includes goodwill purchased on acquisition of business of ₹ 39.61 crore (previous year: ₹ 37.03 crore).

#### Notes:

##### 1 Cost/valuation of:

- (i) Freehold land includes ₹ 0.14 crore (previous year ₹ 1.17 crore) for which conveyance is yet to be completed.
- (ii) Leasehold land includes:
  - (a) ₹ 414.54 crore representing 1007.87 acres of land taken on lease from M/s Tamilnadu Industrial Development Corporation Limited (TIDCO) on various dates for development of port and shipyard.
  - (b) ₹ 0.47 crore representing 4.728 hectares of forest land in dist. Rudryaprayag, State of Uttarakhand taken on lease for 30 years w.e.f. 10.09.2007.
  - (c) ₹ 0.77 crore representing 34.341 hectares of forest land in dist. Rudryaprayag, State of Uttarakhand taken on lease for 30 years w.e.f. 24.09.2009.

##### 2. Cost/valuation of buildings includes ownership accommodation:

- (i) (a) in various co-operative societies and apartments and shop-owners' associations: ₹ 116.54 crore, including 2600 shares of ₹ 50 each, 232 shares of ₹ 100 each and 1 share of ₹ 250.
- (b) in various apartments: ₹ 11.20 crore.

## Notes forming part of the Consolidated Accounts (contd.)

- (c) in proposed co-operative societies ₹ 0.53 crore.
- (d) in various co-operative societies and apartments and shop-owners' associations: ₹ 14.60 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 ₹ 52.09 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 on fixed assets includes ₹ 30.27 crore (*previous year: ₹ 24.64 crore*) on account of obsolescence and impairment (net of reversal) ₹ 138.60 crore (*previous year: ₹ (0.41) 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, 2014 of individual assets has been reclassified, wherever necessary.
- 7 With effect from April 1, 2014, depreciation has been computed and provided on the basis of useful lives of fixed assets as specified in Schedule II to the Companies Act, 2013 except in respect of certain assets where the useful life was determined by technical evaluation, considering business specific usage, the consumption pattern of the assets and the past performance of similar assets. Consequently, the depreciation for the year ended March 31, 2015 is higher and the profit before tax lower to the extent of ₹ 178.03 crore. In respect of assets where useful life specified in Schedule II has expired as on April 1, 2014, the carrying amount of ₹ 77.04 crore (net of tax of ₹ 38.54 crore) was adjusted against retained earnings as on April 1, 2014.
- 8 Additions during the year and capital work-in-progress/intangible assets under development include ₹ 1374.62 crore (*previous year: ₹ 914.00 crore*) being borrowing cost capitalised in accordance with Accounting Standard (AS) 16 "Borrowing Costs" as specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. Asset wise break-up of borrowing costs capitalised is as follows:

Asset Class	₹ crore	
	2014-15	2013-14
<b>Tangible</b>		
Dredged channel	–	0.21
Building owned	26.30	2.08
Plant & equipment owned	0.30	0.15
Office equipment owned	0.02	–
Furniture and fixture owned	0.03	0.01
<b>Intangible</b>		
Toll collection rights	3.65	94.08
Capital work-in-progress	527.48	284.71
Intangible assets under development	816.84	532.76
<b>Total</b>	<b>1374.62</b>	<b>914.00</b>

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [F]

#### Non-current investments (at cost unless otherwise specified)

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Long term investments:				
Trade investments:				
Investments in equity instruments				
Fully paid equity shares	43.00		43.00	
Less: Provision for diminution in value	15.90		15.90	
		27.10		27.10
Investment in associates: [Note F(l)]				
Fully paid equity shares of associate companies	85.05		91.17	
Add/(deduct):				
Accumulated share in profit/(loss) of the associate companies at the beginning of the year	74.57		218.82	
Adjustment pursuant to an associate becoming subsidiary	(14.43)		(143.40)	
Adjustment pursuant to divestment of stake in an associate	4.50		0.03	
	149.69		166.62	
Add/(deduct):				
Share in profit/(loss) (net) of associate companies-during the period	2.14		9.25	
Share in depreciation, net of deferred tax, charged against accumulated profits	(0.64)		-	
Commitment to fresh infusion of equity	2.73		2.73	
Dividend received from associate companies during the period	(4.24)		(10.13)	
Unrealised profits in respect of transactions with associate companies	(1.33)		(1.35)	
Provision for diminution in value	(0.56)		(0.56)	
		147.79		166.56
Other investments:				
Other fully paid equity shares	67.80		189.13	
Less: Provision for diminution in value	28.32		10.06	
		39.48		179.07
Fully paid preference shares		93.75		159.00
Government and trust securities	180.00		81.57	
Less: Provision for diminution in value	0.02		-	
		179.98		81.57
Debentures and bonds		772.72		582.67
Mutual funds		1.70		0.20
Security receipt		245.85		121.97
Investment in units of fund		138.43		114.65
		1646.80		1432.79

**F(l)** 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 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Secured considered good:				
Loans against mortgage of house property		2.37		3.77
Capital advances		30.97		32.10
Inter corporate deposits including interest accrued		3.00		–
Other loans and advances (KMPs)		0.01		–
Unsecured considered good:				
Capital advances		269.23		342.08
Loans and advances to related parties:				
Associate companies:				
Advances recoverable	–		0.01	
Joint ventures:				
Inter-corporate loans	–		490.27	
		–		490.28
Other loans and advances:				
Security deposits	248.72		264.15	
Earnest money deposits	3.95		3.23	
Advances recoverable in cash or in kind	1479.74		1277.78	
Income tax receivable of current year [net of provision for tax of ₹ 101.80 crore (previous year: ₹ 128.26 crore)]	122.75		46.72	
Balance with customs, port trust, etc.	–		0.04	
Lease receivables	–		1.04	
Considered doubtful:				
Other loans and advances	3.01		0.45	
	1858.17		1593.41	
Less: Allowance for doubtful loans and advances	3.01		0.45	
		1855.16		1592.96
		2160.74		2461.19

### NOTE [G(I)(b)]

#### Long term loans and advances towards financing activities

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Secured loans:				
Considered good:				
Term loans	30487.13		25075.93	
Finance lease	68.31		83.72	
Debentures	2514.08		1812.38	
Considered doubtful:				
Term loans [Note G(I)(b)(i)]	386.22		335.48	
	33455.74		27307.51	
Less: Allowance for non-performing assets	386.22		335.48	
Less: Contingent provisions against standard assets	119.02		90.28	
Less: Provision for standard assets	290.79		190.38	
		32659.71		26691.37
Carried forward		32659.71		26691.37

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [G(I)(b)]

#### Long term loans and advances towards financing activities (contd.)

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Brought forward		32659.71		26691.37
Unsecured loans:				
Considered good:				
Term loans	1341.10		854.64	
Finance lease	9645.00		5297.80	
Debentures	293.22		100.00	
Considered doubtful:				
Term loans [Note G(I)(b)(i)]	54.34		29.19	
	11333.66		6281.63	
Less: Allowance for non-performing assets	54.34		29.19	
Less: Contingent provisions against standard assets	4.08		3.85	
Less: Provision for standard assets	2.93		—	
		11272.31		6248.59
		43932.02		32939.96

**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 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Cash and bank balances not available for immediate use	99.31		38.68	
	99.31		38.68	

### NOTE [G(III)]

#### Other non-current assets

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Interest accrued on investments and others	263.56		85.19	
Unamortised expenses	97.20		98.52	
Others	8.65		1.22	
	369.41		184.93	

### NOTE [H(I)]

#### Current investments

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
(a) Current investments:				
Fully paid equity shares	73.15		24.09	
Less: Provision for diminution in value	31.60		2.64	
		41.55		21.45
Carried forward		41.55		21.45

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [H(I)]

#### Current investments (contd.)

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Brought forward		41.55		21.45
Government and trust securities	1485.30		949.78	
Less: Provision for diminution in value	2.57		15.34	
		1482.73		934.44
Debentures and bonds	1263.22		687.07	
Less: Provision for diminution in value	0.84		0.06	
		1262.38		687.01
Mutual funds	5104.89		4552.02	
Less: Provision for diminution in value	0.20		–	
		5104.69		4552.02
Other investments		23.19		14.77
Collateral Borrowing and Lending Obligation (CBLO)		–		274.63
Share application money		2.40		–
(b) Current portion of long term investments:				
Preference shares	34.00		33.00	
Mutual funds	–		144.00	
Investment property	14.38		14.84	
		48.38		191.84
		7965.32		6676.16

### NOTE [H(II)]

#### Inventories (at cost or net realisable value whichever is lower)

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Raw materials [including goods-in-transit ₹ 45.41 crore (previous year: ₹ 43.80 crore)]		1211.88		1088.49
Components [including goods-in-transit ₹ 24.10 crore (previous year: ₹ 24.74 crore)]		576.30		507.87
Construction materials [including goods-in-transit ₹ 75.46 crore (previous year: ₹ 89.60 crore)]		284.31		336.15
Manufacturing work-in-progress		1145.74		748.44
Finished goods [including goods-in-transit ₹ Nil (previous year: ₹ 0.98 crore)]		403.80		349.31
Stock-in-trade (in respect of goods acquired for trading) [including goods-in-transit ₹ 36.02 crore (previous year: ₹ 6.07 crore)]		178.02		126.67
Stores and spares [including goods-in-transit ₹ 14.67 crore (previous year: ₹ 8.46 crore)]		327.87		294.01
Loose tools [including goods-in-transit ₹ 0.05 crore (previous year: ₹ 0.03 crore)]		14.37		13.16
Property development projects (including land)[Note Q(9)(b)]		2284.09		1943.26
Completed property [Note Q(9)(b)]		91.81		120.11
		6518.19		5527.47



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [H(III)]

#### Trade receivables

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Trade receivables				
Secured				
Debts outstanding for more than 6 months				
Considered good	4.71		18.23	
Considered doubtful	–		10.21	
	4.71		28.44	
Other debts				
Considered good	8.85		7.31	
	13.56		35.75	
Less: Allowance for doubtful debts	–		10.21	
		13.56		25.54
Unsecured				
Debts outstanding for more than 6 months				
Considered good	3508.90		3181.30	
Considered doubtful	673.48		535.32	
	4182.38		3716.62	
Other debts				
Considered good	26566.91		23177.71	
Considered doubtful	0.46		0.19	
	30749.75		26894.52	
Less: Allowance for doubtful debts	673.94		535.51	
		30075.81		26359.01
		30089.37		26384.55

### NOTE [H(IV)]

#### Cash and bank balances

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Cash and cash equivalents:				
Balance with banks	3526.15		2092.19	
Cheques and drafts on hand	272.27		429.83	
Cash on hand	119.60		22.80	
Fixed deposits with banks (maturity less than 3 months)	850.44		1057.38	
		4768.46		3602.20
Other bank balances:				
Fixed deposits with banks including interest accrued thereon [includes ₹ 3.41 crore (previous year: ₹ 3.40 crore) of bank deposit with more than 12 months maturity]	794.48		320.48	
Earmarked balances with banks-unclaimed dividend	33.59		28.00	
Earmarked balances with banks-others	10.59		8.88	
Cash and bank balances not available for immediate use including margin money deposits	149.09		137.01	
		987.75		494.37
		5756.21		4096.57

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [H(V)]

#### Short term loans and advances

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Secured considered good:				
Loans against mortgage of house property:				
Others	0.90		1.09	
Rent deposit (KMPs)	–		0.01	
Inter corporate deposits including interest accrued	70.00		100.00	
Other loans and advances	9.00		9.00	
		79.90		110.10
Unsecured:				
Loans and advances to related parties:				
Considered good:				
Associates:				
Advance recoverable	24.10		19.40	
Others	0.83		–	
Joint ventures:				
Inter corporate deposits including interest accrued	–		50.06	
Advance recoverable	3.17		0.35	
		28.10		69.81
Others:				
Considered good:				
Security deposits	440.44		392.71	
Earnest money deposit	64.71		65.89	
Advances recoverable in cash or in kind	8047.04		6092.26	
Income tax receivable of current year [net of provision for tax of ₹ 324.63 crore (previous year: ₹ 1829.80 crore)]	137.85		303.58	
Balance with customs, port trust, etc.	208.31		152.69	
Lease receivables	–		0.08	
Considered doubtful:				
Deferred credit against sale of ships	25.99		24.92	
Security deposits	4.58		1.49	
Other loans and advances	186.62		183.83	
	9115.54		7217.45	
Less: Allowance for doubtful loans and advances	217.19		210.24	
		8898.35		7007.21
		9006.35		7187.12

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [H(V)(a)]

#### Short term Loans and advances towards financing activities

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Secured loans:				
Considered good:				
Term loans	7830.08		8362.69	
Finance lease	63.66		54.59	
Debentures	59.78		136.90	
	7953.52		8554.18	
Less: Contingent provision against standard assets	32.53		26.55	
		7920.99		8527.63
Unsecured loans:				
Considered good:				
Term loans	3189.63		2278.78	
Finance lease	295.75		111.87	
Debentures	40.00		—	
	3525.38		2390.65	
Less: Contingent provision against standard assets	11.52		6.51	
		3513.86		2384.14
		11434.85		10911.77

### NOTE [H(VI)]

#### Other current assets

Particulars	As at 31-3-2015		As at 31-3-2014	
	₹ crore	₹ crore	₹ crore	₹ crore
Due from customers (construction and project related activity)	22730.22		23356.80	
Due from customers (property development activity) [Note Q(9)(b)]	129.88		156.63	
Interest accrued on investments and others	712.02		539.82	
Unbilled revenue	325.75		209.93	
Unamortised expenses	66.02		46.49	
Accrual of fee income	2.13		2.88	
Billed interest and other receivable	147.85		128.06	
Others	105.69		23.71	
	24219.56		24464.32	

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [I]

#### Contingent liabilities

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
(a) Claims against the Company not acknowledged as debts	1596.25	354.69
(b) Sales-tax liability that may arise in respect of matters in appeal	217.42	163.82
(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	226.01	209.81
(d) Custom duty demands against the Group has filed appeals before Appellate Authorities which are pending disposal	1.22	1.22
(e) Income-Tax liability (including penalty) that may arise in respect of which the Company is in appeal	1170.01	758.78
(f) Corporate Guarantee for debt given on behalf of an associate company	—	3.68

#### Notes:

- The Company expects reimbursements of ₹ 8.67 crore in respect of the above contingent liabilities.
- 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.
- 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.
- Particulars of contingent liabilities in respect of joint ventures is given in Note Q(17).

### NOTE [J]

#### Commitments

Particulars	As at 31-3-2015	As at 31-3-2014
	₹ crore	₹ crore
Estimated amount of contracts remaining to be executed on capital account (net of advances) *	23033.22	37187.98

\* Particulars of capital commitments in respect of joint ventures are given in Note Q(17).

### NOTE [K]

#### Revenue from operations

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Sales & service:				
Construction and project related activity [Note Q(9)(a)]	60702.03		61617.69	
Manufacturing and trading activity	9514.43		8809.38	
Engineering and service fees	2592.42		1677.42	
Software development products and services	4941.83		4666.45	
Income from financing activity/annuity based projects and finance income from lease of power plant	7050.69		4994.33	
Property development activity [Note Q(9)(b)]	1559.17		970.83	
Toll collection and related activity	1006.41		788.31	
Servicing	693.27		726.20	
Commission	140.10		129.55	
Income from port services	100.15		280.46	
Charter hire income	169.16		176.00	
Investment/portfolio management and trusteeship fees	139.17		94.82	
Fees for operation and maintenance of power plant	1531.79		85.38	
Premium earned (net)	206.14		173.16	
		90346.76		85189.98
Carried forward		90346.76		85189.98

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [K]

#### Revenue from operations (contd.)

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Brought forward		90346.76		85189.98
Other operational revenue:				
Income from hire of plant and equipment	0.45		4.64	
Lease rentals	242.22		232.22	
Property maintenance recoveries	14.02		17.46	
Facility management income	47.86		8.68	
Premium earned (net) on related forward exchange contract	262.11		89.07	
Profit on sale of SPVs of developmental projects and realty business	1381.76		–	
Miscellaneous income	466.48		346.99	
		2414.90		699.06
		<u>92761.66</u>		<u>85889.04</u>

#### K(I) Revenue from sales and service includes:

- (a) ₹ 1324.37 crore (previous year: ₹ 1431.48 crore) for price variations net of liquidated damages in terms of contracts with the customers.
- (b) Reversal of shipbuilding subsidy ₹ Nil (previous year: ₹ 31.54 crore).

### NOTE [L]

#### Other income

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Interest income:				
Interest Income on long term investments	34.88		28.45	
Interest Income on current investments	212.41		268.67	
Interest Income on others:				
Joint venture & associate companies	10.33		48.63	
Others	147.11		142.57	
		404.73		488.32
Dividend income:				
Trade investments	2.07		1.84	
Others	74.74		47.46	
		76.81		49.30
From current investments	2.75		1.61	
		79.56		50.91
Net gain/(loss) on sale of investments:				
Long term investments (net)	(0.47)		16.74	
Current investments (net)	444.70		283.03	
		444.23		299.77
Net gain/(loss) on sale of fixed assets (net)		19.58		90.81
Lease rental		0.62		1.46
Miscellaneous income (net of expenses)		58.43		50.51
		<u>1007.15</u>		<u>981.78</u>

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [M]

#### Manufacturing, construction and operating expenses

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Materials consumed:				
Raw materials and components	10451.27		9716.53	
Less: Scrap sales	145.75		141.85	
		10305.52		9574.68
Construction materials consumed		20331.39		18567.02
Purchase of stock-in-trade		1424.04		1607.22
Stores, spares and tools consumed		2501.80		2586.57
Sub-contracting charges		17404.01		16949.91
Change in inventories of finished goods, work-in-progress and stock-in-trade:				
Closing stock:				
Finished goods	403.80		349.31	
Stock-in-trade	178.02		126.67	
Work-in-progress	4622.97		4193.05	
Cost of built up space and property development land:				
Work-in-progress	1973.86		1658.63	
Completed property	91.81		120.11	
Property development land	310.23		284.62	
	7580.69		6732.39	
Less: Opening stock:				
Finished goods [includes ₹ Nil on associate becoming a subsidiary (previous year: ₹ 48.61 crore)]	349.31		305.03	
Stock-in-trade	126.67		189.54	
Work-in-progress [includes ₹ Nil on associate becoming a subsidiary (previous year: ₹ 43.00 crore)]	4193.05		3717.58	
Cost of built up space and property development land:				
Work-in-progress	1658.63		1556.78	
Completed property	120.11		169.24	
Property development land	284.62		245.06	
	6732.39		6183.23	
		(848.30)		(549.16)
Other manufacturing, construction and operating expenses:				
Excise duty	18.72		11.63	
Power and fuel [Note O(l)]	968.23		1054.49	
Royalty and technical know-how fees	22.14		26.12	
Packing and forwarding [Note O(l)]	414.65		342.82	
Hire charges-plant & equipment and others	1117.15		1104.31	
Bank guarantee charges	146.47		111.31	
Insurance claim incurred (net)	147.65		151.13	
Engineering, professional, technical and consultancy fees	1081.46		1035.31	
Carried forward	3916.47	51118.46	3837.12	48736.24



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [M]

#### Manufacturing, construction and operating expenses (contd.)

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Brought forward	3916.47	51118.46	3837.12	48736.24
Insurance [Note O(l)]	235.93		169.63	
Rent [Note O(l)]	407.61		364.18	
Rates and taxes [Note O(l)]	253.99		272.23	
Travelling and conveyance [Note O(l)]	844.25		842.44	
Repairs to plant & equipment	18.14		71.52	
Repairs to buildings [Note O(l)]	26.15		25.09	
General repairs and maintenance [Note O(l)]	351.89		331.64	
Port operation expenses	41.28		121.41	
Operating cost of shipping business	59.37		52.36	
Miscellaneous expenses [Note O(l)]	1780.79		1259.97	
		7935.87		7347.59
Finance cost of financial services business and finance lease activity:				
Interest and other financing charges	4158.13		3160.06	
		4158.13		3160.06
Staff expenses for software development business:				
Salaries, wages and bonus	3839.68		3149.82	
Contribution to and provision for:				
Provident fund and pension fund	49.27		40.76	
Superannuation/employee pension schemes	4.47		3.87	
Gratuity funds [Note Q(10)(ii)(b)]	19.67		7.14	
Expenses on employee stock option scheme [Note A(VIII)(e)(ii)]	4.29		0.12	
Staff welfare expenses	163.86		163.06	
		4081.24		3364.77
		67293.70		62608.66

**M(I)** Other manufacturing, construction and operating expenses include ₹ 527.81 crore (previous year: ₹ 2172.12 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	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Salaries, wages and bonus		6663.11		5901.63
Contribution to and provision for:				
Provident fund and pension fund	175.57		163.62	
Superannuation/employee pension schemes	26.05		45.85	
Gratuity funds [Note Q(10)(ii)(b)]	82.31		44.25	
		283.93		253.72
Expenses on employee stock option scheme [Note A(VIII)(e)(ii)]		61.62		75.56
Employee medical & other insurance premium expenses [Note O(l)]		70.64		57.36
Staff welfare expenses		842.90		846.78
		7922.20		7135.05

### NOTE [O]

#### Sales, administration and other expenses

Particulars	2014-15		2013-14	
	₹ crore	₹ crore	₹ crore	₹ crore
Power and fuel [Note O(l)]		106.25		103.20
Packing and forwarding [Note O(l)]		193.14		205.70
Insurance [Note O(l)]		130.60		89.27
Rent [Note O(l)]		450.98		345.02
Rates and taxes [Note O(l)]		141.63		159.05
Travelling and conveyance [Note O(l)]		582.44		557.65
Repairs to buildings [Note O(l)]		22.04		28.09
General repairs and maintenance [Note O(l)]		399.60		361.47
Professional fees		599.89		526.49
Directors' fees		2.43		1.47
Telephone, postage and telegrams		202.47		211.75
Advertising and publicity		179.60		129.52
Stationery and printing		72.73		71.55
Commission:				
Distributors and agents	119.88		75.81	
Employees and others	14.96		18.13	
		134.84		93.94
Bank charges		121.13		84.89
Discount on sales		75.78		74.40
Miscellaneous expenses [Note O(l)]		783.74		680.38
Bad debts and advances written off	392.17		183.49	
Less: Allowances for doubtful debts and advances written back	8.78		57.96	
		383.39		125.53
Receivable discounting charges - non-recourse		5.84		0.20
Allowances for doubtful debts, advances and non-performing assets (net)		433.97		276.95
Provision/(reversal) for foreseeable losses on construction contracts		(19.34)		29.34
Provision/(reversal) for diminution in value of investments(net)		35.39		24.15
Loss on sale of SPVs of developmental projects and realty business		-		21.27
Exchange (gain)/loss		135.25		357.40
Provision/(reversal) for standard assets		56.57		72.85
Other provisions [Note Q(18)(a)]		247.67		59.38
		5478.03		4690.91

## 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 item is as follows:**

₹ crore

Sr. No.	Nature of expenses	2014-15				2013-14			
		Note M	Note N	Note O	Total	Note M	Note N	Note O	Total
1	Power and fuel	968.23	–	106.25	1074.48	1054.49	–	103.20	1157.69
2	Packing and forwarding	414.65	–	193.14	607.79	342.82	–	205.70	548.52
3	Insurance	235.93	70.64	130.60	437.17	169.63	57.36	89.27	316.26
4	Rent	407.61	–	450.98	858.59	364.18	–	345.02	709.20
5	Rates and taxes	253.99	–	141.63	395.62	272.23	–	159.05	431.28
6	Travelling and conveyance	844.25	–	582.44	1426.69	842.44	–	557.65	1400.09
7	Repairs to buildings	26.15	–	22.04	48.19	25.09	–	28.09	53.18
8	General repairs and maintenance	351.89	–	399.60	751.49	331.64	–	361.47	693.11
9	Miscellaneous expenses	1780.79	–	783.74	2564.53	1259.97	–	680.38	1940.35

### NOTE [P]

#### Finance costs

Particulars	2014-15	2013-14
	₹ crore	₹ crore
Interest expenses	2663.71	3007.67
Other borrowing costs	25.59	26.50
Exchange loss (attributable to finance costs)	161.42	103.83
	<u>2850.72</u>	<u>3138.00</u>

### NOTE [Q]

Q(1) The Balance Sheet as on March 31, 2015 and the Statement of Profit and Loss for the year ended March 31, 2015 are drawn and presented as per the format prescribed under Schedule III to the Companies Act, 2013.

Q(2) Basis of preparation

- 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.
- 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 31-3-2015		As at 31-3-2014	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
<b>Domestic Subsidiaries</b>						
1	L&T Cutting Tools 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 Limited (formerly known as 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-MHPS Boilers Private Limited (formerly known as L&T-MHI Boilers Private Limited )	India	51.00	51.00	51.00	51.00
12	L&T-MHPS Turbine Generators Private Limited (formerly known as 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	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	72.77	72.77	72.77	72.77
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	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	50.00	50.00	50.00
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 South City Projects Limited	India	51.00	51.00	51.00	51.00
33	L&T Siruseri Property Developers Limited *	India	-	-	51.00	51.00
34	L&T Vision Ventures Limited	India	68.00	68.00	68.00	68.00
35	L&T Tech Park Limited **	India	-	-	51.00	51.00
36	CSJ Infrastructure Private Limited	India	100.00	100.00	82.00	82.00
37	CSJ Hotels Private Limited***	India	-	-	82.00	82.00
38	L&T Power Limited	India	99.99	99.99	99.99	99.99
39	L&T Cassidian Limited	India	74.00	74.00	74.00	74.00
40	L&T General Insurance Company Limited	India	100.00	100.00	100.00	100.00
41	L&T Aviation Services Private Limited	India	100.00	100.00	100.00	100.00
42	L&T Infocity Limited	India	89.00	89.00	89.00	89.00
43	L&T Hitech City Limited	India	65.86	65.86	65.86	65.86
44	Hyderabad International Trade Expositions Limited	India	51.72	51.72	51.72	51.72
45	Larsen & Toubro Infotech Limited	India	100.00	100.00	100.00	100.00
46	GDA Technologies Limited	India	100.00	100.00	100.00	100.00

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2015		As at 31-3-2014	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
47	L&T Finance Holdings Limited	India	72.95	72.95	76.61	76.61
48	L&T Housing Finance Limited	India	72.95	72.95	76.61	76.61
49	Consumer Financial Services Limited	India	72.95	72.95	76.61	76.61
50	Family Credit Limited	India	72.95	72.95	76.61	76.61
51	L&T Finance Limited	India	72.95	72.95	76.61	76.61
52	L&T Capital Markets Limited	India	72.95	72.95	76.61	76.61
53	L&T Investment Management Limited	India	72.95	72.95	76.61	76.61
54	L&T Mutual Fund Trustee Limited	India	72.95	72.95	76.61	76.61
55	L&T Trustee Services Private Limited @	India	–	–	76.61	76.61
56	L&T FinCorp Limited	India	72.95	72.95	76.61	76.61
57	L&T Infrastructure Finance Company Limited	India	72.95	72.95	76.61	76.61
58	L&T Infra Debt Fund Limited	India	72.95	72.95	76.61	76.61
59	L&T Infra Investment Partners Advisory Private Limited	India	72.95	72.95	76.61	76.61
60	L&T infra Investment Partners Trustee Private Limited	India	72.95	72.95	76.61	76.61
61	L&T Vrindavan Properties Limited	India	72.95	72.95	76.61	76.61
62	L&T Access Distribution Services Limited	India	72.95	72.95	76.61	76.61
63	Mudit Cement Private Limited	India	72.95	72.95	76.61	76.61
64	L&T Capital Company Limited	India	100.00	100.00	100.00	100.00
65	L&T Trustee Company Private Limited	India	100.00	100.00	100.00	100.00
66	L&T Power Development Limited	India	100.00	100.00	100.00	100.00
67	L&T Uttaranchal Hydropower Limited	India	100.00	100.00	100.00	100.00
68	L&T Arunachal Hydropower Limited	India	100.00	100.00	100.00	100.00
69	L&T Himachal Hydropower Limited	India	100.00	100.00	100.00	100.00
70	Nabha Power Limited	India	100.00	100.00	100.00	100.00
71	L&T Infrastructure Development Projects Limited	India	97.45	97.45	97.45	97.45
72	L&T Panipat Elevated Corridor Limited	India	97.45	97.45	97.45	97.45
73	Narmada Infrastructure Construction Enterprise Limited @@	India	–	–	97.45	97.45
74	L&T Krishnagiri Thopur Toll Road Limited	India	97.45	97.45	97.45	97.45
75	L&T Western Andhra Tollways Limited	India	97.45	97.45	97.45	97.45
76	L&T Vadodara Bharuch Tollway Limited	India	97.45	97.45	97.45	97.45
77	L&T East-West Tollway Limited @@@	India	–	–	97.45	97.45
78	L&T Great Eastern Highway Limited @@@	India	–	–	97.45	97.45
79	L&T Transportation Infrastructure Limited	India	98.12	98.12	98.12	98.12
80	L&T Western India Tollbridge Limited	India	97.45	97.45	97.45	97.45
81	L&T Interstate Road Corridor Limited	India	97.45	97.45	97.45	97.45
82	International Seaports (India) Private Limited @@	India	–	–	97.45	97.45
83	L&T Port Kachchigarh Limited	India	97.45	97.45	97.45	97.45
84	L&T Ahmedabad-Maliya Tollway Limited	India	97.45	97.45	97.45	97.45
85	L&T Halol-Shamlaji Tollway Limited	India	97.45	97.45	97.45	97.45
86	L&T Krishnagiri Walajahpet Tollway Limited	India	97.45	97.45	97.45	97.45
87	L&T Devihalli Hassan Tollway Limited	India	97.45	97.45	97.45	97.45
88	L&T Metro Rail (Hyderabad) Limited	India	97.48	97.48	97.48	97.48
89	L&T Transco Private Limited @@	India	–	–	97.45	97.45
90	L&T Chennai-Tada Tollway Limited	India	97.45	97.45	97.45	97.45
91	L&T BPP Tollway Limited	India	97.45	97.45	97.45	97.45
92	L&T Rajkot-Vadinar Tollway Limited	India	97.45	97.45	97.45	97.45
93	L&T Deccan Tollways Limited	India	97.45	97.45	97.45	97.45
94	L&T Samakhiali Gandhidham Tollway Limited	India	97.45	97.45	97.45	97.45
95	Kudgi Transmission Limited	India	97.45	97.45	97.45	97.45
96	L&T Sambalpur-Rourkela Tollway Limited	India	97.45	97.45	97.45	97.45
97	L&T Technology Services Limited	India	100.00	100.00	100.00	100.00

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2015		As at 31-3-2014	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
98	L&T Construction Equipment Limited	India	100.00	100.00	100.00	100.00
99	L&T Tejomaya Limited **	India	–	–	51.09	51.09
100	L&T Infrastructure Engineering Limited ^ ( formerly known as L&T-Ramboll Consulting Engineers Limited)	India	100.00	100.00	–	–
101	L&T Thales Technology Services Private Limited ^^ (formerly known as Thales Software India Private Limited)	India	74.00	74.00	–	–
102	Information Systems Resource Centre Private Limited ^^^	India	100.00	100.00	–	–

\* The Company has been liquidated on April 23, 2014

\*\* The Group has sold its stake on May 22, 2014

\*\*\* The company has been liquidated on December 19, 2014

@ The company is merged with L&T Mutual Fund Trustee Limited w.e.f. April 1, 2013

@@ Companies merged with L&T Infrastructure Development Projects Limited w.e.f. April 1, 2013

@@@ Companies merged with L&T Infrastructure Development Projects Limited w.e.f. April 1, 2014

^ Associate became wholly owned subsidiary w.e.f. September 8, 2014

^^ The Group acquired stake on June 26, 2014

^^^ The Group acquired stake on October 16, 2014

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2015		As at 31-3-2014	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
<b>Foreign Subsidiaries</b>						
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	Larsen & Toubro Infotech South Africa (PTY) Limited	South Africa	74.90	74.90	74.90	74.90
7	L&T Information Technology Services (Shanghai) Co., Ltd.	China	100.00	100.00	100.00	100.00
8	L&T Infrastructure Development Projects Lanka (Private) Limited	Sri Lanka	93.44	93.44	93.44	93.44
9	L&T IDPL Trustee Manager Pte. Ltd.	Singapore	97.45	97.45	97.45	97.45
10	L&T Diversified India Equity Fund *	Mauritius	–	–	100.00	100.00
11	L&T Realty FZE	UAE	100.00	100.00	100.00	100.00
12	Larsen & Toubro International FZE	UAE	100.00	100.00	100.00	100.00
13	Larsen & Toubro Hydrocarbon International Limited LLC	Kindgom of Saudi Arabia	100.00	100.00	100.00	100.00
14	Thalest Limited	UK	100.00	100.00	100.00	100.00
15	Servowatch Systems Limited	UK	100.00	100.00	100.00	100.00
16	Larsen & Toubro (Oman) LLC	Sultanate of Oman	65.00	65.00	65.00	65.00
17	Larsen & Toubro Electromech LLC	Sultanate of Oman	65.00	65.00	65.00	65.00
18	L&T Modular Fabrication Yard LLC	Sultanate of Oman	65.00	65.00	65.00	65.00
19	Larsen & Toubro (East Asia) SDN.BHD ##	Malaysia	30.00	100.00	30.00	100.00
20	Larsen & Toubro Qatar LLC ##	Qatar	49.00	100.00	49.00	100.00
21	L&T Overseas Projects Nigeria Limited	Nigeria	100.00	100.00	100.00	100.00
22	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Indonesia	95.00	95.00	95.00	95.00
23	L&T Electricals & Automation Saudi Arabia Company LLC	Kindgom of Saudi Arabia	75.00	75.00	75.00	75.00
24	Larsen & Toubro Kuwait Construction General Contracting Company, WLL ##	Kuwait	49.00	75.00	49.00	75.00
25	Larsen & Toubro (Qingdao) Rubber Machinery Company Limited @@	Peoples Republic of China	100.00	100.00	100.00	100.00



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Sr. No.	Name of subsidiary company	Country of incorporation	As at 31-3-2015		As at 31-3-2014	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
26	Qingdao Larsen & Toubro Trading Company Limited **	Peoples Republic of China	–	–	100.00	100.00
27	Larsen & Toubro Readymix & Asphalt Concrete Industries LLC ## (formerly known as Larsen & Toubro Readymix Concrete Industries LLC)	UAE	49.00	100.00	49.00	100.00
28	Larsen & Toubro Saudi Arabia LLC	Kindgom of Saudi Arabia	100.00	100.00	100.00	100.00
29	Larsen Toubro Arabia LLC	Kindgom of Saudi Arabia	75.00	75.00	75.00	75.00
30	Larsen & Toubro ATCO Saudia LLC	Kindgom of Saudi Arabia	75.00	75.00	75.00	75.00
31	Tamco Switchgear (Malaysia) SDN BHD	Malaysia	100.00	100.00	100.00	100.00
32	Henikwon Corporation SDN BHD	Malaysia	100.00	100.00	100.00	100.00
33	Tamco Electrical Industries Australia Pty Limited	Australia	100.00	100.00	100.00	100.00
34	PT Tamco Indonesia	Indonesia	100.00	100.00	100.00	100.00
35	Larsen & Toubro Heavy Engineering LLC	Sultanate of Oman	70.00	70.00	70.00	70.00
36	L&T Electrical & Automation FZE	UAE	100.00	100.00	100.00	100.00
37	Kana Controls General Trading & Contracting Company W.L.L. ##	Kuwait	49.00	100.00	49.00	100.00
38	Larsen & Toubro Consultoria E Projeto Ltda @@	Brazil	100.00	100.00	100.00	100.00
39	Larsen & Toubro T&D SA Proprietary Limited	South Africa	72.50	72.50	72.50	72.50
40	L&T Technology Services LLC ^	USA	100.00	100.00	–	–

## The Parent Company, together with its subsidiaries controls the composition of Board of Directors

\* The company has been liquidated on August 20, 2014

@@ The companies are in process of being wound up

\*\* The company has been liquidated on February 16, 2015

^ The company has been incorporated on June 26, 2014

Sr. No.	Name of associate company	Country of incorporation	As at 31-3-2015		As at 31-3-2014	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
1	L&T-Chiyoda Limited	India	50.00	50.00	50.00	50.00
2	L&T Infrastructure Engineering Limited * (formerly known as L&T-Ramboll Consulting Engineers Limited)	India	50.00	50.00	50.00	50.00
3	Gujarat Leather Industries Limited @	India	50.00	50.00	50.00	50.00
4	NAC Infrastructure Equipment Limited **	India	–	–	22.98	22.98
5	International Seaports (Haldia) Private Limited	India	21.74	21.74	21.74	21.74
6	Vizag IT Park Limited	India	23.14	23.14	23.14	23.14
7	Larsen & Toubro Qatar & HBK Contracting LLC	Qatar	24.50	50.00	24.50	50.00
8	L&T Camp Facilities LLC	UAE	49.00	49.00	49.00	49.00
9	Feedback Infra Private Limited (formerly known as Feedback Infrastructure Services Private Limited)	India	16.89	16.89	17.74	17.74
10	JSK Electricals Private Limited	India	26.00	26.00	26.00	26.00
11	Salzer Electronics Limited #	India	26.06	26.06	26.06	26.06
12	Rishi Consfab Private Limited.	India	26.00	26.00	26.00	26.00
13	Magtorq Private Limited	India	42.85	42.85	42.85	42.85

@ The company is under liquidation

# The company's accounts have been consolidated for twelve months period ended December 31, 2014

\* Associate became wholly owned subsidiary w.e.f. September 8, 2014

\*\* The Group sold its stake on August 1, 2014

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Sr. No.	Name of joint venture	Country of residence	As at 31-3-2015	As at 31-3-2014
			Proportion of ownership interest (%)	Proportion of ownership interest (%)
<b>Jointly controlled entities-Indian joint ventures</b>				
1	L&T-AM Tapovan Joint Venture	India	65.00	65.00
2	International Metro Civil Contractors Joint Venture	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 Shanghai Urban Construction (Group) Corporation Joint Venture	India	75.00	75.00
9	The Dhamra Port Company Limited *	India	-	48.72
10	Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture	India	60.00	60.00
11	Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture	India	50.00	50.00
12	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	India	68.00	68.00
13	a) Larsen and Toubro Limited -Scomi Engineering BHD Consortium- Residual Joint works – Joint Venture	India	60.00	60.00
	b) Larsen and Toubro Limited-Scomi Engineering BHD Consortium – O&M Joint Venture	India	50.00	50.00
14	Larsen & Toubro Limited and NCC Limited Joint Venture ^	India	55.00	-
<b>Jointly controlled entities-Foreign joint ventures</b>				
15	L&T-Eastern Joint Venture @	UAE	65.00	65.00
16	Indiran Engineering Projects & Systems Kish PJSC	Iran	50.00	50.00
17	Civil Works Joint Venture	Kingdom of Saudi Arabia	29.00	29.00
18	Aktor-Larsen & Toubro –Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture	Qatar	22.00	22.00
19	L&T-Delma Mafraq Joint Venture	UAE	60.00	60.00
<b>Jointly controlled operations-Indian joint ventures</b>				
20	L&T-HCC Joint Venture	India		
21	Patel-L&T Consortium	India		
22	Larsen & Toubro Ltd. & Bharat Rail Automation Pvt Ltd Joint Venture (Package 2)	India		
23	Larsen & Toubro Ltd. & Bharat Rail Automation Pvt Ltd Joint Venture (Package 3)	India		
24	L&T-KBL (UJV) Hyderabad	India		
25	Consortium of Toyo Engineering Company and L&T Hydrocarbon Engineering Limited	India		
26	L&T-SVEC Joint Venture	India		
27	L&T-KBL-MAYTAS Joint Venture	India		
28	L&T and Scomi Engineering BHD. Joint Venture	India		
29	Consortium of L&T Hydrocarbon Engineering Limited and Pipavav Defence & Offshore Engineering Company	India		

\* The Group has sold its stake on June 23, 2014

^ The joint venture has been entered on August 22, 2014

@ The joint venture is in process of liquidation

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)]:

- Profit on divestment of the Group's part stake in a subsidiary ₹ 203.81 crore (previous year: ₹ 361.47 crore).
- Profit on sale of shares held as equity investment by a subsidiary ₹ 143.89 crore (previous year: ₹ Nil).
- Exceptional items for the previous year ended March 31, 2014 also included profit on divestment of the Group's stake in an associate company ₹ 0.03 crore.

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Q(6) Extraordinary item [Note R(5)] for the previous year ended March 31, 2014 represents loss due to unprecedented floods at the site of a hydropower project of the Company on June 16, 2013 ₹ 6.25 crore (net of insurance claim).

Q(7) The expenditure on research and development activities recognised as expense in the Statement of Profit and Loss is ₹ 165.07 crore (previous year: ₹ 138.95 crore). Further, the Company has incurred capital expenditure on research and development activities as follows:

- a) on tangible assets ₹ 7.41 crore (previous year: ₹ 5.93 crore)
- b) on intangible assets being expenditure on new product development ₹ 56.93 crore (previous year: ₹ 60.73 crore) [Note R(6)(b)] and
- c) on other intangible assets ₹ 5.79 crore (previous year: ₹ 5.11 crore)

Q(8) a) Provision for current tax includes:

- i) Net reversal of provision for income tax in respect of earlier years ₹ 0.06 crore (previous year: ₹ 9.67 crore)
  - ii) Credit for Minimum Alternate Tax (MAT) entitlement ₹ 96.76 crore (previous year: ₹ 40.53 crore) under section 115JB of the Income Tax Act, 1961
  - iii) Translation effect on account of non-integral foreign operation ₹ 0.10 crore (net loss) [previous year: ₹ 0.36 crore (net loss)]
- b) Tax effect of ₹ 9.29 crore (previous year: ₹ 2.00 crore) on account of debenture/share/foreign currency convertible bond 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		2014-15	2013-14
i)	Contract revenue recognised for the financial year [Note K]	60702.03	61617.69
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	222440.59	196608.59
iii)	Amount of customer advances outstanding for contracts in progress as at the end of the financial year	12432.59	7703.15
iv)	Retention amounts due from customers for contracts in progress as at the end of the financial year	6431.24	6811.22

\*Includes provision for foreseeable losses - ₹ 214.62 crore (previous year: ₹ 233.96 crore)

(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		2014-15	2013-14
i)	Amount of project revenue recognized for the financial year [Note K]	1559.17	970.83
ii)	Aggregate amount of costs incurred and profits recognized as at the end of the financial year	5939.28	1313.55
iii)	Amount of customer advances received	275.07	218.54
iv)	Amount of work-in-progress and the value of inventories [Note H(II)]	2375.90	2063.37
v)	Excess of revenue recognised over actual bills raised (unbilled revenue) [Note H(VI)]	129.88	156.63

Q(10) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits"

- i. Defined contribution plans: [Note R(7)(b)(i)] Amount of ₹ 110.66 crore (previous year: ₹ 95.54 crore) is recognised as an expense. Out of above, ₹ 109.27 crore (previous year: ₹ 94.47 crore) is included in "employee benefits expense" [Note N] in the Statement of Profit and Loss and ₹ 1.42 crore (previous year: ₹ 1.07 crore) is included in capital work-in-progress.

## 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 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
A) Present value of defined benefit obligation								
Wholly funded	595.42	479.48	–	–	–	–	2799.77	2403.95
Wholly unfunded	102.93	78.63	181.08	126.93	221.47	188.93	30.89	61.76
	698.35	558.11	181.08	126.93	221.47	188.93	2830.66	2465.71
Less: Fair value of plan assets	633.60	456.76	–	–	–	–	2811.65	2444.74
Less: Unrecognised past service costs	–	–	0.96	1.11	0.30	0.41	–	–
Add: Amount not recognised as an asset (limit in para 59(b))	4.33	8.77	–	–	–	–	–	–
Amount to be recognised as liability or (asset)	69.08	110.12	180.12	125.82	221.17	188.52	19.01	20.97
B) Amounts reflected in the Balance Sheet								
Liabilities	69.08	110.12	180.12	125.82	221.17	188.52	19.01	24.09
Assets	–	–	–	–	–	–	–	–
Net liability/(asset)	69.08	110.12	180.12	125.82	221.17	188.52	19.01	24.09
Net liability/(asset) - current	69.08	110.12	14.59	6.83	13.47	13.00	8.58	(15.14) #
Net liability/(asset) - non-current	–	–	165.53	118.99	207.70	175.52	10.43	39.23

- b) The amounts recognised in Statement of Profit and Loss Account are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	31-3-2015	31-3-2014	31-3-2015	31-3-2014	31-3-2015	31-3-2014	31-3-2015	31-3-2014
1 Current service cost	67.25	55.85	10.42	10.25	1.58	1.83	180.76	160.22
2 Interest cost	43.95	39.36	12.20	10.35	16.83	15.69	201.44	173.42
3 Expected (return) on plan assets	(33.00)	(29.57)	–	–	–	–	(202.50)	(173.58)
4 Actuarial losses/(gains)	36.39	(26.67)	38.80	(8.35)	29.25	(14.38)	(24.99)	57.08
5 Past service cost	0.53	0.07	0.14	0.14	0.11	0.11	–	–
6 Effect of any curtailment or settlement	–	3.32	–	–	–	–	–	–
7 Adjustment for earlier years	–	–	–	–	–	–	–	–
8 Business Combination	(0.89)	–	–	–	–	–	–	–
9 Actuarial gain/(loss) not recognised in books	2.14	0.88	–	–	–	–	0.10	(17.03)
10 Translation adjustments	(0.31)	(2.18)	–	–	–	–	–	–
11 Amount capitalized out of the above	(0.60)	(0.39)	–	–	–	–	–	–
<b>Total (1 to 11)</b>	<b>115.46</b>	<b>40.67</b>	<b>61.56</b>	<b>12.39</b>	<b>47.77</b>	<b>3.25</b>	<b>154.81</b>	<b>200.11</b>
I Amount included in "employee benefits expense"	82.31	44.25	23.18	24.08	1.82	6.78	88.08	131.87
II Amount included as part of "manufacturing, construction and operating expenses"	19.67	7.14	–	–	–	–	19.00	28.35
III Amount included as part of "finance cost"	13.47	(10.86)	38.38	(11.69)	45.95	(3.53)	47.73	39.89
IV Amount capitalised on new product development	0.01	0.14	–	–	–	–	–	–
<b>Total (I+II+III+IV)</b>	<b>115.46</b>	<b>40.67</b>	<b>61.56</b>	<b>12.39</b>	<b>47.77</b>	<b>3.25</b>	<b>154.81</b>	<b>200.11</b>
Actual return on plan assets	66.00	19.39	–	–	–	–	210.50	165.48

## Notes forming part of the Consolidated 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 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
Opening 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
Add: Current service cost	67.25	55.85	10.42	10.25	1.58	1.83	180.76	160.22
Add: Interest cost	43.95	39.36	12.19	10.35	16.82	15.69	201.44	173.42
Add: Contribution by plan participants								
i) Employer	-	-	-	-	-	-	-	-
ii) Employee	-	-	-	-	-	-	350.52	257.70
iii) Transfer-in/(out)	-	-	-	-	-	-	-	-
Add/(less): Actuarial losses/(gains)	69.27	(36.84)	38.80	(8.35)	29.25	(14.38)	(22.25)	48.98
Less: Benefits paid	(42.14)	(33.86)	(7.12)	(6.85)	(15.11)	(13.10)	(343.40)	(233.52)
Add: Past service cost	0.53	0.02	-	-	-	-	-	-
Add: Liabilities assumed on transfer of employees	0.39	-	(0.14)	-	-	-	(2.12)	-
Add: Business combination/acquisition	0.33	15.37	-	2.58	-	-	-	-
Add: Adjustment for earlier years	-	-	-	-	-	-	-	-
Add/(less): Translation adjustments	0.66	5.72	-	-	-	-	-	-
Closing balance of the present value of defined benefit obligation	698.35	558.11	181.08	126.93	221.47	188.93	2830.66	2465.71

- 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 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
Opening balance of the fair value of the plan assets	456.76	382.83	2444.74	2027.93
Add: Expected Return on plan assets*	33.00	29.57	202.50	173.58
Add/(Less): Actuarial gains/(losses)	32.99	(10.17)	8.00	(8.10)
Add: Contribution by the employer	151.94	77.97	158.75	201.44
Add/(less): Transfer in/(out)	-	-	-	-
Add: Contribution by plan participants	-	-	322.15	283.41
Less: Benefits paid	(42.14)	(33.86)	(324.49)	(233.52)
Add: Business combination/disposal (net)	0.82	10.42	-	-
Add: Adjustment for earlier years	0.23	-	-	-
Closing balance of the plan assets	633.60	456.76	2811.65	2444.74

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 10(ii)(f)(7)] *infra*.

The Company expects to fund ₹ 91.43 crore (*previous year: ₹ 25.10 crore*) towards its gratuity plan and ₹ 198.84 crore (*previous year: ₹ 89.45 crore*) towards its trust-managed provident fund plan during the year 2014-15.

# Employer's and employees' contribution paid in advance.

\$ Employer's contribution to provident fund

## 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 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
Government of India securities	31%	30%	24%	24%
State government securities	11%	11%	15%	15%
Corporate bonds	30%	29%	8%	8%
Equity shares of listed companies	2%	2%	–	–
Fixed deposits under special deposit scheme framed by Central Government for provident funds	–	–	10%	12%
Insurer managed funds	1%	1%	–	–
Public sector unit bonds	17%	20%	42%	41%
Others	8%	7%	1%	–

f) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	As at 31-3-2015	As at 31-3-2014
1 Discount rate:		
a) Gratuity plan	7.83%	9.19%
b) Company pension plan	7.83%	9.19%
c) Post-retirement medical benefit plan	7.83%	9.19%
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.

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. 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	
	2014-15	2013-14	2014-15	2013-14
Effect on the aggregate of the service cost and interest cost	5.54	3.77	(4.27)	(2.90)
Effect on defined benefit obligation	23.88	14.62	(18.94)	(11.64)



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

g) The amounts pertaining to defined benefit plans are as follows:

₹ crore

Particulars	As at 31-3-2015	As at 31-3-2014	As at 31-3-2013	As at 31-3-2012	As at 31-3-2011
1 Post-retirement medical benefit plan (unfunded)					
Defined benefit obligation	180.12	125.82	117.70	92.64	95.99
Experience adjustment plan liabilities	12.60	14.76	0.69	(6.62)	7.91
2 Gratuity plan (funded/unfunded)					
Defined benefit obligation	698.35	558.11	512.49	432.29	389.90
Plan assets	633.60	456.76	382.83	322.04	327.89
Surplus/(deficit)	(64.75)	(101.35)	(133.64)	(110.39)	(61.99)
Experience adjustment plan liabilities	19.88	1.42	26.18	30.18	30.37
Experience adjustment plan assets	34.41	(8.11)	(13.96)	(0.19)	4.38
3 Post-retirement pension plan (unfunded)					
Defined benefit obligation	221.17	188.52	198.36	184.03	162.14
Experience adjustment plan liabilities	5.13	(0.22)	(2.79)	23.21	17.46
4 Trust managed provident fund plan (funded)					
Defined benefit obligation	2830.66	2465.71	2058.91	1833.45	1615.09
Plan assets	2811.65	2444.74	2027.93	1791.04	1583.61
Surplus/(deficit)	19.01	(20.97)	(30.98)	(42.41)	(31.48)

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 ₹ 28.80 crore (previous year: provision of ₹ 39.28 crore) has been reversed 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 31-3-2015			For the year ended 31-3-2014		
	External	Inter-segment	Total	External	Inter-segment	Total
<b>REVENUE</b>						
Infrastructure	43426.30	1432.54	44858.84	36582.34	1439.00	38021.34
Power	4738.49	17.95	4756.44	6127.47	27.15	6154.62
Metallurgical and Material Handling	3181.77	244.69	3426.46	5523.44	208.53	5731.97
Heavy Engineering	3459.34	165.30	3624.64	4438.35	86.35	4524.70
Electrical & Automation	5060.82	398.72	5459.54	4804.89	327.82	5132.71
Hydrocarbon	7351.41	80.35	7431.76	10008.38	123.23	10131.61
IT & Technology Services	7588.63	70.32	7658.95	6353.21	96.41	6449.62
Developmental Projects	5148.03	5.61	5153.64	1533.62	9.27	1542.89
Financial Services	6393.07	7.43	6400.50	5170.87	9.99	5180.86
Others	6413.80	170.99	6584.79	5346.47	146.01	5492.48
Elimination		(2593.90)	(2593.90)		(2473.76)	(2473.76)
<b>Total Revenue</b>	92761.66	–	92761.66	85889.04	–	85889.04
<b>RESULT</b>						
Infrastructure			4246.64			3696.67
Power			550.84			1375.80
Metallurgical and Material Handling			238.98			826.92
Heavy Engineering			227.00			499.62
Electrical & Automation			549.23			542.40
Hydrocarbon			(1342.81)			99.54
IT & Technology Services			1316.46			1239.57
Developmental Projects			1674.34			899.44
Financial Services			1015.84			645.69
Others			1192.13			475.50
<b>Total Segment</b>			9668.65			10301.15
Inter segment margin on capital jobs			(63.07)			(97.00)
			9605.58			10204.15
Unallocated corporate income/(expenditure)(net)			57.65			(65.24)
<b>Operating Profit (PBIT)</b>			9663.23			10138.91
Interest expenses			(2850.72)			(3138.00)
Interest income			404.73			488.32
<b>Profit before tax(PBT) (before extraordinary items)</b>			7217.24			7489.23
Profit from extra ordinary items			–			(6.25)
<b>Profit before tax(PBT) (after extraordinary items)</b>			7217.24			7482.98
Provision for current tax			(2661.91)			(2501.64)
Provision for deferred tax			408.67			(105.94)
<b>Profit after tax</b>			4964.00			4875.40
Additional tax on dividend distributed/proposed by subsidiary companies			(30.32)			(20.81)
Share in profit/(loss) of associates			2.14			9.25
Minority interest in (income)/losses			(171.00)			38.16
<b>Profit after tax, minority interest and share in profit of associates</b>			4764.82			4902.00

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

₹ crore

Other information	Segment assets		Segment liabilities	
	As at	As at	As at	As at
	31-3-2015	31-3-2014	31-3-2015	31-3-2014
Infrastructure	39918.73	30835.61	25768.60	18058.17
Power	8331.23	8404.94	6281.76	5974.66
Metallurgical & Material Handling	4966.66	5350.50	1738.63	2071.25
Heavy Engineering	6982.78	7278.16	2868.34	2982.54
Electrical & Automation	4788.25	4295.30	1906.93	1756.75
Hydrocarbon	6686.01	8247.58	4415.25	4516.23
IT & Technology Services	4660.58	3921.37	1284.04	1273.82
Financial Services	52561.84	44727.76	44822.09	37706.55
Developmental Projects	40392.92	35407.67	13350.60	9070.86
Others	14936.85	13369.64	4166.86	3807.47
<b>Total</b>	<b>184225.85</b>	<b>161838.53</b>	<b>106603.10</b>	<b>87218.30</b>
Unallocable corporate assets/liabilities	9958.25	7323.35	41673.31	41052.79
<b>Total assets/liabilities</b>	<b>194184.10</b>	<b>169161.88</b>	<b>148276.41</b>	<b>128271.09</b>

₹ 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	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31-3-2015	31-3-2014	31-3-2015	31-3-2014	31-3-2015	31-3-2014
Infrastructure	725.38	719.57	607.22	435.02	21.52	25.86
Power	69.52	101.29	218.72	165.88	7.14	9.41
Metallurgical & Material Handling	64.38	17.21	95.02	81.80	4.05	6.00
Heavy Engineering	116.77	92.86	189.23	192.22	3.35	5.81
Electrical & Automation	266.72	215.44	160.57	101.59	4.37	4.44
Hydrocarbon	136.57	255.83	214.62	198.18	5.73	9.21
IT & Technology Services	283.91	185.67	231.66	169.36	-	4.48
Financial Services	97.70	222.20	110.00	96.28	0.92	1.45
Developmental Projects*	5591.12	4026.31	472.51	(281.18)	-	-
Others	474.01	373.12	222.76	226.67	2.09	4.15

\* Previous year depreciation includes reversal of accumulated amortisation of toll collection rights of ₹ 664.11 crore

(b) Secondary segments (geographical segments):

₹ crore

Particulars	Domestic		Overseas		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31-3-2015	31-3-2014	31-3-2015	31-3-2014	31-3-2015	31-3-2014
External revenue by location of customers	66835.47	61934.82	25926.19	23954.22	92761.66	85889.04
Carrying amount of segment assets by location of assets	165167.53	146098.35	19058.32	15740.18	184225.85	161838.53
Cost incurred on acquisition of tangible and intangible fixed assets	7367.72	6086.28	581.25	237.82	7948.97	6324.10

## 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 business of manufacture and sale of industrial valves, welding and cutting equipment, manufacture, marketing and servicing of construction equipment and parts thereof, marketing and servicing of mining machinery and parts thereof, manufacture and sale of rubber processing machinery & castings which was hitherto reported as Machinery and Industrial Products segment has been grouped under "Others" segment during the year ended March 31, 2015 based on internal restructuring. The figures pertaining to the corresponding previous periods have been regrouped and restated for proper comparison.
  - 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, control & automation products.
    - **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 segment** includes realty, shipbuilding, manufacture and sale of industrial valves, welding and cutting equipment, manufacture, marketing and servicing of construction equipment and parts thereof, marketing and servicing of mining machinery and parts thereof, manufacture and sale of rubber processing machinery & castings, ready-mix concrete, asphalt & paving materials, 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:

<b>Associate companies:</b>	
1 L&T-Chiyoda Limited	2 Salzer Electronics Limited
3 L&T Infrastructure Engineering Limited * (formerly known as 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

\* Associate company became wholly owned subsidiary w.e.f. September 8, 2014

<b>Joint ventures:</b>	
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 Shanghai Urban Construction (Group) Corporation Joint Venture
9 Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture	10 L&T-Eastern Joint Venture
11 Laren & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture	12 L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi
13 International Metro Civil Contractors Joint Venture	14 Civil Works Group Joint Venture
15 Aktor-Larsen & Toubro-Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture	16 L&T-Delma Mafraq Joint Venture
17 Larsen & Toubro Limited and NCC Limited Joint Venture	

@ The company has sold its stake on June 23, 2014.

<b>Key management personnel &amp; their relatives:</b>	
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.Subrahmanyam (Whole-time Director )	6 Mr. S.N.Roy (Whole-time Director )

- ii. Disclosure of related party transactions:

Sr. No.	Nature of transaction/relationship/major parties	₹ crore			
		2014-15		2013-14	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	Purchase of goods & services (including commission paid) Associates & joint ventures, including:	187.56		198.55	
	L&T-Chiyoda Limited		23.42		34.58
	JSK Electricals Private Limited		24.04		26.73
	Salzer Electronics Limited		123.81		120.11
	<b>Total</b>	<b>187.56</b>		<b>198.55</b>	

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2014-15		2013-14	
		Amount	Amounts for major parties	Amount	Amounts for major parties
2	Sale of goods/contract revenue & services				
	Associates & joint ventures, including:	87.33		5.07	
	The Dhamra Port Company Limited				5.06
	Civil Works Joint Venture		50.12		–
	Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		19.09		–
	Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture		9.58		–
	<b>Total</b>	<b>87.33</b>		<b>5.07</b>	
3	Purchase/lease of fixed assets				
	Associates:	0.11		–	
	L&T-Chiyoda Limited		0.11		–
	<b>Total</b>	<b>0.11</b>		<b>–</b>	
4	Receiving of services from related parties				
	Associates & joint ventures, including:	3.01		8.20	
	L&T-Chiyoda Limited		2.21		7.63
	Feedback Infra Private Limited (formerly known as Feedback Infrastructure Services Private Limited)		0.77		–
	<b>Total</b>	<b>3.01</b>		<b>8.20</b>	
5	Rent paid				
	Key management personnel	0.01		0.01	
	<b>Total</b>	<b>0.01</b>		<b>0.01</b>	
6	Charges for deputation of employees to related parties				
	Associates & joint ventures, including:	21.12		25.65	
	L&T-Chiyoda Limited		21.06		25.22
	<b>Total</b>	<b>21.12</b>		<b>25.65</b>	
7	Dividend received				
	Associates & joint ventures, including:	4.24		10.13	
	International Seaports (Haldia) Private Limited		1.97		5.90
	Feedback Infra Private Limited (formerly known as Feedback Infrastructure Services Private Limited)		0.76		–
	L&T Infrastructure Engineering Limited (formerly known as L&T-Ramboll Consulting Engineers Limited)		–		1.80
	Vizag IT Park Limited		0.94		1.12
	Salzer Electronics Limited		0.40		0.32
	<b>Total</b>	<b>4.24</b>		<b>10.13</b>	
8	Rent received, overheads recovered and miscellaneous income				
	Associates & joint ventures, including:	143.21		4.48	
	L&T-Chiyoda Limited		8.78		4.47
	Civil Works Joint Venture		72.63		–
	L&T Delma Mafraq Joint Venture		32.02		–
	Aktor-Larsen & Toubro –Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture		28.57		–
	<b>Total</b>	<b>143.21</b>		<b>4.48</b>	



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2014-15		2013-14	
		Amount	Amounts for major parties	Amount	Amounts for major parties
9	Interest Received				
	Associates & joint ventures, including :	15.67		54.02	
	The Dhamra Port Company Limited		9.32		48.63
	Feedback Infra Private Limited (formerly known as Feedback Infrastructure Services Private Limited)		6.23		5.39
	<b>Total</b>	<b>15.67</b>		<b>54.02</b>	
10	Payment of salaries/perquisites (other than commission)				
	Key Management Personnel:	16.98		15.34	
	A. M. Naik		4.22		3.91
	K. Venkataramanan		4.20		4.08
	M. V. Kotwal		3.01		2.49
	S. N. Subrahmanyam		1.74		1.63
	R. Shankar Raman		1.59		1.48
	S. N. Roy		2.22		1.75
	<b>Total</b>	<b>16.98</b>		<b>15.34</b>	
11	Commission to directors @				
	Key management personnel:	64.27		67.18	
	A. M. Naik		23.10		24.50
	K. Venkataramanan		9.38		9.18
	M. V. Kotwal		6.24		6.65
	S. N. Subrahmanyam		11.09		11.63
	R. Shankar Raman		8.78		9.31
	S. N. Roy		5.68		5.91
	<b>Total</b>	<b>64.27</b>		<b>67.18</b>	
@	Commission to Directors comprises:				
Sr. No.	Particulars	2014-15		2013-14	
1	Commission	50.61		52.90	
2	Contribution to provident fund	6.07		6.35	
3	Contribution to superannuation fund on commission	7.59		7.93	
	<b>Total</b>	<b>64.27</b>		<b>67.18</b>	

"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 Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

iii. Amount due to/from related parties

		₹ crore			
Sr. No.	Nature of transaction/relationship/major parties	2014-15		2013-14	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	Accounts receivable				
	Associates & joint ventures, including:	40.00		114.78	
	The Dhamra Port Company Limited		–		66.61
	Feedback Infra Private Limited (formerly known as Feedback Infrastructure Services Private Limited)		40.00		48.15
	<b>Total</b>	<b>40.00</b>		<b>114.78</b>	
2	Accounts payable (including acceptance & interest accrued)				
	Associates & joint ventures, including:	31.87		31.86	
	L&T-Chiyoda Limited		8.19		10.31
	Salzer Electronics Limited		18.54		13.37
	<b>Total</b>	<b>31.87</b>		<b>31.86</b>	
3	Unsecured loan				
	Joint ventures:	30.00		30.00	
	Metro Tunneling Group		30.00		30.00
	<b>Total</b>	<b>30.00</b>		<b>30.00</b>	
4	Loans & advances recoverable				
	Associates & joint ventures, including:	28.10		560.09	
	The Dhamra Port Company Limited		–		540.36
	L&T Camp Facilities LLC		17.92		14.40
	L&T-Chiyoda Limited		6.73		3.07
	Key Management personnel	0.01		0.01	
	<b>Total</b>	<b>28.11</b>		<b>560.10</b>	
5	Due to Whole-time Directors (Key Management Personnel)	50.61		52.90	
	A.M. Naik		18.19		19.29
	K. Venkataramanan		7.39		7.23
	M.V. Kotwal		4.91		5.24
	S.N. Subrahmanyam		8.73		9.16
	R. Shankar Raman		6.91		7.33
	S. N. Roy		4.48		4.65
	<b>Total</b>	<b>50.61</b>		<b>52.90</b>	

“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, 2015 and the present value of minimum lease payments receivable as on March 31, 2015 is as under:

Particulars	₹ crore	
	As at 31-3-2015	As at 31-3-2014
1. Receivable not later than 1 year	973.64	735.94
2. Receivable later than 1 year and not later than 5 years	6994.20	2992.08
3. Receivable later than 5 years	20390.00	11460.21
Gross investment in lease (1+2+3)	28357.84	15188.23
Less: Unearned finance income	19065.23	10250.99
Present value of minimum lease payments receivable	9292.61	4937.24

- 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, 2015 are as follows:

Particulars	₹ crore	
	As at 31-3-2015	As at 31-3-2014
1. Receivable not later than 1 year	74.49	148.80
2. Receivable later than 1 year and not later than 5 years	100.53	220.10
3. Receivable later than 5 years	13.99	17.80
Total	189.01	386.70

ii. Where the Company is a Lessee:

(a) Finance leases:

- i) Assets acquired on finance lease mainly comprise plant & 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, 2015 and the present value as at March 31, 2015 of minimum lease payments in respect of assets acquired under finance leases are as follows:

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
	1. Payable not later than 1 year	0.18	0.37	0.16
2. Payable later than 1 year and not later than 5 years	0.31	0.53	0.28	0.47
3. Payable later than 5 years	-	-	-	-
Total	0.49	0.90	0.44	0.80
Less: Future finance charges	0.05	0.10		
Present value of minimum lease payments	0.44	0.80		

- iii) 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 Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

(b) Operating leases:

- i) The Company has taken various commercial premises and plant & 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, 2015 are as follows:

Particulars	₹ crore	
	As at 31-3-2015	As at 31-3-2014
1. Payable not later than 1 year	73.94	70.04
2. Payable later than 1 year and not later than 5 years	168.60	212.66
3. Payable later than 5 years	115.43	180.58
<b>Total</b>	<b>357.97</b>	<b>463.28</b>

[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: ₹ 173.98 crore (*previous year: ₹ 155.40 crore*)
- iv) Contingent rent recognised in the Statement of Profit and Loss: ₹ 0.30 crore (*previous year: ₹ 0.12*)

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	
		2014-15	2013-14	2014-15	2013-14
<b>Basic</b>					
Profit after tax as per accounts (₹ crore)	A	4764.82	4908.25	4764.82	4902.00
Weighted average number of shares outstanding	B	92,83,48,310	92,54,16,187	92,83,48,310	92,54,16,187
<b>Basic EPS (₹)</b>	A/B	51.33	53.04	51.33	52.97
<b>Diluted</b>					
Profit after tax as per accounts (₹ crore)	A	4764.82	4908.25	4764.82	4902.00
Weighted average number of shares outstanding	B	92,83,48,310	92,54,16,187	92,83,48,310	92,54,16,187
Add: Weighted average number of potential equity shares on account of employee stock options	C	62,19,750	56,56,640	62,19,750	56,56,640
Weighted average number of shares outstanding for diluted EPS	D=B+C	93,45,68,059	93,10,72,827	93,45,68,059	93,10,72,827
<b>Diluted EPS (₹)</b>	A/D	50.98	52.72	50.98	52.65
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".

## 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 31-3-2014	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to opening retained earnings*	Effect due to acquisition/ disposal	Charge/(credit) to reserves		Deferred tax liabilities/ (assets) as at 31-3-2015
					Foreign currency translation reserve	Hedging reserve**	
<b>Deferred tax liabilities:</b>							
Difference between book and tax depreciation	1188.94	70.94	(36.74)	(12.35)	-	-	1210.79
Gain on derivative transactions to be offered for tax purposes in the year of transfer to Statement of Profit and Loss	33.47	1.01	-	-	-	4.01	38.49
Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	95.34	6.77	-	-	-	-	102.11
Other items giving rise to timing differences	238.82	107.43	-	-	(0.25)	-	346.00
Total	1556.57	186.15	(36.74)	(12.35)	(0.25)	4.01	1697.39
<b>Deferred tax (assets):</b>							
Provision for doubtful debts, advances and non-performing assets debited to Statement of Profit and Loss	(336.25)	(175.99)	-	-	-	-	(512.24)
Loss on derivative transactions to be claimed for tax purposes in the year of transfer to Statement of Profit and Loss	(153.40)	(1.14)	-	-	-	(68.87)	(223.41)
Unpaid statutory liabilities/provision for compensated absences debited to Statement of Profit and Loss	(194.34)	(43.25)	-	(0.01)	-	-	(237.60)
Unabsorbed depreciation/brought forward business losses	(347.97)	(441.68)	-	8.53	-	-	(781.12)
Difference between book and tax depreciation	(6.87)	(0.43)	(2.65)	(0.36)	-	-	(10.31)
Other items giving rise to timing differences	(180.28)	67.67	-	(4.14)	(0.60)	-	(117.35)
Total	(1219.11)	(594.82)	(2.65)	4.02	(0.60)	(68.87)	(1882.03)
<b>Net deferred tax liability/(assets)</b>	<b>337.46</b>	<b>(408.67)</b>	<b>(39.39)</b>	<b>(8.33)</b>	<b>(0.85)</b>	<b>(64.86)</b>	<b>(184.64)</b>
Previous year	183.67	105.94	-	(4.94)	0.22	52.57	337.46

\*Represents reversal of deferred tax on depreciation charged against opening retained earnings as on April 1, 2014, pursuant to Schedule II of Companies Act, 2013.

\*\*The amount of ₹ 382.27 crore (Previous year: ₹ 631.10 crore) representing net 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 asset of ₹ 64.86 crore during the year (Previous year: deferred tax liability (net) ₹ 52.57 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, 2015	Net assets/(liabilities) as at March 31, 2015
1	L&T Infrastructure Engineering Limited	3.02	37.95
2	L&T Thales Technology Services India Private Limited	0.60	6.30
3	Information Systems Resource Centre Private Limited	2.74	83.43
4	L&T Technoogy Services LLC	(4.79)	(4.83)
	Total	1.57	122.85

b) Disposals:

₹ crore

Sr. No.	Name of company	Effect on Group profit/(loss) after minority interest for the year ended March 31		Net assets as at the date of disposal (during 2014-15)	Net assets as at March 31, 2014
		2014-15	2013-14		
1	L&T Tech Park Limited	(0.01)	(0.19)	13.50	13.50
2	L&T Tejomaya Limited	0.21	1.11	30.52	30.12
	Total	0.20	0.92	44.02	43.62

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			31-3-2015	31-3-2014
I	<b>Assets</b>	<b>Non-current assets</b>		
		1 Fixed assets		
		(a) Tangible assets	205.25	1664.68
		(b) Intangible assets	–	1.74
		(c) Capital work-in-progress	81.19	138.88
		2 Deferred tax assets (net)	0.45	0.01
		3 Long term loans and advances	27.38	40.38
		4 Cash and bank balances	–	2.05
		5 Other non-current assets	–	8.18
		<b>Current assets</b>		
		1 Current investments	14.38	14.84
		2 Inventories	12.44	17.12
		3 Trade receivables	376.19	294.55
4 Cash and bank balances	1437.16	58.34		
5 Short term loans and advances	408.43	127.81		
6 Other current assets	1074.00	237.93		
II	<b>Liabilities</b>	<b>Non-current liabilities</b>		
		1 Long term borrowings	4.88	1690.85
		2 Other long term liabilities	1.39	113.96
		<b>Current liabilities</b>		
		1 Short term borrowings	247.39	97.82
		2 Current maturities of long term borrowings	–	6.40
		3 Trade payables	646.62	379.67
		4 Other current liabilities	2316.99	173.80
		5 Short term provisions	0.02	0.76



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

				₹ crore	
Particulars				31-3-2015	31-3-2014
III	<b>Reserves</b>	1	Foreign currency translation reserve	1.10	(0.04)
		2	Hedging reserve	(0.25)	–
		3	Retained earnings	106.74	(369.84)
IV	<b>Income</b>	1	Revenue from operations	1987.80	1216.94
		2	Other income	6.78	14.67
V	<b>Expenses</b>	1	Operating expenses	1463.90	809.23
		2	Staff expenses	196.90	33.54
		3	Sales administration and other expenses	106.01	72.81
		4	Interest expense	53.64	211.59
		5	Depreciation and amortisation	165.96	142.10
		6	Provision for tax	(0.88)	8.65
VI	<b>Contingent liability</b>	1	Contingent liabilities, if any, incurred in relation to interests in joint ventures	3248.49	505.07
		2	Share in contingent liabilities of joint ventures themselves for which the Company is contingently liable	80.13	77.54
		3	Contingent liabilities in respect of liabilities of other ventures of joint ventures	10840.81	404.90
VII	<b>Capital commitments</b>	1	Share in capital commitments of joint ventures themselves for which the Company is contingently liable	159.34	2.14

Q(18) Disclosures pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets":

a) Movement in provisions:

Sr. No.	Particulars	Class of provisions					Total
		Product warranties/liquidated damages	Expected tax liability in respect of indirect taxes	Litigation related obligations	Periodic major maintenance	Contractual rectification cost-construction contracts	
1	Balance as at 01.04.2014	93.09	89.73	10.32	200.95	192.37	586.46
2	Additional provision during the year	116.36	48.46	–	166.67	101.50	432.99
3	Provision used/reversed during the year #	(68.94)	(26.46)	–	(153.90)	(107.38)	(356.68)
4	Translation adjustments	0.48	–	0.03	–	0.06	0.57
5	Balance as on 31.03.2015 (5=1+2-3+4)	140.99	111.73	10.35	213.72	186.55	663.34

# includes provision used during the year ₹ 171.36 crore (previous year: ₹ 41.24 crore)

b) Nature of provisions:

- i. Product warranties/liquidated 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, 2015 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. Liquidated 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.
- 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).

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

- 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, 2015 are as under:

Category of derivative instruments	Amount of exposures hedged	
	As at	As at
	31-3-2015	31-3-2014
i) For hedging foreign currency risks:		
a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	16665.89	10342.23
b) Forward contracts for payables including firm commitments and highly probable forecasted transactions	15338.11	12691.90
c) Currency swaps and interest rate swaps	3539.43	3492.62
d) Option contracts	578.48	208.11
ii) For hedging interest rate risks:		
Interest rate swaps	0.47	0.51
iii) For hedging commodity price risks:		
Commodity futures	289.36	464.40

- b) Unhedged foreign currency exposures as at March 31, 2015 are as under:

Unhedged foreign currency exposures	Amount of exposures	
	As at	As at
	31-3-2015	31-3-2014
i) Receivables, including firm commitments and highly probable forecasted transactions	44653.19	57726.16
ii) Payables, including firm commitments and highly probable forecasted transactions	41099.39	51465.03

Note: As per 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 excludes exposures [Receivables amounting to ₹ 1646.07 crore (previous year: ₹ 345.34 crore) and payables amounting to ₹ 1142.08 crore (previous year: ₹ 121.46 crore)] with respect to currencies such as 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 ₹ 2659.37 crore (previous year: ₹ 3717.83 crore) and ₹ 324.20 crore (previous year: ₹ 585.47 crore) respectively [Note R(3)(A)(a)(ix)].
- c) Long term loans and advances towards financing activities include ₹ 305.05 crore (previous year: ₹ 341.10 crore) being cumulative construction costs incurred including related margins in respect of annuity based Build-Operate-Transfer (BOT) projects.
- d) Short term Loans and advances towards financing activities include ₹ 75.48 crore (previous year: ₹ 76.17 crore) being cumulative construction costs incurred including related margins in respect of annuity based Build-Operate-Transfer (BOT) projects.

- 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 Parent Company of ₹ 134.33 crore, is net of dividend distribution tax paid by its subsidiary companies amounting to ₹ 158.76 crore, relating to dividend of ₹ 850.70 crore declared by them.

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Q(22) Deferred payment liability of ₹ 3032.24 crore (previous year: ₹ 3481.88 crore) represents:

- Negative grant/additional concession fee of ₹ 2999.47 crore (previous year: ₹ 3065.48 crore) payable to National Highway Authority of India (NHAI), as per the concession agreement entered into with NHAI.
- Commitment payable to National Housing Development Authority (NHDA) amounting to ₹ 7.83 crore (previous year: ₹ 7.42 crore) as per the joint venture agreement entered into with NHDA.
- Deferred conversion fee liability of ₹ 24.94 crore (previous year: ₹ 47.98 crore) towards conversion of land from Industrial to commercial use as per the approval from Chandigarh Housing Board (CHB).
- Lease premium amounting to ₹ Nil (previous year: ₹ 361.00 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 ₹ 3032.24 crore, an amount of ₹ 127.23 crore (previous year: ₹ 515.13 crore) is payable within a period of one year

- Q(23) a) 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 Road Transport and Highways, Government of India, (MORTH). The ground of termination was Government of India's subsequent intention to go for four-laning of the existing two lane road. The subsidiary had 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 had been constituted as provided in the concession agreement. The Arbitral Tribunal has pronounced the award on December 12, 2014 in favour of the Company. The Tribunal has also awarded, inter alia, compensation to be paid to the Company for loss of revenue at Athupalam Bridge and suitable extension of the concession period.

The MORTH has challenged the award of March 12, 2015 seeking stay of the aforesaid Tribunal award before the Delhi High Court. Since the matter is sub-judice, the compensation has not been recognised in the financial statements.

- b) In respect of one of the subsidiaries, advance from customers of ₹ 7.00 crore represents booking amount received from intending buyers of the office space towards part of sale consideration. The said customers have not complied with the terms of the arrangement in respect of the payments as per schedule hence the Company has cancelled their allotments. The parties have filed cases against the Company for specific performance. The Company is confident of winning the cases and do not expect any liability arising in the matters.

Q(24) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2015.

Q(25) Additional information pursuant to Schedule III to the Companies Act, 2013

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
Larsen and Toubro Limited	90.65%	37084.58	106.11%	5056.18
<b>Indian Subsidiaries</b>				
<b>Infrastructure:</b>				
Hi-Tech Rock Products & Aggregates Limited	0.01%	2.62	0.01%	0.60
L&T Geostucture LLP	(0.11%)	(46.39)	(0.32%)	(15.40)
L&T Infrastructure Engineering Limited	0.08%	34.14	0.06%	3.02
<b>Power:</b>				
L&T-MHPS Boilers Private Limited	1.22%	500.07	2.57%	122.31
L&T-MHPS Turbine Generators Private Limited	0.65%	263.94	(2.78%)	(132.45)

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
L&T Howden Private Limited	0.05%	20.17	0.04%	2.00
L&T-Sargent & Lundy Limited	0.16%	63.31	0.24%	11.61
<b>Heavy Engineering:</b>				
L&T Cassidian Limited	0.00%	0.04	–	–
L&T Special Steels and Heavy Forgings Private Limited	(0.55%)	(223.41)	(5.87%)	(279.84)
Spectrum Infotech Private Limited	0.04%	16.53	0.02%	1.01
<b>Hydrocarbon:</b>				
L&T Hydrocarbon Engineering Limited	2.17%	887.81	(13.73%)	(654.13)
L&T Sapura Offshore Private Limited	(0.00%)	(0.12)	(0.01%)	(0.57)
L&T Sapura Shipping Private Limited	0.43%	176.37	0.17%	8.21
L&T-Gulf Private Limited	0.05%	20.69	0.05%	2.37
L&T-Valdel Engineering Limited	0.15%	60.04	0.22%	10.27
<b>IT &amp; Technology Services:</b>				
GDA Technologies Limited	0.09%	35.24	0.04%	1.87
Information Systems Resource Centre Private Limited	0.05%	21.98	0.06%	2.74
Larsen & Toubro Infotech Limited	4.71%	1925.45	16.22%	772.96
L&T Technology Services Limited	2.58%	1056.74	6.61%	315.18
L&T Thales Technology Services Private Limited	(0.00%)	(1.30)	0.02%	0.81
<b>Financial Services:</b>				
Consumer Financial Services Limited	0.00%	0.39	–	–
Family Credit Limited	1.33%	545.53	1.53%	72.86
L&T Access Distribution Services Limited	(0.02%)	(6.59)	(0.05%)	(2.37)
L&T Capital Company Limited	0.08%	30.54	0.12%	5.60
L&T Capital Markets Limited	0.01%	5.70	(0.09%)	(4.12)
L&T Finance Holdings Limited	12.00%	4909.29	5.49%	261.63
L&T Finance Limited	5.60%	2291.73	5.36%	255.60
L&T FinCorp Limited	2.05%	837.76	2.12%	100.94
L&T General Insurance Company Limited	0.39%	159.40	(1.98%)	(94.17)
L&T Housing Finance Limited	0.82%	337.15	0.74%	35.11
L&T Infra Debt Fund Limited	1.10%	450.67	0.63%	30.04
L&T Infra Investment Partners Advisory Private Limited	0.01%	2.27	0.09%	4.39
L&T infra Investment Partners Trustee Private Limited	0.00%	0.05	–	–
L&T Infrastructure Finance Company Limited	6.23%	2547.49	4.73%	225.47
L&T Investment Management Limited	1.21%	493.08	(1.36%)	(64.88)
L&T Mutual Fund Trustee Limited	0.00%	1.54	(0.00%)	(0.15)
L&T Trustee Company Private Limited	–	–	–	–
L&T Vrindavan Properties Limited	0.28%	114.64	2.42%	115.16
Mudit Cement Private Limited	(0.01%)	(2.49)	(0.07%)	(3.52)
<b>Developmental projects:</b>				
Kudgi Transmission Limited	0.37%	152.45	(0.02%)	(0.98)
L&T Ahmedabad-Maliya Tollway Limited	(0.20%)	(80.51)	(2.08%)	(99.12)
L&T BPP Tollway Limited	0.60%	243.42	(0.00%)	(0.10)
L&T Chennai-Tada Tollway Limited	0.10%	41.81	–	–
L&T Deccan Tollways Limited	0.17%	67.43	(0.00%)	(0.05)

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
L&T Devihalli Hassan Tollway Limited	0.62%	253.29	(0.31%)	(14.80)
L&T Halol-Shamlaji Tollway Limited	(0.34%)	(137.88)	(2.43%)	(115.72)
L&T Infrastructure Development Projects Limited	11.11%	4545.95	8.37%	399.04
L&T Interstate Road Corridor Limited	0.21%	84.70	(0.09%)	(4.39)
L&T Krishnagiri Thopur Toll Road Limited	(0.08%)	(34.19)	(0.22%)	(10.61)
L&T Krishnagiri Walajahpet Tollway Limited	0.20%	83.03	(0.22%)	(10.66)
L&T Metro Rail (Hyderabad) Limited	4.82%	1969.86	(0.30%)	(14.11)
L&T Panipat Elevated Corridor Limited	(0.47%)	(190.63)	(0.56%)	(26.78)
L&T Port Kachchigarh Limited	(0.00%)	(0.40)	(0.00%)	(0.03)
L&T Rajkot-Vadinar Tollway Limited	(0.25%)	(103.14)	(1.49%)	(71.19)
L&T Samakhiali Gandhidham Tollway Limited	0.19%	76.95	(0.07%)	(3.56)
L&T Sambalpur-Rourkela Tollway Limited	0.23%	94.99	(0.03%)	(1.29)
L&T Transportation Infrastructure Limited	0.33%	136.30	0.24%	11.20
L&T Vadodara Bharuch Tollway Limited	(0.72%)	(293.07)	0.00%	0.07
L&T Western Andhra Tollways Limited	(0.04%)	(14.49)	(0.26%)	(12.47)
L&T Western India Tollbridge Limited	0.08%	30.84	0.03%	1.21
PNG Tollway Limited	(0.14%)	(55.37)	(3.22%)	(153.62)
<b>Power Development:</b>				
L&T Arunachal Hydropower Limited	0.10%	39.34	0.00%	0.01
L&T Himachal Hydropower Limited	0.46%	189.64	0.00%	0.02
L&T Power Development Limited	7.60%	3110.91	0.01%	0.34
L&T Uttaranchal Hydropower Limited	1.67%	684.35	0.04%	1.80
Nabha Power Limited	6.75%	2763.08	4.00%	190.43
<b>Realty:</b>				
Chennai Vision Developers Private Limited	(0.00%)	(0.02)	–	–
CSJ Hotels Private Limited	–	–	–	–
CSJ Infrastructure Private Limited	0.43%	176.75	0.35%	16.61
Hyderabad International Trade Expositions Limited	0.07%	27.84	0.07%	3.52
L&T Asian Realty Project LLP	(0.00%)	(1.23)	(0.01%)	(0.50)
L&T Hitech City Limited	0.13%	54.11	(0.04%)	(2.13)
L&T Infocity Limited	0.33%	136.60	0.12%	5.94
L&T Parel Project LLP	0.37%	149.80	1.71%	81.34
L&T Realty Limited	1.14%	465.20	(0.03%)	(1.49)
L&T Seawoods Limited	7.42%	3035.29	(0.03%)	(1.41)
L&T Siruseri Property Developers Limited	–	–	–	–
L&T South City Projects Limited	0.31%	128.36	(0.12%)	(5.61)
L&T Tech Park Limited	–	–	–	–
L&T Tejomaya Limited	0.00%	0.40	0.01%	0.40
L&T Vision Ventures Limited	(0.01%)	(4.59)	(0.00%)	(0.02)
<b>Construction Equipment and Others (Valves and Welding Equipment):</b>				
L&T Construction Equipment Limited	0.58%	235.08	0.46%	21.94
L&T Cutting Tools Limited	0.09%	37.56	0.47%	22.31
L&T Kobelco Machinery Private Limited	0.07%	29.50	0.06%	2.72

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
L&T Valves Limited	0.94%	384.39	2.91%	138.49
Ewac Alloys Limited	0.22%	91.63	0.89%	42.58
<b>Shipbuilding:</b>				
L&T Shipbuilding Limited	(0.29%)	(120.17)	(14.13%)	(673.48)
<b>Others:</b>				
Bhilai Power Supply Company Limited	0.00%	0.05	–	–
L&T Electricals and Automation Limited	0.00%	0.03	–	–
L&T Power Limited	0.01%	4.43	0.00%	0.20
L&T PowerGen Limited	0.00%	0.04	–	–
L&T Solar Limited	0.00%	0.04	–	–
Kesun Iron & Steel Company Private Limited	(0.00%)	(0.25)	–	–
L&T Aviation Services Private Limited	0.11%	44.08	0.00%	0.14
L&T Natural Resources Limited	(0.02%)	(6.29)	(0.00%)	(0.01)
Raykal Aluminium Company Private Limited	0.00%	0.44	(0.00%)	(0.03)
<b>Foreign Subsidiaries</b>				
<b>Infrastructure:</b>				
Larsen & Toubro (Oman) LLC	0.61%	248.61	(3.20%)	(152.33)
Larsen & Toubro Qatar LLC	0.00%	0.58	(0.00%)	(0.06)
Larsen & Toubro Saudi Arabia LLC	(0.32%)	(131.89)	(1.02%)	(48.46)
Larsen & Toubro T&D SA Proprietary Limited	0.01%	2.64	0.00%	0.16
<b>Heavy Engineering:</b>				
Larsen & Toubro Heavy Engineering LLC	(0.03%)	(10.53)	0.51%	24.27
<b>Hydrocarbon:</b>				
Larsen & Toubro Hydrocarbon International Limited LLC	0.00%	0.12	0.01%	0.40
L&T Modular Fabrication Yard LLC	(0.16%)	(65.95)	(1.78%)	(85.04)
L&T Overseas Projects Nigeria Limited	0.00%	0.05	–	–
Larsen Toubro Arabia LLC	(0.04%)	(16.86)	(0.57%)	(27.18)
Larsen & Toubro ATCO Saudia LLC	(0.81%)	(332.99)	(6.52%)	(310.67)
Larsen & Toubro Electromech LLC	(0.15%)	(60.97)	(3.56%)	(169.46)
Larsen & Toubro Kuwait Construction General Contracting Company, WLL	0.01%	3.48	(0.63%)	(30.04)
PT Larsen & Toubro Hydrocarbon Engineering Indonesia	–	–	–	–
<b>IT &amp; Technology Services:</b>				
L&T Information Technology Services (Shanghai) Co., Ltd.	(0.00%)	(0.15)	(0.01%)	(0.49)
L&T Infotech Financial Services Technologies Inc.	0.83%	339.13	(0.37%)	(17.69)
Larsen & Toubro Infotech Canada Limited	0.02%	6.96	0.02%	0.94
Larsen & Toubro Infotech LLC	0.02%	10.02	0.02%	1.15
Larsen & Toubro Infotech South Africa (PTY) Limited	0.00%	1.55	0.02%	0.76
Larsen & Toubro Infotech, GmbH	0.06%	22.50	0.07%	3.15
Larsen & Toubro LLC	0.01%	2.23	0.01%	0.25
L&T Technology Services LLC	(0.01%)	(4.83)	(0.10%)	(4.79)
<b>Financial Services:</b>				
L&T Diversified India Equity Fund	–	–	–	–
<b>Developmental projects:</b>				
L&T IDPL Trustee Manager Pte Ltd.	0.00%	1.59	(0.10%)	(4.53)



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
L&T Infrastructure Development Projects Lanka (Private) Limited	0.18%	71.46	0.02%	1.12
<b>Realty:</b>				
L&T Realty FZE	0.02%	9.10	0.00%	0.07
<b>Construction Equipment and Others (Valves and Welding Equipment):</b>				
Larsen & Toubro (Qingdao) Rubber Machinery Company Limited	0.01%	2.05	(0.13%)	(6.11)
Qingdao Larsen & Toubro Trading Company Limited	–	–	–	–
<b>Electrical &amp; Automation</b>				
Henikwon Corporation SDN BHD	(0.03%)	(12.88)	0.01%	0.33
Kana Controls General Trading & Contracting Company W.L.L.	0.00%	0.85	(0.03%)	(1.28)
L&T Electrical & Automation FZE	0.44%	179.12	0.29%	13.82
L&T Electricals & Automation Saudi Arabia Company LLC	0.07%	27.66	0.05%	2.33
PT Tamco Indonesia	(0.09%)	(37.91)	(0.15%)	(7.02)
Servowatch Systems Limited	(0.02%)	(7.20)	(0.17%)	(8.28)
Tamco Electrical Industries Australia Pty Ltd.	0.06%	23.69	(0.08%)	(3.96)
Tamco Switchgear (Malaysia) SDN BHD	1.17%	477.53	0.82%	39.05
Thalest Limited	0.02%	8.16	(0.02%)	(0.24)
<b>Others:</b>				
Larsen & Toubro (East Asia) SDN.BHD	0.00%	0.64	(0.03%)	(0.80)
Larsen & Toubro Consultoria E Projeto Ltda	(0.00%)	(0.05)	0.00%	0.09
Larsen & Toubro International FZE	2.88%	1177.85	0.56%	26.81
Larsen & Toubro Readymix & Asphalt Concrete Industries LLC	(0.04%)	(15.77)	(0.25%)	(11.96)
<b>Total Subsidiaries</b>		37979.39		50.62
Minority Interests in all subsidiaries	(12.22%)	(4998.62)	(3.59%)	(171.00)
<b>Indian Associates</b>				
L&T-Chiyoda Limited	0.13%	52.48	0.05%	2.34
L&T Infrastructure Engineering Limited	(0.00%)	(0.00)	(0.05%)	(2.02)
Gujarat Leather Industries Limited	–	–	–	–
NAC Infrastructure Equipment Limited	–	–	–	–
International Seaport (Haldia) Private Limited	0.04%	17.38	0.02%	1.05
Vizag IT Park Limited	0.01%	3.12	0.02%	1.04
Feedback Infra Private Limited	0.09%	38.56	(0.03%)	(1.60)
JSK Electricals Private Limited	0.01%	2.87	0.00%	0.10
Salzer Electronics Limited	0.06%	26.21	0.06%	2.69
Rishi Consfab Private Limited	0.00%	1.39	(0.02%)	(0.72)
Magtorq Private Limited	0.01%	5.79	(0.01%)	(0.57)
<b>Foreign Associates</b>				
Larsen & Toubro Qatar & HBK Contracting LLC	(0.00%)	(0.01)	–	–
L&T Camp Facilities LLC	(0.00%)	(0.00)	(0.00%)	(0.17)
<b>Total Associates</b>		147.79		2.14

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [Q] (contd.)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)
<b>Jointly controlled entities-Indian joint ventures</b>				
L&T-AM Tapovan Joint Venture	(0.09%)	(38.11)	0.00%	0.00
International Metro Civil Contractors Joint Venture	(0.00%)	(0.32)	(0.00%)	(0.10)
Desbuild-L&T Joint Venture	0.00%	0.67	0.00%	0.02
HCC-L&T Purulia Joint Venture	0.01%	3.90	0.00%	0.22
Metro Tunneling Group	0.04%	14.14	0.01%	0.69
L&T-Hochtief Seabird Joint Venture	0.19%	74.16	(0.00%)	(0.01)
L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	0.02%	7.18	0.00%	0.10
Metro Tunneling Chennai - L&T Shanghai Urban Construction (Group) Corporation Joint Venture	0.03%	14.08	(0.08%)	(3.86)
Metro Tunneling Delhi - L&T Shanghai Urban Construction (Group) Corporation Joint Venture	0.00%	1.45	(0.03%)	(1.26)
Larsen & Toubro Limited - Shapoorji Pallonji & Co. Limited Joint Venture	(0.03%)	(10.09)	(0.30%)	(14.39)
L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	0.01%	3.63	(0.02%)	(1.19)
Larsen and Toubro Limited -Scomi Engineering BHD Consortium- Residual Joint works – Joint Venture	0.00%	1.50	0.03%	1.50
Larsen and Toubro Limited-Scomi Engineering BHD Consortium – O&M Joint Venture	(0.04%)	(14.41)	(0.30%)	(14.42)
Larsen & Toubro Limited and NCC Limited Joint Venture	0.00%	0.00	–	–
The Dhamra Port Company Limited	(0.04%)	(14.86)	(0.31%)	(14.87)
<b>Jointly controlled entities-Foreign joint ventures</b>				
L&T-Eastern Joint Venture	0.02%	5.21	(0.01%)	(0.30)
Civil Works Joint Venture	0.14%	57.12	1.18%	56.00
Aktor-Larsen & Toubro –Yapi Merkezi-stfa-Al Jaber Engineering Joint Venture	(0.01%)	(1.95)	–	–
L&T-Delma Mafraq Joint Venture	–	–	–	–
Indiran Engineering Projects & Systems Kish PJSC	(0.00%)	(0.14)	(0.00%)	(0.06)
<b>Total Joint Venture</b>		103.16		8.07
CFS adjustments and eliminations	(71.88%)	(29407.23)	(3.80%)	(181.19)
<b>Total</b>		40909.07		4764.82

Q(26) 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, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 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 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

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

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 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, 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 Schedule III to the Companies Act, 2013 ("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 Schedule III 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 Equity 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 III. 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 atleast 25% of the total of such cost;
- c. Atleast 25% of the saleable project area is secured by contracts or agreements with buyers;
- 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.

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

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.

- v. Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on 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 relating 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 relating 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. In respect of information technology (IT) and technology services, revenue from contracts awarded on time and material basis is recognised when services are rendered and related costs are incurred. Revenue from fixed price contracts is recognised using the proportionate completion method.
- 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

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

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 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.

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 reinsurance 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.

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

- 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 unrealised 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.
- 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.



## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

#### 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.

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.

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

#### 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 & 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.
- 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.

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

ii. Assets carried at historical cost:

Depreciation on assets carried at historical cost is provided on straight line method on the basis of useful life as specified in Schedule II to the Companies Act, 2013 except in respect of certain assets where the useful life was determined by technical evaluation. The carrying amount of the assets as on April 1, 2014 is depreciated over the remaining useful life. Where the useful life of the asset has expired, the carrying amount as on April 1, 2014 has been charged to the retained earnings as on April 1, 2014.

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 II to the Companies Act, 2013, 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 based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life 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 lives.

### 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 seven to 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 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 are amortised over the period of concession using the revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013. Under the revenue based amortisation 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.

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

- 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 asset’s 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.

### 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 realisable 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;

## **Notes forming part of the Consolidated Accounts (contd.)**

### **NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)**

- 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 NHA 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. The amount recognised as expense each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognized as expense in respect of such grant is transferred to the general reserve.

#### **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:

- i. adjusted in the cost of fixed assets specifically financed by the borrowings contracted upto March 31, 2004 to which the exchange differences relate;

## **Notes forming part of the Consolidated Accounts (contd.)**

### **NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)**

- 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.

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.



## **Notes forming part of the Consolidated Accounts (contd.)**

### **NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)**

#### **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:

- i. Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including (a) inter segment revenue and (b) profit on sale of stake in the subsidiary and/or joint venture companies under Developmental projects segment and Realty business grouped under "Others" segment.
- ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. In respect of (a) Financial Services Segment and (b) certain projects under Developmental Projects segment viz. power generation projects & power transmission system projects which are classified as finance lease and annuity based road projects, the interest expenses on borrowings are accounted as segment expenses. 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. In respect of (a) financial services segment, and (b) certain projects under developmental projects segment viz. power generation projects & power transmission system projects which are classified as finance lease and annuity based road projects, segment liabilities include borrowings as the interest expenses on borrowings are accounted as segment expenses in respect of the segment and projects.  
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

## Notes forming part of the Consolidated Accounts (contd.)

### NOTE [R] SIGNIFICANT ACCOUNTING POLICIES (contd.)

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
- 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 (DIN 00001514)

As per our report attached  
SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 109982W  
by the hand of

K. VENKATARAMANAN  
Chief Executive Officer &  
Managing Director (DIN 00001647)

R. SHANKAR RAMAN  
Chief Financial Officer &  
Whole-time Director (DIN 00019798)

MILIND P. PHADKE  
Partner  
Membership No. 33013

M. M. CHITALE (DIN 00101004)

SUBODH BHARGAVA (DIN 00035672)

M. DAMODARAN (DIN 02106990)

SUNITA SHARMA (DIN 02949529)

SUSHOBHAN SARKER (DIN 00088276)

Mumbai, May 30, 2015

N. HARIHARAN  
Company Secretary

Directors

Mumbai, May 30, 2015

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries"

₹ crore

Sr. no.	Sr. no.	1	2	3	4	5	6	7	8
	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	Infrastructure Finance Company Limited	L&T Aviation Services Private Limited
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>								
	<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-	-	-
1	Share capital (including share application money pending allotment)	240.88	0.15	620.00	238.42	3083.69	272.97	829.23	45.60
2	Reserves	252.20	1.39	(460.59)	2053.31	1825.61	564.79	1718.25	(1.52)
3	Liabilities	76.71	0.02	455.04	13712.17	704.30	4448.97	18603.71	68.54
4	Total liabilities	569.79	1.56	614.45	16003.90	5613.60	5286.73	21151.19	112.62
5	Total assets	569.79	1.56	614.45	16003.90	5613.60	5286.73	21151.19	112.62
6	Investments	31.55	1.30	465.45	125.82	5105.87	203.53	1423.30	-
7	Turnover	126.51	0.05	103.04	2379.53	290.62	563.68	2075.74	29.43
8	Profit before taxation	(64.88)	(0.15)	(94.17)	385.02	252.03	151.02	319.09	0.30
9	Provision for taxation	-	-	-	129.42	(9.60)	50.08	93.62	0.16
10	Profit after taxation	(64.88)	(0.15)	(94.17)	255.60	261.63	100.94	225.47	0.14
11	Interim dividend - equity	-	-	-	127.82	-	-	119.41	-
12	Interim dividend - Preference	-	-	-	-	110.17	-	-	-
13	Proposed dividend - equity	-	-	-	-	137.62	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	72.95	72.95	100.00	72.95	72.95	72.95	72.95	100.00

Sr. no.	Sr. no.	9	10	11	12	13	14	15	16
	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.	Hyderabad International Trade Expositions Limited	L&T Infocity Limited
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>			<b>Euro</b>	<b>Canadian Dollar</b>	<b>USD</b>	<b>Canadian Dollar</b>		
	<b>Exchange rate on the last day of financial year</b>	-	-	<b>67.19</b>	<b>49.03</b>	<b>62.50</b>	<b>49.03</b>	-	-
1	Share capital (including share application money pending allotment)	0.17	16.13	0.11	0.00	-	280.00	17.01	27.00
2	Reserves	35.07	1909.04	22.39	6.96	10.02	59.13	10.83	109.60
3	Liabilities	0.08	981.70	25.87	9.35	1.72	38.15	21.31	59.10
4	Total liabilities	35.32	2906.87	48.37	16.31	11.74	377.28	49.15	195.70
5	Total assets	35.32	2906.87	48.37	16.31	11.74	377.28	49.15	195.70
6	Investments	34.28	457.54	0.00	-	-	-	-	82.02
7	Turnover	0.00	4744.40	82.88	44.86	15.81	204.38	22.45	31.45
8	Profit before taxation	2.28	942.53	4.97	1.54	1.15	(23.18)	4.72	11.18
9	Provision for taxation	0.41	169.57	1.82	0.60	-	(5.49)	1.20	5.24
10	Profit after taxation	1.87	772.96	3.15	0.94	1.15	(17.69)	3.52	5.94
11	Interim dividend - equity	-	480.53	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	100.00	100.00	100.00	100.00	100.00	100.00	51.72	89.00

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" (contd.)

₹ crore

Sr. no.	Sr. no.	17	18	19	20	21	22	23	24
	Particulars	L&T Hitech City Limited	L&T South City Projects Limited	CSJ Infrastructure Private Limited	L&T Vision Ventures Limited	L&T Chennai – Tada Tollway Limited	L&T Samakhiali Gandhidham Tollway Limited	L&T Infrastructure Development Projects Limited	L&T Panipat Elevated Corridor Limited
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>								
	<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-	-	-
1	Share capital (including share application money pending allotment)	75.00	56.48	45.89	0.05	42.00	80.54	1321.06	84.30
2	Reserves	(20.89)	71.88	130.86	(4.64)	(0.19)	(3.59)	3224.89	(274.93)
3	Liabilities	6.83	127.67	1351.52	10.83	372.30	3402.27	1521.57	676.80
4	Total liabilities	60.94	256.03	1528.27	6.24	414.11	3479.22	6067.52	486.17
5	Total assets	60.94	256.03	1528.27	6.24	414.11	3479.22	6067.52	486.17
6	Investments	-	-	-	-	2.74	1.70	4011.01	19.48
7	Turnover	0.88	2.61	210.88	-	-	8.87	1583.18	57.98
8	Profit before taxation	(1.52)	(5.18)	18.35	(0.02)	-	(3.56)	502.65	(26.78)
9	Provision for taxation	0.61	0.43	1.74	-	-	-	103.61	-
10	Profit after taxation	(2.13)	(5.61)	16.61	(0.02)	-	(3.56)	399.04	(26.78)
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	65.86	51.00	100.00	68.00	97.45	97.45	97.45	97.45

Sr. no.	Sr. no.	25	26	27	28	29	30	31	32
	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	L&T Krishnagiri Walajahpet Tollway Limited
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>							<b>Sri Lankan Rupee</b>	
	<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-	<b>0.48</b>	-
1	Share capital (including share application money pending allotment)	78.75	56.50	43.50	57.16	13.95	41.40	74.33	90.00
2	Reserves	(112.94)	(70.99)	(336.57)	27.54	16.89	94.90	(2.88)	(6.97)
3	Liabilities	626.09	276.14	1094.29	439.62	0.09	120.52	28.46	1032.29
4	Total liabilities	591.90	261.65	801.22	524.32	30.93	256.82	99.91	1115.32
5	Total assets	591.90	261.65	801.22	524.32	30.93	256.82	99.91	1115.32
6	Investments	17.41	22.39	-	88.37	20.54	147.02	-	1.62
7	Turnover	129.14	56.13	277.50	86.42	-	24.85	-	69.73
8	Profit before taxation	(10.61)	(12.47)	0.09	(4.39)	1.50	14.70	1.17	(10.66)
9	Provision for taxation	-	-	0.02	-	0.29	3.50	0.06	-
10	Profit after taxation	(10.61)	(12.47)	0.07	(4.39)	1.21	11.20	1.11	(10.66)
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	97.45	97.45	97.45	97.45	97.45	98.12	93.44	97.45

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" (contd.)

₹ crore

Sr. no.	Sr. no.	33	34	35	36	37	38	39	40
	Particulars	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	L&T Power Development Limited
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>								
	<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-	-	-
1	Share capital (including share application money pending allotment)	90.00	1981.40	130.50	149.00	4.16	684.05	2688.00	3108.70
2	Reserves	163.29	(11.54)	(268.38)	(229.51)	(4.56)	0.30	75.08	2.21
3	Liabilities	286.20	5089.92	1388.64	1507.36	0.41	26.91	8283.75	1.42
4	Total liabilities	539.49	7059.78	1250.76	1426.85	0.01	711.26	11046.83	3112.33
5	Total assets	539.49	7059.78	1250.76	1426.85	0.01	711.26	11046.83	3112.33
6	Investments	-	10.01	-	-	-	7.24	0.13	2716.24
7	Turnover	29.80	-	68.79	119.32	-	-	3174.24	11.36
8	Profit before taxation	(14.80)	(13.82)	(115.72)	(99.12)	(0.03)	1.89	240.68	1.43
9	Provision for taxation	-	0.29	-	-	-	0.09	50.25	1.09
10	Profit after taxation	(14.80)	(14.11)	(115.72)	(99.12)	(0.03)	1.80	190.43	0.34
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	97.45	97.48	97.45	97.45	97.45	100.00	100.00	100.00

Sr. no.	Sr. no.	41	42	43	44	45	46	47	48
	Particulars	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	Larsen & Toubro Electromech LLC
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Dec-14</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Dec-14</b>	<b>31-Dec-14</b>	<b>31-Dec-14</b>
	<b>Currency</b>			<b>Omani Rial</b>	<b>Malaysian Ringgit</b>	<b>USD</b>	<b>Qatari Rial</b>	<b>Nigerian Naira</b>	<b>Omani Rial</b>
	<b>Exchange rate on the last day of financial year</b>	-	-	<b>163.73</b>	<b>16.88</b>	<b>62.50</b>	<b>17.31</b>	<b>0.35</b>	<b>163.73</b>
1	Share capital (including share application money pending allotment)	39.14	175.00	23.86	0.86	1714.69	0.35	0.35	4.91
2	Reserves	0.20	(0.01)	287.98	(0.21)	(540.55)	0.28	(0.29)	(75.23)
3	Liabilities	0.78	16.84	1836.88	1.48	0.48	0.25	0.02	357.69
4	Total liabilities	40.12	191.83	2148.72	2.13	1174.62	0.88	0.08	287.37
5	Total assets	40.12	191.83	2148.72	2.13	1174.62	0.88	0.08	287.37
6	Investments	0.04	0.24	-	-	676.49	-	-	-
7	Turnover	-	-	1898.49	2.13	0.33	-	-	603.99
8	Profit before taxation	0.01	0.02	(153.72)	(0.80)	(25.78)	(0.02)	0.01	(178.84)
9	Provision for taxation	0.00	0.00	3.63	-	0.62	-	-	-
10	Profit after taxation	0.01	0.02	(157.35)	(0.80)	(26.40)	(0.02)	0.01	(178.84)
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	100.00	100.00	65.00	30.00	100.00	49.00	100.00	65.00

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" (contd.)

₹ crore

Sr. no.	Sr. no.	49	50	51	52	53	54	55	56
	Particulars	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	Larsen & Toubro Readymix and Asphalt Concrete Industries LLC	L&T Modular Fabrication Yard LLC	Larsen & Toubro Saudi Arabia LLC	Larsen & Toubro ATCO Saudia LLC
	<b>Financial year ending on</b>	<b>31-Dec-14</b>	<b>31-Mar-15</b>	<b>31-Dec-14</b>	<b>31-Dec-14</b>	<b>31-Mar-15</b>	<b>31-Dec-14</b>	<b>31-Dec-14</b>	<b>31-Dec-14</b>
	<b>Currency</b>	<b>Saudi Riyal</b>	<b>UAE Dirham</b>	<b>Kuwaiti Dinar</b>	<b>Chinese Yuan Renminbi</b>	<b>UAE Dirham</b>	<b>Omani Rial</b>	<b>Saudi Riyal</b>	<b>Saudi Riyal</b>
	<b>Exchange rate on the last day of financial year</b>	<b>16.80</b>	<b>17.02</b>	<b>216.21</b>	<b>10.38</b>	<b>17.02</b>	<b>163.73</b>	<b>16.80</b>	<b>16.80</b>
1	Share capital (including share application money pending allotment)	30.23	1.70	43.24	94.40	1.70	47.23	20.99	1.68
2	Reserves	(5.90)	177.10	(36.76)	(120.18)	(17.47)	(112.03)	(152.22)	(202.39)
3	Liabilities	115.73	262.66	57.41	49.47	87.54	295.05	703.83	668.30
4	Total liabilities	140.06	441.46	63.89	23.69	71.77	230.25	572.60	467.59
5	Total assets	140.06	441.46	63.89	23.69	71.77	230.25	572.60	467.59
6	Investments	-	4.93	-	1.12	-	-	-	-
7	Turnover	136.57	324.98	39.00	2.92	99.41	60.67	416.06	897.83
8	Profit before taxation	4.99	13.78	(37.02)	(51.64)	(14.48)	(124.84)	(56.81)	(199.45)
9	Provision for taxation	0.76	-	-	-	-	-	-	0.03
10	Profit after taxation	4.23	13.78	(37.02)	(51.64)	(14.48)	(124.84)	(56.81)	(199.48)
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	75.00	100.00	49.00	100.00	49.00	65.00	100.00	75.00

Sr. no.	Sr. no.	57	58	59	60	61	62	63	64
	Particulars	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 SA Proprietary Ltd	L&T Realty Limited	Chennai Vision Developers Private Limited
	<b>Financial year ending on</b>	<b>31-Dec-14</b>	<b>31-Mar-15</b>	<b>31-Dec-14</b>	<b>31-Dec-14</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>	<b>Omani Rial</b>	<b>Malaysian Ringgit</b>	<b>Australian Dollar</b>	<b>Indonesian Rupiah</b>	<b>Brazilian Real</b>	<b>South African Rand</b>		
	<b>Exchange rate on the last day of financial year</b>	<b>163.73</b>	<b>16.88</b>	<b>51.68</b>	<b>0.01</b>	<b>19.22</b>	<b>5.12</b>	-	-
1	Share capital (including share application money pending allotment)	92.75	168.75	85.13	0.26	2.69	3.84	695.45	0.01
2	Reserves	(92.67)	308.78	(60.49)	(39.34)	(2.73)	(1.20)	(230.26)	(0.03)
3	Liabilities	399.37	441.45	12.60	95.78	0.03	0.33	918.58	0.02
4	Total liabilities	399.45	918.98	37.24	56.70	(0.01)	2.97	1383.77	0.00
5	Total assets	399.45	918.98	37.24	56.70	(0.01)	2.97	1383.77	0.00
6	Investments	-	39.80	-	-	-	-	320.46	0.00
7	Turnover	339.05	1069.68	26.51	38.30	0.26	-	19.75	0.00
8	Profit before taxation	13.97	78.95	(5.97)	(4.92)	0.11	0.16	(1.49)	(0.00)
9	Provision for taxation	(12.60)	8.23	-	-	0.02	-	-	-
10	Profit after taxation	26.57	70.72	(5.97)	(4.92)	0.09	0.16	(1.49)	(0.00)
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	70.00	100.00	100.00	100.00	100.00	72.50	100.00	100.00



## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" (contd.)

₹ crore

Sr. no.	Sr. no.	65	66	67	68	69	70	71	72
	Particulars	L&T Realty FZE	L&T Power Limited	L&T-Valdel Engineering Limited	Hi-Tech Rock Products & Aggregates Limited	L&T Cutting Tools Limited	Bhilai Power Supply Company Limited	L&T-Sargent & Lundy Limited	Spectrum Infotech Private Limited
	<b>Financial year ending on</b>	<b>31-Dec-14</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>	<b>UAE Dirham</b>							
	<b>Exchange rate on the last day of financial year</b>	<b>17.16</b>	-	-	-	-	-	-	-
1	Share capital (including share application money pending allotment)	15.45	0.05	1.18	0.05	6.80	0.05	5.57	0.44
2	Reserves	(6.24)	4.38	58.86	2.21	30.76	-	57.74	16.09
3	Liabilities	0.03	0.04	27.05	20.76	34.67	8.81	40.06	10.82
4	Total liabilities	9.24	4.47	87.09	23.02	72.23	8.86	103.37	27.35
5	Total assets	9.24	4.47	87.09	23.02	72.23	8.86	103.37	27.35
6	Investments	-	4.45	0.33	-	0.42	-	59.05	-
7	Turnover	-	-	121.04	85.93	164.41	-	111.07	13.50
8	Profit before taxation	0.08	0.20	18.37	0.47	25.27	-	17.43	1.49
9	Provision for taxation	-	-	8.10	0.24	2.96	-	5.82	0.48
10	Profit after taxation	0.08	0.20	10.27	0.23	22.31	-	11.61	1.01
11	Interim dividend - equity	-	-	-	-	12.24	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	8.35	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	100.00	99.99	100.00	100.00	100.00	99.90	50.001	100.00

Sr. no.	Sr. no.	73	74	75	76	77	78	79	80
	Particulars	Larsen & Toubro LLC	L&T Shipbuilding Limited	L&T-Gulf Private Limited	L&T Electricals and Automation Limited	L&T Seawoods Limited	L&T Rajkot - Vadinar Tollway Limited	Kesun Iron & Steel Company Private Limited	L&T Special Steels and Heavy Forgings Private Limited
	<b>Financial year ending on</b>	<b>31-Dec-14</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>	<b>USD</b>							
	<b>Exchange rate on the last day of financial year</b>	<b>63.04</b>	-	-	-	-	-	-	-
1	Share capital (including share application money pending allotment)	0.33	1405.86	8.00	0.05	2206.75	110.00	0.01	566.60
2	Reserves	1.78	(1526.03)	12.69	(0.02)	828.54	(213.14)	(0.26)	(790.01)
3	Liabilities	1.48	4902.37	7.53	0.02	230.89	1114.87	0.25	1898.12
4	Total liabilities	3.59	4782.20	28.22	0.05	3266.18	1011.73	0.00	1674.71
5	Total assets	3.59	4782.20	28.22	0.05	3266.18	1011.73	0.00	1674.71
6	Investments	-	8.39	0.39	-	4.72	-	-	-
7	Turnover	7.66	589.38	20.03	-	107.95	85.75	-	101.97
8	Profit before taxation	0.24	(673.47)	3.72	(0.00)	(1.41)	(71.19)	(0.00)	(279.84)
9	Provision for taxation	0.05	-	1.35	0.00	-	-	-	-
10	Profit after taxation	0.19	(673.47)	2.37	(0.00)	(1.41)	(71.19)	(0.00)	(279.84)
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	100.00	97.00	50.002	100.00	100.00	97.45	95.00	74.00

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" (contd.)

₹ crore

Sr. no.	Sr. no.	81	82	83	84	85	86	87	88
	Particulars	L&T Howden Private Limited	L&T Sapura Shipping Private Limited	L&T Sapura Offshore Private Limited	Ewac Alloys Limited	L&T Kobelco Machinery Private Limited	L&T - MHPs Boilers Private Limited	L&T - MHPs Turbine Generators Private Limited	PNG Tollway Limited
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>								
	<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-	-	-
1	Share capital (including share application money pending allotment)	30.00	158.85	0.01	8.29	50.00	234.10	710.60	169.10
2	Reserves	(9.83)	17.51	(0.13)	83.33	(20.50)	265.97	(446.66)	(224.47)
3	Liabilities	114.10	532.00	22.40	81.36	92.91	2444.85	2216.35	1737.67
4	Total liabilities	134.27	708.36	22.28	172.98	122.41	2944.92	2480.29	1682.30
5	Total assets	134.27	708.36	22.28	172.98	122.41	2944.92	2480.29	1682.30
6	Investments	-	-	-	-	-	584.48	-	-
7	Turnover	115.28	177.79	36.65	239.70	95.11	1228.61	614.75	78.63
8	Profit before taxation	1.90	8.82	(0.56)	64.37	2.72	181.37	(116.14)	(153.62)
9	Provision for taxation	(0.10)	0.61	0.01	21.79	-	59.06	16.31	-
10	Profit after taxation	2.00	8.21	(0.57)	42.58	2.72	122.31	(132.45)	(153.62)
11	Interim dividend - equity	-	-	-	31.19	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	50.10	60.00	60.00	100.00	51.00	51.00	51.00	72.77

Sr. no.	Sr. no.	89	90	91	92	93	94	95	96
	Particulars	L&T Cassidian Limited	L&T Infra Investment Partners Advisory Private Limited	L&T Infra Investment Partners Trustee Private Limited	L&T Vrindavan Properties Limited	L&T Access Distribution Services Limited	L&T BPP Tollway Limited	L&T Deccan Tollways Limited	L&T Valves Limited
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>								
	<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-	-	-
1	Share capital (including share application money pending allotment)	0.05	5.00	0.10	18.75	6.00	247.20	68.50	18.00
2	Reserves	(0.01)	(2.73)	(0.05)	95.89	(12.59)	(3.78)	(1.07)	366.39
3	Liabilities	0.00	7.73	0.02	508.96	15.23	2197.23	330.15	754.22
4	Total liabilities	0.04	10.00	0.07	623.60	8.64	2440.65	397.58	1138.61
5	Total assets	0.04	10.00	0.07	623.60	8.64	2440.65	397.58	1138.61
6	Investments	-	4.61	0.06	175.37	-	3.20	0.60	-
7	Turnover	-	12.61	0.03	2.89	6.64	-	-	1354.90
8	Profit before taxation	(0.00)	6.55	0.00	126.25	(2.40)	(0.02)	(0.05)	200.48
9	Provision for taxation	-	2.16	0.00	11.09	(0.03)	0.08	-	61.99
10	Profit after taxation	(0.00)	4.39	0.00	115.16	(2.37)	(0.10)	(0.05)	138.49
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	74.00	72.95	72.95	72.95	72.95	97.45	97.45	100.00

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" (contd.)

₹ crore

Sr. no.	Sr. no.	97	98	99	100	101	102	103	104
	Particulars	L&T Housing Finance Limited	Consumer Financial Services Limited	Family Credit Limited	L&T Capital Markets Limited	L&T Infra Debt Fund Limited	L&T Technology Services Limited	Larsen & Toubro Infotech South Africa (PTY) Limited	Thalest Limited
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>	-	-	-	-	-	-	South African Rand	British Pound
	<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-	5.12	92.47
1	Share capital (including share application money pending allotment)	81.42	1.00	204.31	22.75	404.30	1050.00	0.27	1.24
2	Reserves	255.72	(0.61)	341.22	(17.05)	46.37	6.74	1.28	6.92
3	Liabilities	3821.40	0.01	3249.71	6.56	477.18	650.48	21.85	-
4	Total liabilities	4158.54	0.40	3795.24	12.26	927.85	1707.22	23.40	8.16
5	Total assets	4158.54	0.40	3795.24	12.26	927.85	1707.22	23.40	8.16
6	Investments	260.91	-	176.15	4.66	203.59	6.10	-	0.46
7	Turnover	353.86	-	635.36	33.06	14.34	2560.59	76.05	-
8	Profit before taxation	53.45	0.00	101.89	(4.12)	30.04	379.10	1.12	(0.29)
9	Provision for taxation	18.34	0.00	29.03	-	-	63.92	0.36	-
10	Profit after taxation	35.11	0.00	72.86	(4.12)	30.04	315.18	0.76	(0.29)
11	Interim dividend - equity	-	-	-	-	-	156.82	-	-
12	Interim dividend - Preference	-	-	-	-	-	58.18	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	72.95	72.95	72.95	72.95	72.95	100.00	74.90	100.00

Sr. no.	Sr. no.	105	106	107	108	109	110	111	112
	Particulars	Servowatch Systems Limited	Larsen Toubro Arabia LLC	Henikwon Corporation SDN BHD	L&T Infrastructure Engineering Limited	L&T Thales Technology Services Private Limited	Information Systems Resource Centre Private Limited	L&T Technology Services LLC	Mudit Cement Private Limited
	<b>Financial year ending on</b>	<b>31-Mar-15</b>	<b>31-Dec-14</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>31-Mar-15</b>
	<b>Currency</b>	British Pound	Saudi Riyal	Malaysian Ringgit				USD	
	<b>Exchange rate on the last day of financial year</b>	<b>92.47</b>	<b>16.80</b>	<b>16.88</b>	-	-	-	62.50	-
1	Share capital (including share application money pending allotment)	23.58	16.80	10.88	3.60	2.05	3.50	0.06	2.10
2	Reserves	(30.78)	(22.72)	(23.77)	30.57	(3.39)	18.48	(4.89)	(4.59)
3	Liabilities	56.04	315.81	25.60	14.91	13.89	5.65	80.43	34.95
4	Total liabilities	48.84	309.89	12.71	49.08	12.55	27.63	75.60	32.46
5	Total assets	48.84	309.89	12.71	49.08	12.55	27.63	75.60	32.46
6	Investments	-	-	-	0.60	-	7.03	-	-
7	Turnover	60.19	425.01	76.25	35.56	24.59	53.91	44.94	-
8	Profit before taxation	(14.39)	(19.05)	(0.49)	(1.53)	0.46	19.96	(7.62)	(3.52)
9	Provision for taxation	-	-	-	(0.68)	-	6.99	(2.83)	-
10	Profit after taxation	(14.39)	(19.05)	(0.49)	(0.85)	0.46	12.97	(4.79)	(3.52)
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	100.00	75.00	100.00	100.00	74.00	100.00	100.00	72.95

## Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part A: "Subsidiaries" (contd.)

₹ crore

Sr. no.	Sr. no.	113	114	115	116	117	118	119	120
	Particulars	Kudgi Transmission Limited	L&T Sambalpur-Rourkela Tollway limited	L&T Construction Equipment Limited	L&T Hydrocarbon Engineering Limited	L&T Information Technology Services (Shanghai) Co., Ltd.	L&T IDPL Trustee Manager Pte. Ltd.	Larsen & Toubro Hydrocarbon International Limited LLC	Kana Controls General Trading & Contracting Company W.L.L
	<b>Financial year ending on</b>	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14	31-Mar-15
	<b>Currency</b>					Chinese Yuan Renminbi	Singapore Dollar	Saudi Riyal	Kuwaiti Dinars
	<b>Exchange rate on the last day of financial year</b>	-	-	-	-	10.38	45.48	16.80	208.06
1	Share capital (including share application money pending allotment)	154.00	96.35	120.00	1500.05	0.73	5.98	0.84	2.08
2	Reserves	(1.55)	(1.36)	115.08	(612.24)	(0.83)	(4.39)	(1.39)	(1.23)
3	Liabilities	503.47	226.08	188.49	4522.26	1.02	0.60	35.67	10.18
4	Total liabilities	655.92	321.07	423.57	5410.07	0.92	2.19	35.12	11.03
5	Total assets	655.92	321.07	423.57	5410.07	0.92	2.19	35.12	11.03
6	Investments	1.14	6.68	-	-	-	-	-	-
7	Turnover	-	-	389.09	5723.35	1.91	-	-	30.09
8	Profit before taxation	(0.95)	(1.29)	33.16	(1002.36)	(0.40)	(4.53)	(0.30)	(0.53)
9	Provision for taxation	0.03	-	11.22	(348.23)	-	-	-	-
10	Profit after taxation	(0.98)	(1.29)	21.94	(654.13)	(0.40)	(4.53)	(0.30)	(0.53)
11	Interim dividend - equity	-	-	-	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-	-	-
15	% of share holding	97.45	97.45	100.00	100.00	100.00	97.45	100.00	49.00

Sr. no.	Sr. no.	121	122	123	124	125	126
	Particulars	L&T Capital Company Limited	L&T Trustee Company Private Limited	L&T Solar Limited	L&T Natural Resources Limited	L&T PowerGen Limited	Raykal Aluminium Company Private Limited
	<b>Financial year ending on</b>	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15
	<b>Currency</b>						
	<b>Exchange rate on the last day of financial year</b>	-	-	-	-	-	-
1	Share capital (including share application money pending allotment)	22.00	0.01	0.05	0.05	0.05	0.05
2	Reserves	8.54	(0.01)	(0.01)	(6.34)	(0.01)	0.39
3	Liabilities	0.08	0.00	0.01	6.39	0.01	0.49
4	Total liabilities	30.62	0.00	0.05	0.10	0.05	0.93
5	Total assets	30.62	0.00	0.05	0.10	0.05	0.93
6	Investments	5.56	-	-	-	-	-
7	Turnover	2.46	-	-	-	-	-
8	Profit before taxation	7.18	(0.00)	(0.00)	(0.01)	(0.00)	(0.03)
9	Provision for taxation	1.58	-	-	-	-	-
10	Profit after taxation	5.60	(0.00)	(0.00)	(0.01)	(0.00)	(0.03)
11	Interim dividend - equity	2.88	-	-	-	-	-
12	Interim dividend - Preference	-	-	-	-	-	-
13	Proposed dividend - equity	-	-	-	-	-	-
14	Proposed dividend - preference	-	-	-	-	-	-
15	% of share holding	100.00	100.00	100.00	100.00	100.00	75.50

# Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

## Part B: "Associates/Joint ventures"

Sr. no.	Sr. no.	1	2	3	4	5	6	7	8
	Name Of Associates / Joint ventures	Feedback Infra Private Limited	L&T- Chiyoda Limited	International Seaports (Haldia) Private Limited	L&T Infrastructure Engineering Limited (Formerly known as L&T- Ramboll Consulting Engineers Limited)	L&T Camp Facilities LLC	Rishi Consfab Private Limited	Vizag IT Park Limited	JSK Electicals Private Limited
1	Latest audited Balance Sheet date	31-03-2015	31-03-2015	31-03-2014	08-09-2014	31-12-2014	31-03-2015	31-03-2015	31-03-2014
2	Shares of Associate/Joint Ventures held by the company at the year end								
	Number	3,790,000	4,500,000	9,830,000	1,800,000	2,450	2,704,000	2,340,000	2,120,040
	Amount of Investment in Associates/Joint Venture (₹ crore)	37.90	4.50	9.83	1.80	4.17	2.70	2.34	2.12
	Total No of shares	16,361,704	9,000,000	44,058,020	3,600,000	5,000	10,400,000	9,000,000	8,154,000
	Extent of Holding %	16.89%	50.00%	21.74%	50.00%	49.00%	26.00%	23.14%	26.00%
3	Description of how there is significant influence	Refer Note 1							
4	Reason why the associate/joint venture is not consolidated								
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ crore)	12.24	51.80	17.91	15.56	(0.84)	1.39	4.55	2.57
6	Profit / Loss for the year (₹ crore)								
	Considered in Consolidation	17.12	4.68	5.83	(3.87)	3.52	(2.64)	4.55	0.91
	Not Considered in Consolidation								

Sr. no.	Sr. no.	9	10	11	12	13
	Name Of Associates / Joint ventures	Larsen & Toubro Qatar & HBK Contracting LLC	Salzer Electronics Limited	Magtorq Private Limited	Gujarat Leather Industries Limited	Indiran Engineering Projects & Systems Kish PJSC
1	Latest audited Balance Sheet Date	31-Dec-14	31-Dec-14	31-Mar-15		31-Mar-15
2	Shares of Associate/Joint Ventures held by the company on the year end					
	Number	100	2,679,808	9,000	735,000	875
	Amount of Investment in Associates/Joint Venture (₹ crore)	0.17	16.33	4.42	0.56	0.39
	Total No of shares	200	10,283,737	21,003	Refer Note 4	1,750
	Extent of Holding %	50.00%	26.06%	42.85%	50.00%	50.00%
3	Description of how there is significant influence	Refer Note 1				
4	Reason why the associate/joint venture is not consolidated		Refer Note 5		Refer Note 4	Refer Note 2
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ crore)	(4.04)	27.12	4.49	-	(0.14)
6	Profit / Loss for the year (₹ crore)					
	Considered in Consolidation	0.03	10.57	(1.26)	0	(0.06)
	Not Considered in Consolidation					

### Notes:

1. Significant influence is demonstrated by holding 20% or more of the voting power of the investee ( Para 4 of AS 23 - Accounting for Investments in Associates)
2. The Incorporated joint venture is not required to be audited as per regulatory laws in Iran. Hence the management certified accounts have been considered for consolidation.
3. The Group has sold its stake in The Dharma Port Company Limited , an incorporated joint venture and NAC Infrastructure Equipment Limited, an associate company during FY 2014-15.
4. The associate company is under liquidation process and investment is fully provided in the accounts.
5. The profit consolidated for FY 2014-15 is for twelve months period January 2014-December 2014, associate company being listed entity.

A. M. NAIK  
Group Executive Chairman (DIN 00001514)

K. VENKATARAMANAN  
Chief Executive Officer &  
Managing Director (DIN 00001647)

R. SHANKAR RAMAN  
Chief Financial Officer &  
Whole-time Director (DIN 00019798)

M. M. CHITALE (DIN 00101004)

SUBODH BHARGAVA (DIN 00035672)

M. DAMODARAN (DIN 02106990)

SUNITA SHARMA (DIN 02949529)

SUSHOBHAN SARKER (DIN 00088276)

Mumbai, May 30, 2015

N. HARIHARAN  
Company Secretary

Directors

Mumbai, May 30, 2015

## MILESTONES TO A STRONGER INDIA

Nations committed to peace must possess the strength to deter those who seek conflict. L&T designs and manufactures weapons and missile systems for land, sea and air that can seek out, engage and neutralize an enemy.







# LARSEN & TOUBRO LIMITED

Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.

CIN: L99999MH1946PLC004768

## Shareholder's Satisfaction Survey Form – 2015

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](http://www.Larsentoubro.com). The duly filled in questionnaire can be sent by e-mail to [IGRC@Larsentoubro.com](mailto:IGRC@Larsentoubro.com).

Thank You,

**N. Hariharan**

*Company Secretary*

Name & Address of the  
Shareholder

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Folio No. / DP ID / Client ID

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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 2014-15			
Please give your overall rating of our investor service (1 to 5 where 1 = highly dissatisfied and 5 = highly satisfied)			
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.

## Route Map to the AGM Venue





## MILESTONES TO A GREENER INDIA

Our commitment to a clean and green environment is best expressed in our performance record. A million trees planted. All our 28 major campuses are zero discharge, with 5 being water positive. 14 certified green buildings and one certified green factory within our campuses. Around 46 million sq. ft. of green buildings constructed.







## MILESTONES TO A MORE COHESIVE INDIA

The railways have always been regarded as a unifying force, helping to connect far-flung regions of India, and turning unfamiliar countrymen into co-travellers on a journey of shared experiences. L&T has decades of experience in providing integrated solutions to India's railways. We are engaged in prestigious projects like the Dedicated Freight Corridor and metro systems in major cities.





## 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](http://www.Larsentoubro.com)



