

## Annexure 'A' to the Board Report

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

### [A] CONSERVATION OF ENERGY:

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

- Retrofitting of CNC Plasma Cutting machine with energy efficient drive system.
- Retrofitting of EOT crane of 15T capacity with energy efficient drives, IE2 class motors and improved feedback mechanism.
- Retrofitting of electrical panels of Air compressors and ETP area gantry cranes with energy efficient switch gears.
- Maintaining Unity Power Factor at distribution level through APFC controller.
- Compressed air management through "Tag-Your-Leak" Program.
- Compressor using X8I-Air Manager for Blasting and Painting.
- Dedicated adequate rating 15 HP compressor instead of 160 KW Compressor for Grit collection and Painting Operation.
- Replacing aged inefficient Pumps (Water, Sewage & HVAC ) with energy efficient ones.
- Replacing aged inefficient Split AC units with energy efficient units.
- Utilization of Chiller for HVAC System – Campus FMD initiated and controlled the chiller running hour for HVAC on holidays and extended working hours.
- Initiated replacement of Air-Cooled Chiller with Water Cooled Chiller.
- Power generation through Solar Roof top PV installation.
- Commissioned Air Compressor with Variable Speed Drive which reduced the air pressure from 5.5 to 6.5 bar to 5.2 bar constant pressure.
- Utilization of Solar Lights for lighting around compound walls.
- Developed Panasonic make MIG Welding Machines.
- Installed Magnetic Resonators in all furnaces - 100% furnace charges are conducted with

burners which are equipped with magnetic resonators.

- Successfully completed Bureau Veritas Surveillance audit Of ISO50001 Energy Management System of all 3 ASW ESP MFG. campus.
  - Zinc Recovery machines installed to recover zinc from zinc ash generated during galvanizing process.
  - Installed gantry cranes, for reducing hydra usage thereby saving requirement of High Speed Diesel.
  - Increased use of digital collaboration tools such as Microsoft Teams and Virtual Inspections led to reduced travel and carbon footprint.
  - Adoption of Integrated Vehicle Management System led to fuel savings.
  - Implementation of Digital Smart Building - A. M. Naik Tower with Cisco Software Defined Network and LTTS iBEMS solution.
  - Usage of PoE (Power Over Ethernet) based devices.
  - Reduction in the MD-Demand in EB 315 KVA to 200 KVA in Chennai.
  - Implemented IOT Based Energy Meter in main incomer to monitor the power consumption.
- #### (ii) Steps taken by the Company for utilizing alternate sources of energy:
- Shift towards usage of windmill power in the place of State Electricity Board.
  - Dedicated motor for oil cooling to reduce energy consumption.
  - Development of IE3 Class Motor for OTR Presses.
  - Use of Therminol Fluid in place of Steam heating for 55" Tube Presses.
  - Implemented 120w led luminaries instead of 250w HPMH lamp in Shop floor and Energy saved 3500 KWH / Annum.
  - Implemented VFD drive in Line 1 De dusting and energy saved 66000 KWH/Annum.
  - Rainwater harvesting implemented.
  - Replacement of Mono-block pumps; B-class insulation with F-class insulation, SS impeller + shaft, Mechanical seal Mono-block pump.

- Time based ON /OFF compressor controller implemented and Energy saved 9000 KWH / Annum.
- Installed Solar panels at project sites.
- Alternate usage of M-sand instead of Natural Sand at all project sites helped in conserving the natural resources.
- Usage of alternative solution of curing compound for all vertical structures in the projects.
- Developed in-house hybrid light masts and deployed it across sites.
- Installation of customised solar panels for weighbridges.
- Installation of online emission monitoring system for tracking real-time pollution level status to remain energy efficient.

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

- Use of High-Tension breakers maintenance (for effective monitoring of power consumption).
- Transformer Oil servicing towards effective functioning and reducing heat losses.
- Installation of Auto Cut off sensors.
- Use of zero speed ship fin stabilizer and Ship Degaussing Technology.
- Capability enhancement in underwater Acoustic simulation.
- Installation of POE based devices – Switched, Wi-Fi, IP Telephone, Cameras.
- Implemented iBEMS solutions with Sensors at various touch points.

The measures taken have resulted in savings in cost of production, power consumption and processing time at all locations.

**[B] TECHNOLOGY ABSORPTION:**

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

- Technology developed for design and supply of Molten Salt Bath Reactor (MSBR) systems.
- Development of improved design of Boiler for ammonia synthesis process. The application for Indian patent is in progress.
- Advanced manufacturing simulation technology for 3D analysis of overlay induced distortion in

local region. The Technology is implemented for various complex on-site fabrication jobs.

- In-house design developed for cryogenic service Vaporisers, which are critical for equipment operating in cyclic service.
- Capability development for design of components with consideration of advanced creep-fatigue interaction evaluations.
- Development of chemical process technology in the area of residue up-gradation (Petroleum Refining) and Coal/Petcoke Gasification.
- Developed manufacturing technology for Titanium Steam Generators.
- Advanced welding process implemented for Coke Drum overlay, resulting in quantum improvement in quality and productivity.
- 3-D printing of critical fixtures yielded excellent flexibility to manufacturing of complex designs.
- POC for Wireless HMI successfully demonstrated on IOT welding station.
- Successful implementation of predictive maintenance through use of connected sensors and in-house developed data processing software
- Launching Girder, Straddle carrier and Girder transporter required for High speed rail projects.
- Developed cascading chute (Telescopic chute with adjustable height to control the material fall while stacking).
- Developed Wagon loading system by traverser/ ejector/ side arm charger.
- Introduced grid collection trolley for quick sucking of the grids.
- Developed UVGI installation in air handling units for increased cooling efficiency.
- Introduced batch curing process.
- Joint collaborative effort undertaken with SINTEF (Norway) for RCA Sand production.
- Digital system developed to list full kitting, track each equipment/material packed, containerized and shipped to ensure full traceability and reliability.
- Developed Robotic Process Automation systems (RPA) for repetitive activities of the F&A and IT teams.

- Developed in-house solutions (Privilege Management System) to enable IT secured remote access to the project servers for work from home.
- Developed Scrap and End Bit Rod in Our P42 Manual Bending Machine for MLCP Project size.
- Implementation of cured tyre handling Automation system, load control for 84" cracker Mill through Digital load cell arrangement, OTR Presses for Tulip Mold and OTR – Radial II Stage Tire building.
- Development of higher capacity surface miner for coal application.
- Developed Bulk Reception unit for feeding coal after receiving from dumper.
- Developed tertiary reversible impact crusher (RI6363T).
- Implemented RFID system in Shop floor machine to ensure authorized operation and to reduce idle running hours and Energy consumption.
- Pilot with CISCO on new POE based technologies.
- Virtual Site visit and Audit using Internet enabled Goggles by Project team and Vendors.
- Adopted Precast Ballastless Slab Track manufactured in a sophisticated factory-controlled setup.
- Development of highway and aircraft pavement design with cement-treated sub-base optimizing the pavement crust thickness by 15% to 20%.
- Adoption of introjected walls as an alternative to conventional retaining walls.
- Flexible pavement overlay design using falling weight deflectometer data.
- Usage of Geocomposite drains as an alternative to conventional filter media.
- Installation of 3D kits in Graders, excavators, pavers and base stations at project sites.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**

- Reduction in carbon footprint by usage of GGBS (Ground Granulated Blast furnace Slag), Flyash and Admixtures.
- Usage of Curing Compound which are paint like and are applied on the finish structures to achieve the maximum strength.
- Developed first-of-its-kind crowd management system that proactively interprets crowd dynamics and provides timely alerts.
- Deployed Computer Vision enabled Pothole detection algorithm to notify city authorities on areas with high intensity of potholes.
- Development of Amogh acts as import substitution for applications of oceanographic surveys up to depth of 1000 m.
- Development of efficient hull forms to select lower capacity propulsion systems, which is a major cost element in the ships.
- Integration of new communication technologies such as 4G, NBIoT and LoRa in the Smart Meters.
- Usage of smart glass for remote project review and remote inspection at vendor's saves travel time and cost.
- Increased self-reliance and savings in Foreign Exchange in process plant, refinery and power plant equipment sector.
- Reduction in production cycle time, cost and rework due to implementation of advanced manufacturing.
- Continuous improvement in on-site fabrication capability.
- Developed a new resurfacing technology for bridge decks with light weight concrete, geotextiles and asphalt concrete.
- Implemented optimized pavement overlay solution by LTCRTC for foundation structures.
- PID Technology to reduce energy wastage.

**(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)	Magnetic Field Analysis for Underground 220kV Power cables inside Power Duct	2018	Electromagnetic Field for Underground Cables inside Power Duct with different level depths for Amaravati Projects has been done and analyzed which henceforth concluded with a satisfactory result, Field Strength being under the acceptable electromagnetic pollution limit set to protect health of the public.
b)	Verse Equipment	2019	Non-destructive measurement of stress-free temperature of track.
c)	Electrical Storage System	2019	The Electrical Storage System (ESS) are capable of storing energy and powering trains during failure of Traction Supply. ESS system are also capable of voltage stabilization-smoothing the voltage fluctuation caused by normal traction operations. Optimization of both inverter capacity as well as battery capacity has been achieved for ESS system, leading to economies in project execution.

S. No.	Technology Imported	Year of Import	Status of absorption & reasons for non-absorption, if any
d)	DC Traction System Design	2019	Optimization of ratings of rectifiers and transformers using the overload capacity has also been developed, leading to economy in project execution.
e)	POE based devices	2020	Fully absorbed and helped in cost reduction.

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

₹ crore

	2020-21
Capital	11.11
Recurring	115.17
<b>Total</b>	<b>126.28</b>
Total R&D expenditure as a percentage of total turnover	0.16%

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

₹ crore

	2020-21
Foreign Exchange earned	5,435.29
Foreign Exchange saved / deemed exports	23.16
<b>Total</b>	<b>5,458.45</b>
Foreign Exchange used	5,602.50

## Annexure 'B' to the Board Report

### A. CORPORATE GOVERNANCE

Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining stakeholder trust and always seeks to ensure that its performance goals are met accordingly. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value. The Company had adopted many ethical and transparent governance practices even before they were mandated by law. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance.

### B. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

### C. THE GOVERNANCE STRUCTURE

The Company has four tiers of Corporate Governance structure, viz.:

- (i) **Strategic Supervision** – by the Board of Directors comprising the Executive, Non-Executive Directors and Independent Directors.
- (ii) **Executive Management** – by the Executive Committee (ECom) comprising of the Chief Executive Officer and Managing Director, 7 Executive Directors and a few senior leaders.
- (iii) **Strategy and Operational Management** – by the Independent Company Boards of each Independent Company (IC) (not legal entities) comprising of representatives from the Company's Board, Senior Executives from the IC and independent members.
- (iv) **Operational Management** – by the Business Unit (BU) Heads.

The four-tier governance structure, besides ensuring greater management accountability and credibility, facilitates increased autonomy to the businesses, performance discipline and development of business leaders, leading to increased public confidence.

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

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

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also provides strategic direction, reviews and approves management's business objectives, plans and oversees risk management.

#### b. The Group Chairman (GC):

The GC is the Chairman of the Board. His primary role is to provide leadership to the Board and guidance and mentorship to the CEO & MD and Executive Directors for realizing the approved strategic plan and business objectives. He presides over the Board and the Shareholders' meetings.

#### c. Executive Committee (ECom):

The ECom provides a companywide operations review and plays a key role in strengthening linkages between the ICs and the Company's Board, as well as in rapidly realizing inter-IC synergies. In addition, the ECom deliberates upon strategic and tactical issues that cut across ICs and Corporate. The agenda includes:

- Review of major order prospects (Standalone/ Group) / “Integrated offerings”
- Review of consolidated financials including working capital, cash flow, capital structure, etc.
- Review of Monthly / Quarterly / Yearly financial performance
- Review of Revenue, Capital and Manpower Budget and performance there against
- Review and discuss strategic issues which impact the entire organization, viz.,
  - i. International business expansion
  - ii. IC synergies
  - iii. HR Update/ Talent Management / Service contract extensions for senior management personnel / Leadership development and succession planning
  - iv. Digitalization and Analytics initiatives
  - v. Managing the current covid scenario, both business and humane side for all stakeholders
- Approval of common policies
- Sharing of best practices
- Strategic plans and business portfolio reviews

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

The CEO & MD is fully accountable to the Board for the Company’s business development, operational excellence, business results, leadership development and other related responsibilities.

**e. Executive Directors (ED) / Senior Management Personnel:**

The Executive Directors, as members of the Board, along with the Senior Management Personnel in the ECom, contribute to the strategic management of the Company’s businesses within Board approved direction and framework. They assume overall responsibility for strategic management of business and corporate functions including its governance processes and top management effectiveness.

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

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

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

As a part of Lakshya 2010-2015 strategic plan, the Company decided to have Hybrid Holdco Structure. Each Independent Company (IC) has a Board comprising of Members from the Parent Board, 2 or 3 Independent Members from the Industry and 2-3 Senior Executives of the IC. The IC Board helps the Business Head in bringing outside-in view and assessing the business performance.

**E. BOARD OF DIRECTORS**

**a. Composition of the Board:**

The Company’s policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors. As on 31st March 2021, the Board comprised the Group Chairman, the Chief Executive Officer & Managing Director, 7 Executive Directors, 2 Non-Executive Directors (representing financial institutions) and 8 Independent Directors, including one Independent Woman Director. The composition of the Board, as on 31st March 2021, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR Regulations’).

**b. Meetings of the Board:**

The Meetings of the Board are generally held at the Registered Office of the Company at L&T House, Ballard Estate, Mumbai 400 001 and whenever necessary, in locations, where the Company operates. However, in view of the COVID 19 pandemic and the restrictions on movement imposed by the government authorities, during FY 2021 Board Meetings were held through video conferencing. The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the year under review, 8 meetings were held on 9th April 2020, 5th June 2020, 11th July 2020, 22nd July 2020, 28th October 2020, 25th January 2021, 25th March 2021 and 26th March 2021.

The Independent Directors met on 18th May 2020, 28th May 2020, 20th July 2020 and 27th October 2020 to discuss, inter alia, the performance evaluation of the Board as a whole and assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Group Chairman / Chief Executive Officer & Managing Director and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board meets at least once every quarter, *inter alia*, to review the quarterly results. Additional meetings are held, whenever necessary. The meetings were conducted through video conference during the year. Presentations are made on business operations to the Board by Independent Companies / Business Units. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary. The respective Chairman of the Board Committees apprise the Board Members of the important issues and discussions in the Committee Meetings. Minutes of Committee meetings are also circulated to the Board.

The Minutes of the proceedings of the Meetings of the Board of Directors are noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. The minutes are approved and entered in the minutes book within 30 days of the Board meeting. Thereafter, the minutes are signed and dated by the Chairman of the Board at the next meeting.

The composition of the Board of Directors as on 31st March 2021 and 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	GC	8	8	Yes
Mr. S. N. Subrahmanyam	CEO & MD	8	8	Yes
Mr. R. Shankar Raman	ED	8	8	Yes
Mr. D. K. Sen	ED	8	8	Yes
Mr. M. V. Satish	ED	8	8	Yes
Mr. J. D. Patil	ED	8	8	Yes
Mr. Subramanian Sarma@	ED	8	8	Yes
Mr. S. V. Desai^	ED	6	6	Yes
Mr. T. Madhava Das ^	ED	6	6	Yes
Mr. M. M. Chitale	ID	8	8	Yes
Mr. Subodh Bhargava	ID	8	8	Yes
Mr. M. Damodaran	ID	8	8	No
Mr. Vikram Singh Mehta	ID	8	8	Yes
Mr. Adil Zainulbhai	ID	8	8	Yes
Mrs. Sunita Sharma*(Note 1)	NED	8	8	Yes
Mr. Sanjeev Aga	ID	8	8	Yes
Mr. Narayanan Kumar	ID	8	8	Yes
Mr. Hemant Bhargava (Note 1)	NED	8	8	Yes
Mrs. Preetha Reddy #	ID	2	2	NA

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

Note 1: Representing equity interest of LIC

@ Non-executive director upto 18th August 2020 and appointed as whole-time director w.e.f. 19th August 2020.

^ appointed as whole-time directors w.e.f. 11th July 2020.

# Appointed as an Independent Director w.e.f. 1st March 2021

\* Resigned as a Director w.e.f. 3rd May 2021 pursuant to withdrawal of nomination by LIC.

GC - Group Chairman

CEO & MD - Chief Executive Officer & Managing Director

ED - Executive Director

NED - Non-Executive Director

ID - Independent Director

- None of the above Directors are related inter se.
- None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 17A of the SEBI LODR Regulations.

As on 31st March 2021, the number of other Directorships and Memberships / Chairmanships of Committees of the Board of Directors along with the names of the listed entities (whose equity securities are listed) wherein the Director holds directorships are as follows:

Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship	Names of other Listed entities where he holds Directorship	Category of Directorship
Mr. A. M. Naik	5	0	0	Larsen & Toubro Infotech Limited	Non-Executive Chairman
				L&T Technology Services Limited	Non-Executive Chairman
				Mindtree Limited	Non-Executive Chairman
Mr. S. N. Subrahmanyam	5	0	0	Larsen & Toubro Infotech Limited	Non- Executive Vice- Chairman
				L&T Technology Services Limited	Non- Executive Vice- Chairman
				Mindtree Limited	Non- Executive Vice- Chairman
Mr. R. Shankar Raman	9	6	0	Larsen & Toubro Infotech Limited	Non-Executive Director
				L&T Finance Holdings Limited	Non-Executive Director
				Mindtree Limited	Non- Executive Director
Mr. D. K. Sen	6	0	0	Nil	
Mr. M. V. Satish	1	0	0	Nil	
Mr. J. D. Patil	1	1	0	Nil	
Mr. Subramanian Sarma @	3	0	0	Nil	
Mr. S. V. Desai^	4	0	0	Nil	
Mr. T. Madhava Das^	0	0	0	Nil	
Mr. M. M. Chitale	6	4	3	Atul Limited	Independent Director
				Larsen & Toubro Infotech Limited	Independent Director
				Bhageria Industries Limited	Independent Director
Mr. Subodh Bhargava	1	1	0	Batliboi Limited	Independent Director
Mr. M. Damodaran	8	4	4	Crisil Limited	Independent Director
				Hero Motocorp Limited	Independent Director
				Tech Mahindra Limited	Independent Director
				Biocon Limited	Independent Director
				Interglobe Aviation Limited	Chairman and Independent Director



Name of Director	No. of other company Directorships	No. of Committee Membership	No. of Committee Chairmanship	Names of other Listed entities where he holds Directorship	Category of Directorship
Mr. Vikram Singh Mehta	6	4	1	Colgate-Palmolive (India) Limited	Independent Director
				HT Media Limited	Independent Director
				Apollo Tyres Limited	Independent Director
				Mahindra & Mahindra Limited	Independent Director
				Jubilant Foodworks Limited	Independent Director
Mr. Adil Zainulbhai	7	4	5	Reliance Industries Limited	Independent Director
				Network18 Media & Investment Limited	Chairman and Independent Director
				Cipla Limited	Independent Director
				TV18 Broadcast Limited	Chairman and Independent Director
Mrs. Sunita Sharma*	1	2	1	Nil	
Mr. Sanjeev Aga	4	3	2	Larsen & Toubro Infotech Limited	Independent Director
				UFO Moviez India Limited	Chairman and Independent Director
				Pidilite Industries Limited	Independent Director
				Mahindra Holidays & Resorts India Limited	Independent Director
Mr. Narayanan Kumar	7	3	4	L&T Technology Services Limited	Independent Director
				Mphasis Limited	Independent Director
				Take Solutions Limited	Chairman and Independent Director
				Entertainment Network (India) Limited	Independent Director
				Indus Towers Limited	Independent Director
Mr. Hemant Bhargava	3	2	0	The Tata Power Company Limited	Nominee Director
				Voltas Limited	Non-Executive Director
				ITC Limited	Non- Executive Director
Mrs. Preetha Reddy #	9	2	0	Apollo Hospitals Enterprise Limited	Whole-time Director

## Notes:

^ appointed as whole-time directors w.e.f. 11th July 2020.

# Appointed as an Independent Director w.e.f. 1st March 2021

@ Non-executive director upto 18th August 2020 and appointed as Whole-time director w.e.f. 19th August 2020.

\* Resigned as a Director w.e.f. 3rd May 2021 pursuant to withdrawal of nomination by LIC.

- Other Company Directorships includes directorships in all public limited companies and excludes private limited companies, foreign companies and Section 8 companies.
- The details of Committee Chairmanships / Memberships are disclosed as per Regulation 26 of the SEBI LODR Regulations.

**c. Information to the Board:**

The Board of Directors are provided information relating to the Company, which *inter alia* includes-

- Annual revenue budgets and capital expenditure plans
- Quarterly results and results of operations of ICs and business segments
- Financing plans of the Company
- Minutes of meeting of Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee
- Details of any joint venture, acquisitions of companies or collaboration agreement or sale of investments, subsidiaries, assets and quarterly report on fatal or serious accidents or dangerous occurrences.
- Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any
- Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company
- Developments in respect of human resources/industrial relations
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any.

**d. Post-meeting internal communication system:**

The important decisions taken at the Board / Committee meetings are communicated to the concerned departments / ICs promptly. An Action Taken Report is regularly presented to the Board.

**e. Board Skill Matrix:**

The matrix setting out the skills / expertise/competence of the Board of Directors is given below:

Sr. No	Experience / Expertise / Attribute	Comments
1	Leadership	Ability to envision the future and prescribe a strategic goal for the Company, help the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/efforts in appropriate direction. Be a thought leader for the Company and be a role model in good governance and ethical conduct of business, while encouraging the organization to maximize shareholder value. Should have had hands on experience of leading an entity at the highest level of management practices.
2	Industry knowledge and experience	Should possess domain knowledge in businesses in which the Company participates viz. Infrastructure, Power, Heavy Engineering, Defence, Hydrocarbon, Financial Services, Information Technology and Technology Services. Must have the ability to leverage the developments in the areas of engineering and technology and other areas as appropriate for betterment of Company's businesses.
3	Experience and Exposure in policy shaping and industry advocacy	Should possess ability to develop professional relationship with the Policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company's businesses.
4	Governance including legal compliance	Commitment, belief and experience in setting corporate governance practices to support the Company's robust legal compliance systems and governance policies/practices.

Sr. No	Experience / Expertise / Attribute	Comments
5	Expertise/ Experience in Finance & Accounts / Audit / Risk Management areas	Ability to understand financial policies, accounting statements and disclosure practices and contribute to the financial/risk management policies/ practices of the Company across its business lines and geography of operations.
6	Global Experience / International Exposure	Ability to have access and understand business models of global corporations, relate to the developments with respect to leading global corporations and assist the Company to adapt to the local environment, understand the geo political dynamics and its relations to the Company's strategies and business prospects and have a network of contacts in global corporations and industry worldwide.

The above list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively, are available with the Board.

The mapping of the Skill Matrix for the FY 2021 for all the Directors is as follows:

Sr. No	Name of the Director	1	2	3	4	5	6
1.	Mr. A. M. Naik	√	√	√	√	√	√
2.	Mr. S. N. Subrahmanyam	√	√	√	√	√	√
3.	Mr. R. Shankar Raman	√	√	√	√	√	X
4.	Mr. D. K. Sen	√	√	X	√	X	√
5.	Mr. M. V. Satish	√	√	X	√	X	√
6.	Mr. J. D. Patil	√	√	√	√	X	X
7.	Mr. Subramanian Sarma	√	√	√	X	X	√
8.	Mr. S. V. Desai	√	√	X	√	X	√
9.	Mr. T. Madhava Das	√	√	X	√	X	√
10.	Mr. M. M. Chitale	√	X	√	√	√	X
11.	Mr. Subodh Bhargava	√	X	√	√	X	√
12.	Mr. M. Damodaran	√	X	√	√	√	X
13.	Mr. Vikram Singh Mehta	√	√	√	X	X	√
14.	Mr. Adil Zainulbhai	√	X	√	√	X	√
15.	Ms. Sunita Sharma^	√	X	√	√	√	X
16.	Ms. Naina Lal Kidwai*	√	X	√	√	√	X
17.	Mr. Sanjeev Aga	√	X	√	√	√	X
18.	Mr. Narayanan Kumar	√	√	√	X	√	X
19.	Mr. Hemant Bhargava	√	X	√	√	√	X

\* ceased to be a director w.e.f. 28th February 2021.

^ Resigned as a Director w.e.f. 3rd May 2021 pursuant to withdrawal of nomination by LIC.

Mrs. Preetha Reddy joined the Board on 1st March 2021. Her skill sets would be evaluated and reported in FY 2022.

Note: Absence of any skill does not necessarily mean that the Director does not possess the skill.

## F. BOARD COMMITTEES

The Board currently has 5 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Risk Management Committee. The terms of reference of the Board Committees are in compliance with the provisions of the Companies Act, 2013, SEBI LODR Regulations and are also reviewed by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the Company Secretary in consultation with the respective Committee Chairperson. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

### 1) Audit Committee

The Company constituted the Audit Committee (AC) in 1986, well before it was made mandatory by law.

#### i) Terms of reference:

The role of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing, with the management, the annual financial statements and the audit report before submission to the board for approval, with particular reference to:
  1. Matters required to be included in the Director's Responsibility Statement in the Board's report in terms of sub-section (5) of Section 134 of the Companies Act, 2013
  2. Changes, if any, in accounting policies and practices and reasons for the same
  3. Major accounting entries involving estimates based on the exercise of judgment by management
  4. Significant adjustments made in the financial statements arising out of audit findings
  5. Compliance with listing and other legal requirements relating to financial statements
  6. Disclosure of any related party transactions
  7. Qualifications in the draft audit report.
    - Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
    - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the 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, if any.
    - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
    - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department,

- reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors about any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Recommendation for appointment, remuneration and terms of appointment of cost auditors of the Company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Review the management discussion and analysis of financial condition and results of operations.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Reviewing the utilization of loans and/ or advances from/investment in the subsidiary companies exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## ii) Composition:

As on 31st March 2021, the Audit Committee comprised three Independent Directors.

## iii) Meetings:

During the year ended 31st March 2021, 8 meetings of the Audit Committee were held on 25th April 2020, 4th June 2020, 22nd July 2020, 26th August 2020, 27th October 2020, 15th December 2020, 23rd January 2021 and 1st March 2021.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. M. M. Chitale	Chairman	8	8
Mr. M. Damodaran	Member	8	8
Mr. Sanjeev Aga	Member	8	8
Mr. Narayanan Kumar*	Member	2	2

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

\* Ceased to be a member of the committee after the Audit Committee Meeting held on 4th June 2020.

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

The Chief Executive Officer & Managing Director, Whole-time Director & Chief Financial Officer and Head - Corporate Audit Services are permanent invitees to the Meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

**iv) Internal Audit:**

The Company has an internal corporate audit team consisting of Chartered Accountants / Cost Accountants and Engineers. Over a period, the Corporate Audit Services department (“CAS”) has acquired in-depth knowledge about the Company, its businesses, its systems and procedures, which knowledge is now institutionalized. The Company’s Internal Audit function is ISO 9001:2015 certified. The Head of CAS reports to the Audit Committee. The staff of CAS is rotated periodically to have a holistic view of the entire operations and share the findings and good practices.

The CAS team carries out theme-based audits (revenue recognition, IT controls, etc.), joint audits with other corporate departments for specific functions, identifies risk-based focus areas in project audits, benchmarks the audit processes with large companies, encourages its team members to obtain globally renowned CISA, CIA and CFE Certification, etc. Every year, the CAS reviews the Audit Universe which is an exhaustive list of businesses, functions, activities and locations across the Company and the yearly plan then details out the scope and coverage of audits proposed for the year. It is ensured that, on an average, all operations in the Audit Universe gets into an audit coverage, at least once in 2 years. The CAS team has its offices at Mumbai and Chennai and all overseas audits are shared between these two teams.

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

The CAS team of the Company also covers the internal audit of all ICs and Subsidiary Companies. An in-depth audit is conducted by the team. The major deviations are highlighted and discussed with the concerned IC and / or subsidiary company Boards and the report highlighting the

variations and the suggested corrective actions are also placed before the Audit Committee/Board of the Company. Some subsidiaries have engaged external firms for conducting internal audit.

**2) Nomination and Remuneration Committee (NRC)**

The Nomination and Remuneration Committee was constituted in 1999, before it was mandated by law.

**i) Terms of reference:**

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
- Recommend to the Board appointment and removal of such persons;
- Formulate criteria for determining qualifications, positive attributes and independence of a director;
- Devise a policy on Board diversity;
- Formulation of criteria and carrying out evaluation of individual Directors, Chairman, Board and the Board Committees;
- Recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel (KMP) and senior management;
- Administration of Employee Stock Option Scheme (ESOS).

**ii) Composition:**

As at 31st March 2021, the Committee comprised 3 Independent Directors and the Group Chairman.

**iii) Meetings:**

During the year ended 31st March 2021, 5 meetings of the Nomination and Remuneration Committee were held on 5th June 2020, 4th July 2020, 22nd July 2020, 28th October 2020 and 25th January 2021.

The attendance of Members at the Meetings was as follows:

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. Subodh Bhargava	Chairman	5	5
Mr. A. M. Naik	Member	5	5
Mr. Adil Zainulbhai	Member	5	5
Mr. Narayanan Kumar *	Member	4	4

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

\* Appointed as a member w.e.f. 5th June 2020

#### 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, leadership and managerial qualities, practical wisdom, ability to read and understand financial statements, commitment to ethical standards and values of the Company and there are healthy debates and sound decisions.

While evaluating the suitability of a Director for re-appointment, besides the above criteria, the NRC considers Board evaluation results, attendance and participation in and contribution to the activities of the Board by the Director.

The Independent Directors satisfy the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and all the applicable provisions of the SEBI LODR Regulations. While appointing / re-appointing any Independent Directors / Non-Executive Directors on the Board, the NRC considers the criteria as laid down in the Companies Act, 2013 and the SEBI LODR Regulations.

Each Independent Director gives a certificate confirming that they meet the

“independence criteria” as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI LODR Regulations.

The Board has taken on record the declaration and confirmation submitted by the Independent Directors and after assessing the veracity of the same, the Board is of the opinion that the Independent Directors fulfill the conditions specified in the SEBI LODR Regulations and are independent of the management.

These certificates have been placed on the website of the Company  
<https://investors.larsentoubro.com/corporategovernance.aspx>

#### v) Remuneration Policy:

The remuneration of the Board members is based on the Company's size and global presence, its economic and financial position, industrial trends, compensation paid by the peer companies, etc. Compensation reflects each Board member's 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 and retirement benefits (fixed components) and commission (variable component), based on recommendation of the NRC, approval of the Board and the shareholders. The commission payable is based on the overall performance of the Company, performance of the business / function as well as qualitative factors. The commission is calculated with reference to net profits of the Company in the financial year subject to overall ceilings stipulated under Section 197 of the Companies Act, 2013.

The Independent Directors / Non-Executive Directors are paid remuneration by way of commission and sitting fees. The Company paid sitting fees of ₹ 1,00,000/- per meeting of the Board and ₹ 50,000/- for Audit Committee, Nomination and Remuneration Committee and Risk Management Committee meetings and ₹ 35,000/- for Stakeholders Relationship Committee and Corporate Social Responsibility Committee

meetings during the year to the Independent Directors / Non-Executive Directors. The commission is paid in accordance with the provisions of section 197 and Schedule V of the Companies Act, 2013.

The commission to the Independent Directors / Non-Executive Directors is distributed broadly on the basis of their attendance, contribution at the Board, the Committee meetings, Chairmanship of Committees and participation in IC meetings.

In the case of nominees of Financial Institutions, the commission is paid to the Financial Institutions.

As required by the provisions of Regulation 46 of the SEBI LODR Regulations, the criteria for payment to Independent Directors / Non-Executive Directors is provided on the investor page of our website <https://investors.larsentoubro.com/KeyOfficials.aspx>.

**Performance Evaluation Criteria for Independent Directors:**

The performance evaluation questionnaire covers qualitative/ subjective criteria with respect to the structure, culture, Board processes and selection, effectiveness of the Board and Committees, strategic decision making, functioning of the Board and Committees, Committee composition, information availability, remuneration framework, familiarization program, succession planning, adequate participation, assessment of their independence, etc. It also contains specific criteria for evaluating the Chairman and individual Directors. An external consultant is engaged to receive the responses of the Directors and consolidate/ analyze the responses. This is done through a software platform of the external consultant.

The Chairman of the Company discusses the performance evaluation results with the Chairman of the NRC and interacts with all

the Non-Executive Directors and Independent Directors. The NRC Chairman interacts with the Executive Directors.

Members are also requested to refer to page no. 88 of the Board Report.

**vi) Training and Succession Planning:**

The organisation has a robust process of building its talent pipeline which helps to feed in succession planning. The process starts with the Development Centre (DC) where high performing employees get assessed on defined competencies at four different levels in the organisation. The process identifies competency gaps which are addressed with specific Individual Development Plans (IDP's) and competency programs organised for these levels. This helps the organisation to have a pool of leaders at every level who are "Competency Ready". The DC process and the subsequent development programs were conducted in Virtual mode in FY 2021.

The organisation also provides managerial inputs to high potential employees through its famed 7-Steps leadership development program which culminates with mentoring by the Group Chairman and the MD & CEO. The 7-Steps leadership program is done in association with global premier B-Schools. In FY 2021 the STEP 1 in association with IIM Ahmedabad & STEP 3 in association with MICHIGAN ROSS were conducted using a virtual medium and suitable pedagogy associated with it.

The organisation also conducts its Core Development programs with tie-ups with reputed Indian B-Schools like IIT Mumbai, IIM-Bangalore and Kolkata, Narsee Monjee and S P Jain to provide inputs to its leaders and in the process build a strong pipeline at every level. Multiple instances of these programs were conducted in FY 2021 in the virtual mode.



**vii) Details of remuneration paid / payable to Directors for the year ended 31st March 2021:**

**(a) Executive Directors:**

The details of remuneration paid / payable to the Executive Directors for FY 2021 is as follows:

₹ crore

Names	Salary	Perquisites	Perquisites related to ESOP *	Retirement Benefits	Commission	Total
Mr. S. N. Subrahmanyam	2.59	0.39	14.15	2.97	8.40	28.50
Mr. R. Shankar Raman	1.83	0.26	3.67	1.98	5.49	13.23
Mr. Shailendra N. Roy #	0.49	0.13	-	17.84	4.29	22.75
Mr. D. K. Sen	1.35	0.22	-	1.01	2.40	4.98
Mr. M. V. Satish	1.35	0.28	-	1.08	2.66	5.37
Mr. J. D. Patil	1.14	0.22	-	1.09	2.91	5.36
Mr. Subramanian Sarma @	1.06	0.11	5.89	1.02	3.31	11.40
S. V. Desai ^	0.19	0.35	-	0.64	2.29	3.47
T. Madhava Das^	0.22	0.29	-	0.72	2.43	3.66

# ceased to be a director w.e.f. 7th July 2020.

@ Non-executive director upto 18th August 2020 and appointed as whole-time director w.e.f. 19th August 2020.

^ appointed as whole-time directors w.e.f. 11th July 2020.

\* Represents perquisite value related to ESOPs exercised during the year in respect of stock options granted over the past several years by the Company, Larsen & Toubro Infotech Limited and L&T Technology Services Limited and includes tax on ESOPs borne by the Company wherever applicable.

- Notice period for termination of appointment of Chief Executive Officer & Managing Director and other Whole-time Directors is six months on either side.
- No severance pay is payable on termination of appointment.
- Details of Options granted under Employee Stock Option Schemes are provided on the website of the Company [www.larsentoubro.com](http://www.larsentoubro.com).
- Mr. Subramanian Sarma has been granted 1,00,000 stock options in the Company and he has exercised 31,500

stock options. The perquisite amount on exercise of these options is considered as a part of his remuneration.

- Apart from ESOPs of the Company, Mr. S. N. Subrahmanyam has also been vested 40,000 stock options in Larsen & Toubro Infotech Limited and L&T Technology Services Limited each and he has exercised the same. Mr. R. Shankar Raman has been vested 20,000 stock options in Larsen & Toubro Infotech Limited and he has exercised the same. The perquisite amount on exercise of these options is considered as a part of the remuneration of these Directors.

**(b) Non-Executive Directors:**

The details of remuneration paid / payable to the Non-Executive Directors for the FY 2021 is as follows:

₹ crore

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Others†	Total
Mr. A. M. Naik	0.08	0.03	3.10	3.00	6.21
Mr. M. M. Chitale	0.08	0.05	0.59	-	0.72
Mr. Subodh Bhargava	0.08	0.03	0.55	-	0.66
Mr. M. Damodaran	0.08	0.04	0.52	-	0.64
Mr. Vikram Singh Mehta	0.08	-	0.31	-	0.39
Mr. Adil Zainulbhai	0.08	0.04	0.50	-	0.62
Mrs. Sunita Sharma @	0.08	0.01	0.27#	-	0.36
Mr. Ajay Shankar \$	0.01	-	0.05	-	0.06
Ms. Naina Lal Kidwai*	0.06	-	0.17	-	0.23
Mr. Sanjeev Aga	0.08	0.06	0.42	-	0.56
Mr. Narayanan Kumar	0.08	0.04	0.36	-	0.48
Mr. Hemant Bhargava	0.08	-	0.23#	-	0.31
Mrs. Preetha Reddy^	0.02	-	0.06	-	0.08

† Others include pension

\$ ceased to be an Independent Director w.e.f. 29th May 2020

\* ceased to be an Independent Director w.e.f. 28th February 2021

^ appointed as an Independent Director w.e.f. 1st March 2021

# Payable to respective Institutions they represent.

@ Resigned as a Director w.e.f. 3rd May 2021 pursuant to withdrawal of nomination by LIC.

Details of shares and convertible instruments of the Company held by the Non-Executive Directors as on 31st March 2021 are as follows:

Names	No. of Shares held
Mr. A. M. Naik	6,24,958
Mr. M. M. Chitale	3,568
Mr. Subodh Bhargava	1,125
Mr. M. Damodaran	225
Mr. Vikram Singh Mehta	1,327
Mr. Adil Zainulbhai	150
Mr. Sanjeev Aga	100
Mr. Narayanan Kumar	1,500
Mrs. Sunita Sharma *@	100
Mr. Hemant Bhargava *	100
Mr. Hemant Bhargava	90
Mrs. Preetha Reddy	180

\* held jointly with the Institution they represent.

@ Resigned as a Director w.e.f. 3rd May 2021 pursuant to withdrawal of nomination by LIC.

### 3) Stakeholders' Relationship Committee:

#### i) Terms of reference:

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

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed

dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### ii) Composition:

As on 31st March 2021 the Stakeholders' Relationship Committee comprised 1 Non-Executive Director, 1 Independent Director and 1 Executive Director.

#### iii) Meetings:

During the year ended 31st March 2021, 3 meetings of the Stakeholders' Relationship Committee were held on 22nd July 2020, 16th October 2020 and 22nd January 2021.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mrs. Sunita Sharma@	Chairperson	3	3
Mr. Narayanan Kumar*	Chairman	3	3
Mr. J. D. Patil^	Member	3	3
Mr. Hemant Bhargava#	Member	0	0

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

\* appointed as a member w.e.f. 5th June 2020 and appointed as Chairman of the committee w.e.f. 14th May 2021.

^ appointed as a member w.e.f. 11th July 2020.

@ ceased to be a member w.e.f. 3rd May 2021.

# appointed as a member w.e.f. 14th May 2021.

Mr. Ajay Shankar and Mr. Shailendra Roy ceased to be members of the Committee w.e.f. 29th May 2020 and 7th July 2020, respectively.

Mr. Sivaram Nair A, Company Secretary is the Compliance Officer.

#### iv) Number of Requests / Complaints:

During the year, the Company has resolved investor grievances expeditiously except for the cases constrained by disputes or legal proceedings.

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	1	97	95	3
<b>Shareholder Queries:</b>				
Dividend Related	11	41663	41391	283
Transmission/ Transfer	0	1204	1117	87
Demat / Remat	4	744	741	7

\* Investor complaints / queries shown outstanding as on 31st March 2021 have been subsequently resolved to the complete satisfaction of the investors. The Company repeatedly sends reminders to shareholders regarding unclaimed shares and dividends. This results in an increase in the number of queries received.

The Board has delegated the powers to approve transfer of shares to a Share Transfer Committee of Executives comprising of four Senior Executives. This Committee held 5 meetings during the year and approved the transfer of shares lodged with the Company. Pursuant to SEBI press release dated 3rd December 2018 and 27th March 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities subsequent to 1st April 2019, have not been processed by the Company.

#### 4) Corporate Social Responsibility Committee:

##### i) Terms of reference:

During the financial year, the Corporate Social Responsibility ("CSR") Committee has also been entrusted with the task of reviewing the sustainability initiatives of the Company. Accordingly, the terms of reference of the CSR Committee have been amended.

The CSR Committee shall formulate and recommend to the Board:

##### A. Corporate Social Responsibility:

- i. A Corporate Social Responsibility Policy and suggest any changes thereto

- ii. Provide guidance for the development of annual CSR Action Plan
- iii. Recommend CSR annual budget to the Board for approval
- iv. Monitor the implementation of the CSR Action Plan of the Company from time to time; and
- v. Identify and recommend to the Board the CSR projects that will qualify to be ongoing projects

##### B. Sustainability:

- i. Sustainability Policy and suggest any changes thereto
- ii. Provide guidance for the development of the long-term Sustainability Plan; and
- iii. Monitor the implementation of the Sustainability Plan of the Company from time to time

##### ii) Composition:

As on 31st March 2021, the CSR Committee comprised 1 Independent Director and 2 Executive Directors.

##### iii) Meetings:

During the year ended 31st March 2021, 4 meetings of the CSR Committee were held on 2nd April 2020, 9th July 2020, 27th November 2020 and 13th March 2021.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. M. M. Chitale	Chairman	4	4
Mr. R. Shankar Raman	Member	4	4
Mr. D. K. Sen	Member	4	4

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

##### iv) CSR Activities and Impact Assessment:

The Company, through its CSR Committee, is committed to improve the social

infrastructure / fabric of the country. The Company is leveraging its countrywide presence to reduce disparities through interventions in Water and Sanitation, Healthcare, Education and Skill Building. Close interactions with the local community members have enabled the Company to identify and address their most pressing needs and the social interventions for community development have been specifically aligned.

Under flagship program of “Integrated Community Development” (ICD), the Company has launched programs towards holistic development in the following areas based on need assessment:

- **Water and Sanitation:** For the availability of safe drinking water and proper sanitation facilities
- **Education:** To improve access to education (increased enrollment in pre-school, children attending neighborhood schools), improving quality of learning (better school infrastructure, better teaching-learning process) and learning STEM (Science, Technology, Engineering and Math) subjects with fun and hands on experiments
- **Health:** Improvement in access to quality health care (expanding infrastructure of health centres, increased number of people availing quality health care)
- **Skill development:** Enhancing employability of youth (enhancing training capacity, improved infrastructure of skill development centres).

78 Village Development Committees (VDCs) and Farmers Groups have been formed across locations in FY 2021 with participation from women. A quarterly review of the ICD projects is done with the village Panchayats and local authorities.

Access to cleaner water, hygienic surroundings, better health, education and new skills, has improved the lives of around

11.20 Lakhs individuals through our CSR Programs in FY 2021.

All CSR projects have defined goals and milestones which are tracked as per the periodicity defined for the project. The progress is compared with the baseline data that is gathered before the commencement of the project. This is carried out through an onsite evaluation as well as the reports generated from the project. The indirect impacts that accrue are also factored and documented in the monthly reporting process. These are subsequently vetted / measured during the external Social Audit or Impact Assessment. The Social Audit/ Impact Assessment report is discussed during the Committee meetings and it forms a part of Annexure C to this Board Report.

This year despite COVID we were able to reach out to the communities with revised strategies and address the needs with active participation from the community Groups and NGO partners such as remote online education sessions with use of Technology, providing Covid related infrastructure to Government hospitals, using local material and human resources for civil activities and awareness related to Covid through existing community forums with Covid norms followed.

The detailed disclosures of CSR spending during the year has been given in Annexure ‘C’ forming part of this Board Report. Please refer to pages 129 to 143 of this Annual Report.

## 5) Risk Management Committee:

### i) Terms of reference:

The terms of reference of the Board Risk Management Committee (BRMC) are as follows:

- Review of the existing Risk Management Policy, framework and processes, Risk Management Structure and Risk Mitigation Systems. Broadly, the key risks will cover strategic risks of the group at the domestic and international level, including sectoral developments, risk related to market, financial,

geographical, political and reputational issues, Environment, Social and Governance (ESG) risks, etc.

- Evaluate risks related to cyber security.

The Company also has an Apex Risk Management Committee, comprising of Executive Directors, which reviews the operational risks including client quality, manpower availability, logistic and other aspects which impact the Company and the Group.

**ii) Composition:**

As on 31st March 2021, the Board Risk Management Committee comprised 2 Independent Directors and 1 Executive Director.

**iii) Meetings:**

During the year ended 31st March 2021, 3 meetings of the Board Risk Management Committee were held on 22nd April 2020, 16th October 2020 and 3rd December 2020.

The attendance of Members at the Meetings was as follows-

Name	Status	No. of meetings held during the year	No. of Meetings Attended
Mr. Adil Zainulbhai	Member	3	3
Mr. Sanjeev Aga	Member	3	3
Mr. Subramanian Sarma	Member	3	3

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

Members are also requested to refer to pages 85 and 86 of the Board Report.

**G. OTHER INFORMATION**

**a) Directors' Familiarization Program:**

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

The Company holds Board meetings at its registered office and wherever necessary, in locations, where it operates. Due to the COVID-19 pandemic, during the year, all the meetings were conducted virtually.

The internal newsletters of the Company, the press releases, etc. are circulated to all the

Directors so that they are updated about the operations of the Company.

Presentations are made regularly to the Board / NRC / AC / BRMC / CSR Committee, 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. Also the Minutes of these committees are circulated to the Board.

Independent Directors have the freedom to interact with the Company's Management. Interactions happen during Board / Committee meetings, when senior company personnel are asked to make presentations about performance of their Independent Company (IC) / Business Unit, to the Board.

Some of the Independent Directors are members of the IC Board. They share the learnings from these meetings with the remaining Non-Executive Directors / Independent Directors formally and informally. Such interactions also happen when these Directors meet senior management in IC meetings and informal gatherings.

As part of the appointment letter issued to Independent Directors, the Company has stated that it will facilitate attending seminars/programs/conferences designed to train directors to enhance their role as an Independent Director.

This information is also available on the website of the Company <https://investors.larsentoubro.com/Listing-Compliance.aspx>.

**b) Risk Management Framework:**

Please refer to pages 85 and 86 of the Board Report.

**c) Vigil Mechanism / Whistle Blower Policy:**

The Company has a Whistle Blower Policy in place since April 2004. The said policy was modified in line with the requirements of the Vigil Mechanism under the Companies Act, 2013. The Company has a Whistle Blower Investigation Committee (WBIC) to manage complaints from "Identified" Whistle Blowers. In addition, WBIC considers "Anonymous" complaints which in their judgement are serious in nature and require

investigation. The WBIC has five members viz. Chief Financial Officer, Company Secretary, Head-Corporate HR, Chief Internal Auditor and a senior Finance & Accounts person from business. The WBIC is responsible for end to end management of the investigations from receipt of complaints to bringing them to a logical conclusion, keeping in mind the interest of the Company. Suitable actions are taken against employees, wherever investigation confirms the allegations.

Employees are encouraged to report any acts of unacceptable behaviour inconsistent with the Company's Code of Conduct having an adverse effect on the Company's financials / image and instances of sharing of unpublished price sensitive information. An employee can report any such conduct in oral or written form. Whistle-blowers are assured by the management of full protection from any kind of harassment, retaliation, victimization or unfair treatment.

Complaints under the Whistle Blower Policy are received by the Corporate Audit Services (CAS) of the Company. The Chief Internal Auditor reviews the same and the WBIC, after screening the complaint, decides on the further course of action which will include requesting the complainant to provide further details, internal investigation by the CAS department, investigation by external agencies, wherever necessary, opportunity to the defendant to present his / her case, etc. Based on the findings of the investigation, the WBIC decides the action to be taken.

The WBIC is apprised periodically on the complaints received, current status, actions contemplated and closure of the cases. The WBIC reviews the complaints and their progress. In addition, discussions also take place over video-conferencing, telephone and emails amongst the WBIC members.

The Audit Committee is periodically briefed about the various cases received, the status of the investigation, findings and action taken.

Also refer to page no. 90 of the Board Report.

**d) Statutory Auditors:**

In the case of appointment of new auditors, a Committee, comprising the Chairman of the Audit Committee, the CFO and the Company Secretary, evaluates various audit firms based

on approved criteria as given herein below. The audit firms shortlisted, are required to make a presentation to this Committee. The Committee considers factors such as compliance with the legal provisions, number / nature / size and variation in client base, skill sets available in the firm both at partner level and staff level, international experience, systems and processes followed by the firm, training and development by the firm to its partners and staff, etc. during the process of evaluation. Based on merit and the factors mentioned above, the Committee finalizes the firm to be appointed and recommends the same to the Audit Committee. The Audit Committee reviews the same before recommending to the Board and shareholders for approval.

The above process was followed by the Company while re-appointing M/s Deloitte Haskins & Sells LLP ('DHS') as the Auditors of the Company for second and final term of five years in 2020.

Deloitte Haskins & Sells, Mumbai has been converted to a Limited Liability Partnership (LLP), with the name Deloitte Haskins & Sells LLP ("DHS LLP" or "Firm"), with effect from November 20, 2013. DHS LLP is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). The Firm has around 2,500 professionals and staff. DHS LLP has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. The registered office of the Firm is One International Center, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India.

For the FY 2021, the total fees paid by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditors are a part thereof for all the services provided by them is ₹ 14.39 crore.

Also refer to pages 90 and 91 of the Board Report.

**e) Code of Conduct:**

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the Company [www.larsentourbo.com](http://www.larsentourbo.com). The declaration of the

Chief Executive Officer & Managing Director is given below:

<p><b>To the Shareholders of Larsen &amp; Toubro Limited</b></p> <p>Sub: Compliance with Code of Conduct</p> <p>I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and Senior Management Personnel.</p> <p style="text-align: center;"><b>S. N. Subrahmanyan</b> Chief Executive Officer &amp; Managing Director</p> <p>Date: 14th May 2021 Place: Mumbai</p>
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**f) General Body Meetings:**

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Venue	Time
2019-2020	13th August 2020	Meeting was held through Video Conferencing/ Other Audio-Visual Means	3.30 p.m.
2018-2019	1st August 2019	Birla Matushri Sabhagar	3.00 p.m.
2017-2018	23rd August 2018	Birla Matushri Sabhagar	3.00 p.m.

The following Special Resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on 13th August 2020:

- To re-appoint and continue the appointment of Mr. A. M. Naik as Non-Executive Director of the Company who has attained the age of 75 years.
- To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 4,500 crore.

Annual General Meeting held on 1st August 2019:

- To re-appoint Mr. M. M. Chitale as an Independent Director of the Company for a five year term upto 31st March 2024.
- To re-appoint Mr. M. Damodaran as an Independent Director of the Company for a five year term upto 31st March 2024.

- To re-appoint Mr. Vikram Singh Mehta as an Independent Director of the Company for a five year term upto 31st March 2024.
- To re-appoint Mr. Adil Zainulbhai as an Independent Director of the Company for a five year term upto 28th May 2024.
- To amend the object clause of the Memorandum of Association of the Company.
- To approve raising of capital through QIP's by issue of shares / convertible debentures / securities upto an amount of USD 600 million or ₹ 4,000 crore.

Annual General Meeting held on 23rd August 2018:

- To appoint Mr. A.M. Naik as a Non- Executive Director of the Company who has attained the age of 75 years.
- To approve the payment of remuneration to Mr. A.M. Naik, being in excess of fifty percent of the total annual remuneration payable to all the Non-Executive Directors.
- To approve raising of finances through issue of debentures upto ₹ 6000 crore.

Note : The resolution relating to raising of finances have been taken at each of the above AGMs since the validity of the resolution is one year.

**g) Resolution(s) passed through Postal Ballot:**

No postal ballot was conducted during FY 2021. There is no immediate proposal for passing any resolution through 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 IND AS 24 and the same are given in Note No. 47 forming part of the financial statements.
3. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.

4. The Company makes presentations to Institutional Investors and Equity Analysts on the Company's performance on a quarterly basis. The same are provided to the Stock Exchanges and also available on our website <https://investors.larsentoubro.com/AnalystPresentations.aspx>.
5. There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges on any matter related to the capital markets, during the last three years.
6. The policies for determining material subsidiaries and related party transactions are available on the Company's website <https://investors.larsentoubro.com/Listing-Compliance.aspx>.
7. Details of risk management including foreign exchange risk, commodity price risk and hedging activities form a part of the Management Discussion & Analysis. Please refer to pages 307 to 310 of this Annual Report.
8. As required under the provisions of SEBI LODR Regulations, a certificate from M/s S. N. Ananthasubramanian & Co., Company Secretaries, confirming that none of the Directors on the Board have been debarred or disqualified by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority, is a part of the Corporate Governance report.
9. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 form a part of the Board Report. Please refer to pages 88 and 89 of this Annual Report.

**i) Means of communication:**

Financial Results and other Communications	Quarterly and Annual Results are published in prominent daily newspapers viz. The Financial Express, The Hindu Business Line and Loksatta. The results are also posted on the Company's website: <a href="http://www.larsentoubro.com">www.larsentoubro.com</a> . Advertisements relating to IEPF, E-Voting, AGM related compliances, etc. are published in The Financial Express and Loksatta.
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News Releases	Official news releases that carry material price sensitive information are sent to stock exchanges as well as displayed on the Company's website: <a href="http://www.larsentoubro.com">www.larsentoubro.com</a> .
Website	The Company's corporate website <a href="http://www.larsentoubro.com">www.larsentoubro.com</a> provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the stock exchanges. The entire Annual Report including Accounts of the Company and subsidiaries are available in downloadable formats. The entire Annual Report including Accounts of the Company would also be made available on the websites of the Stock Exchanges.
Filing with Stock Exchanges	Information to Stock Exchanges is now being also filed online on NEAPS for NSE, BSE Online for BSE and RNS for London Stock Exchange.
Annual Report and Annual General Meeting	Annual Report is circulated to all the members and all others like auditors, equity analysts, etc. To enable a larger participation of shareholders for the Annual General Meeting, the Company has provided Webcast facility of its last three Annual General Meetings in co-ordination with NSDL/KFin Technologies. This year, like the previous year, due to the continuing COVID-19 pandemic, the Company will be once again conducting the Annual General Meeting through Video Conferencing/Other Audio Visual Means, as permitted by Ministry of Corporate Affairs and SEBI. The Annual Report is e-mailed to all members who have registered their email ids with the Company. The Annual Report would also be made available on the website of the Company. The Chairman suitably responds to the queries raised by the shareholders during the AGM.



SEBI Complaints Redress System (SCORES)	Investor complaints are processed at SEBI in a centralized web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status. The Company timely submits ATR with respect to the complaint received on SCORES.
Management Discussion & Analysis	This forms a part of the Annual Report which is mailed to the shareholders of the Company.
Presentations made to Institutional Investors and Analysts	The schedule of analyst / institutional investor meets and presentations made to them on a quarterly basis are informed to the Stock Exchanges and also displayed on the website.

#### H. UNCLAIMED SHARES

The Company does not have any unclaimed shares lying with it from any public issue. However certain shares resulting out of the bonus shares issued by the Company are unclaimed by the shareholders. As required under Regulation 39(4) of the SEBI LODR Regulations, the Company has already sent reminders in the past to the shareholders to claim these shares. These share certificates are regularly released on requests received from the eligible shareholders after due verification.

In accordance with the provisions of the Section 124(6) and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has transferred to IEPF equity shares on which dividend has remained unclaimed for a period of seven consecutive years from FY 2013. The details are given in the Board Report. Please refer to pages 83 and 84 of this Annual Report.

All corporate benefits on such shares viz. bonus shares, etc. shall be transferred in accordance with the provisions of IEPF Rules read with Section 124(6) of the Companies Act, 2013. The eligible shareholders are requested to note the same and make an application to IEPF Authority in accordance with the procedure available on [www.iepf.gov.in](http://www.iepf.gov.in) and submit such documents as prescribed under the IEPF Rules to claim these shares. Mr. Sivaram Nair A has been appointed as the Nodal officer of the Company.

#### I. GENERAL SHAREHOLDERS' INFORMATION

##### a) Annual General Meeting:

The Annual General Meeting of the Company has been convened on Thursday, 5th August 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") pursuant to the MCA Circular dated 5th May 2020 at 3:30 p.m.

##### b) Financial calendar:

1. Annual Results of 2020-21	14th May 2021
2. E-Mailing of Annual Reports	First week of July 2021 *
3. First Quarter Results	During the last week of July 2021 *
4. Annual General Meeting	5th August 2021
5. Payment of Dividend	On or before 21st August 2021
6. Second Quarter results	During last week of October 2021 *
7. Third Quarter results	During last week of January 2022 *

\* Tentative

##### c) Book Closure:

The dates of Book Closure are from Friday, 30th July 2021 to Thursday, 5th August 2021 (both days inclusive) to determine the members entitled to receive the final dividend for FY 2021.

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

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

GDRs are listed on Luxembourg Stock Exchange and admitted for trading on London Stock Exchange.

##### e) Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for FY 2021 to BSE and NSE in April 2021 and May 2021 respectively. The fees to Luxembourg Stock Exchange has been paid in February 2021. The fees to London Stock Exchange will be paid on receipt of the bill.

##### f) Custodial Fees to Depositories:

The fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) shall be paid on the receipt of their invoice.

**g) Stock Code / Symbol:**

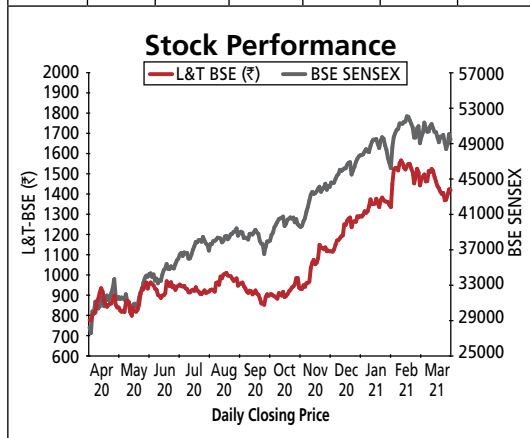
The Company's equity shares / GDRs are listed on the following Stock Exchanges and admitted for trading in London Stock Exchange:

BSE Limited (BSE)	: Scrip Code - 500510
National Stock Exchange of India Limited (NSE)	: Scrip Code - LT
ISIN	: INE018A01030
Reuters RIC	: LART.BO
Luxembourg Exchange Stock Code	: 005428157
London Exchange Stock Code	: LTOD

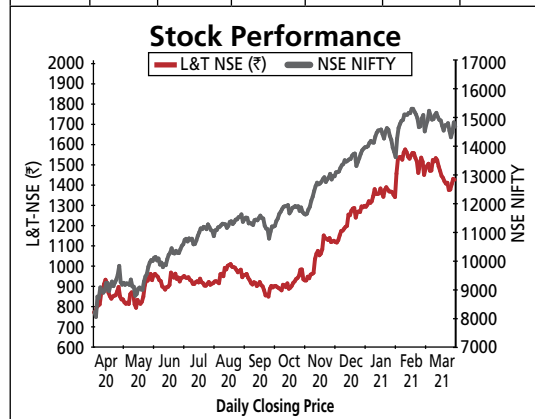
The Company's shares constitute a part of BSE 30 Index of the BSE Limited as well as NIFTY Index of the National Stock Exchange of India Limited.

**h) Stock market data for the year 2020-21:**

Month	L&T BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
<b>2020</b>						
April	945.00	763.00	897.35	33887.25	27500.79	33717.62
May	937.00	791.55	932.30	32845.48	29968.45	32424.10
June	995.00	874.40	944.05	35706.55	32348.10	34915.80
July	963.80	896.50	913.35	38617.03	34927.20	37606.89
August	1024.95	903.40	945.30	40010.17	36911.23	38628.29
September	970.85	842.50	902.45	39359.51	36495.98	38067.93
October	994.85	876.25	929.60	41048.05	38410.20	39614.07
November	1176.75	920.50	1115.80	44825.37	39334.92	44149.72
December	1338.40	1104.20	1287.55	47896.97	44118.10	47751.33
<b>2021</b>						
January	1395.75	1281.00	1334.60	50184.01	46160.46	46285.77
February	1593.00	1337.75	1442.25	52516.76	46433.65	49099.99
March	1565.00	1360.50	1418.35	51821.84	48236.35	49509.15



Month	L&T NSE Price (₹)			NIFTY		
	High	Low	Month Close	High	Low	Month Close
<b>2020</b>						
April	943.00	762.80	897.55	9889.05	8055.80	9859.90
May	937.50	791.70	932.25	9598.85	8806.75	9580.30
June	995.00	874.00	943.65	10553.15	9544.35	10302.10
July	964.40	896.30	913.45	11341.40	10299.60	11073.45
August	1024.95	903.55	944.95	11794.25	10882.25	11387.50
September	971.00	843.00	901.60	11618.10	10790.20	11247.55
October	994.65	876.05	929.50	12025.45	11347.05	11642.40
November	1177.00	920.65	1122.40	13145.85	11557.40	12968.95
December	1338.50	1104.10	1287.60	14024.85	12962.80	13981.75
<b>2021</b>						
January	1396.40	1283.00	1334.70	14753.55	13596.75	13634.60
February	1593.00	1337.20	1442.50	15431.75	13661.75	14529.15
March	1565.00	1360.05	1418.90	15336.30	14264.40	14690.70


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

KFin Technologies Private Limited (previously known as Karvy Fintech Pvt. Ltd)  
 Unit: Larsen & Toubro Limited  
 Selenium Tower B, Plot number 31 & 32  
 Financial District Gachibowli, Nanakramguda,  
 Hyderabad, Telangana - 500 032.

**j) Share Transfer System:**

Pursuant to SEBI press release dated 3rd December 2018 and 27th March 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities subsequent to 1st April 2019, have not been processed by the Company. The share related information is available online.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

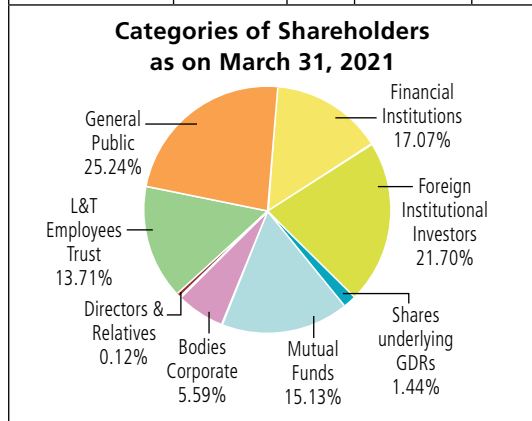
As required under Regulation 40 of the SEBI LODR Regulations, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

**k) Distribution of Shareholding as on 31st March 2021:**

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
upto 500	12,70,834	92.66	9,45,22,790	6.73
501 - 1000	49,714	3.62	3,64,44,224	2.59
1001 - 2000	27,616	2.01	3,85,30,383	2.74
2001 - 3000	9,237	0.67	2,25,59,369	1.61
3001 - 4000	3,923	0.29	1,35,81,307	0.97
4001 - 5000	2,571	0.19	1,15,66,686	0.82
5001 - 10000	4,153	0.30	2,88,67,610	2.06
10001 - and above	3,487	0.25	115,84,82,928	82.48
<b>TOTAL:</b>	<b>13,71,535</b>	<b>100.00</b>	<b>140,45,55,297</b>	<b>100.00</b>

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

Category	31.03.2021		31.03.2020	
	No. of Shares	%	No. of Shares	%
Financial Institutions	23,97,88,975	17.07	25,73,31,891	18.33
Foreign Institutional Investors	30,47,52,410	21.70	23,43,64,607	16.69
Shares underlying GDRs	2,02,61,741	1.44	1,72,96,884	1.23
Mutual Funds	21,25,49,034	15.13	26,60,38,659	18.95
Bodies Corporate	7,85,44,719	5.59	9,62,45,948	6.86
Directors & Relatives	17,31,586	0.12	15,62,000	0.11
L&T Employees Trust	19,25,58,158	13.71	18,55,24,682	13.22
General Public	35,43,68,674	25.24	34,55,27,351	24.61
<b>TOTAL</b>	<b>140,45,55,297</b>	<b>100.00</b>	<b>140,38,92,022</b>	<b>100.00</b>

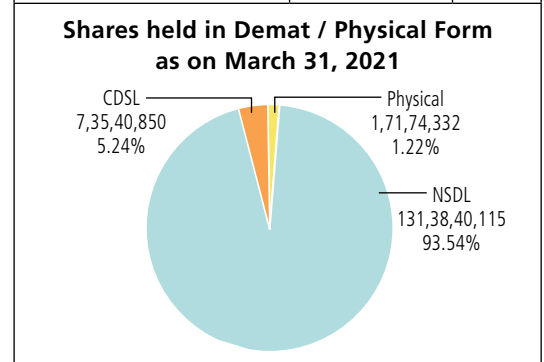


**m) Dematerialization of shares and Liquidity:**

The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form.

The number of shares held in dematerialized and physical mode as on 31st March 2021 is as under:

	No. of shares	% of total capital issued
Held in dematerialized form in NSDL	131,38,40,115	93.54
Held in dematerialized form in CDSL	7,35,40,850	5.24
Physical	1,71,74,332	1.22
<b>Total</b>	<b>140,45,55,297</b>	<b>100.00</b>



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

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

**o) Listing of Debt Securities:**

The redeemable Non-Convertible debentures issued by the Company are listed on the Wholesale Debt Market (WDM) of National Stock Exchange of India Limited and / or BSE Limited.

**p) Listing of Commercial Paper:**

The Commercial Papers issued by the Company are listed on BSE Limited.

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

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

**r) Credit Rating:**

The Company has obtained rating from CRISIL Limited, ICRA Limited and India Ratings and Research Private Limited during FY 2021. There has been no revision in credit ratings during FY 2021.

Rating Agency	Type of Instrument	Rating
CRISIL Limited	Non-Convertible Debentures	'CRISIL AAA/Stable'
	Inflation-linked Capital- Indexed Non-Convertible Debentures	'CRISIL AAA/Stable'
	Commercial Paper	'CRISIL A1+'
ICRA Limited	Non-Convertible Debentures Programme	'[ICRA] AAA (stable)'
	Commercial Paper	'[ICRA] A1+'
India Ratings and Research Private Limited	Non-Convertible Debentures	'IND AAA/ Stable'

**s) Plant Locations:**

The L&T Group's facilities for design, engineering, manufacture, modular fabrication and production are based at multiple locations within India including, Bengaluru, Chennai, Coimbatore, Faridabad, Hazira (Surat), Kattupalli (near Chennai), Kanchipuram, Mumbai, Pithampur, Puducherry, Rajpura, Kansbahal (Rourkela), Talegaon, Vadodara and Visakhapatnam. L&T's international manufacturing footprint covers Oman, Saudi Arabia, UAE, Kuwait and USA. The L&T Group also has an extensive network of offices in India and around the globe. See pages 12 and 13 of this Annual Report.

**t) Address for correspondence:**

Larsen & Toubro Limited,  
L&T House, Ballard Estate, Mumbai 400 001.  
Tel. No. (022) 6752 5656,  
Fax No. (022) 6752 5893

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

1. KFin Technologies Private Limited  
Unit: Larsen & Toubro Limited  
Selenium Tower B,  
Plot 31 & 32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad, Telangana - 500 032  
Tel : (040) 6716 2222  
Toll free number: 1-800-3454-001  
Fax: (040) 2342 0814  
Email: einward.ris@kfintech.com  
Website: www.kfintech.com
2. KFin Technologies Private Limited  
Unit: Larsen & Toubro Limited  
24-B, Raja Bahadur Mansion,  
Ground Floor, Ambalal Doshi Marg,  
Behind BSE Limited,  
Fort, Mumbai – 400 023.  
Tel : (022) 6623 5454/ 5412/ 5427

**u) Investor Grievances:**

The Company has designated an exclusive e-mail id viz. IGRC@LARSENTOUBRO.COM to enable investors to register their complaints, if any.

**v) Securities Dealing Code:**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'), the Company had suitably modified its Securities Dealing Code ('Code') for prevention of insider trading with effect from May 15, 2015. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an Insider based on unpublished price sensitive information. Under this Code, Designated Persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. Directors and designated employees who buy and sell shares of the Company are prohibited from executing contra-trades during the next six months following the prior transactions. The Company has a policy for acting against employees who

violate the SEBI PIT Regulations / Code. Pursuant to the enactment of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has suitably modified the provisions of the Code which are effective from 1st April 2019.

Mr. Sivaram Nair A, Company Secretary has been designated as the Compliance Officer.

The Company has appointed Mr. P. Ramakrishnan, Vice President (Corporate Accounts & Investor Relations), as Chief Investor Relations Officer. The Company also formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is available on Company's Website <https://investors.larsentoubro.com/Listing-Compliance.aspx>.

**w) Stakeholder Engagement:**

The Company recognizes that its stakeholders form a vast and heterogeneous community. Our customers, shareholders, employees, suppliers, community, etc. have been guideposts of our decision-making process. The Company engages with its identified stakeholders on an ongoing basis through business level engagements and structured stakeholder engagement programs. The Company maintains its focus on delivering value to all its stakeholders, especially the disadvantaged communities.

The Company has a dedicated Corporate Brand Management and Communications department which facilitates exchange of information between the Company and its stakeholders. The communication channels include:

- For external stakeholders - Stakeholder engagement sessions, client satisfaction surveys, shareholder satisfaction assessment, dealer and stockists meet, analyst / investors meet, periodic feedback mechanism, general meeting for shareholders, online service and dedicated e-mail service for grievances, corporate website and access to business media to respond to queries, etc.
- For internal stakeholders – Employee satisfaction surveys, employee engagement surveys for improvement in employee engagement processes, circulars and messages from management, corporate social initiatives, welfare initiatives for

employees and their families, online news bulletins for conveying topical developments, large bouquet of print and online in-house magazines, helpdesk facility, etc.

Each of the businesses have their internal mechanisms to address the grievances of its stakeholders. In addition, at the corporate level, there are committees which can be approached if the stakeholders are not satisfied with the functioning of such internal mechanisms. As part of the vigil mechanism, the Whistle Blower Policy provides access for various stakeholders to the Chairperson of the Audit Committee. The Whistle Blower Policy for Vendors and Channel Partners is displayed on the website of the Company <https://investors.larsentoubro.com/CorporateGovernance.aspx>.

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

Employees across the Company as well as the group are being sensitized about the various policies and governance practices of the Company. The Company conducts 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 PIT Regulations, etc.

The Company has created a batch of trainers across businesses who in turn conduct training / awareness sessions within their business regularly.

**y) ISO 9001:2015 Certification:**

The Company's Secretarial Department which provides secretarial services and investor services for the Company and its Subsidiaries and Associate Companies is ISO 9001:2015 certified.

**z) Audit as per SEBI requirements:**

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 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.

**aa) Secretarial Audit as per Companies Act, 2013:**

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, M/s. S. N. Ananthasubramanian & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

Pursuant to the SEBI circular no. CIR/CFD/CMD1/27/2019 dated 8th February 2019, the Company has obtained an annual secretarial compliance report from M/s. S. N. Ananthasubramanian & Co., Company Secretaries, and shall submit the same to the Stock Exchanges within the prescribed timelines.

**bb) Statutory Compliance System:**

The Company complies with applicable laws, rules and regulations impacting Company's business. These comprise of Central Acts / Rules and those of state governments where the Company generally carries on business. The applicable laws are reviewed by the Corporate Legal and Legal departments of each Independent Company (IC) as well as an external consultant on a periodic basis and updated whenever required.

Each IC / Business head certifies compliance of all applicable laws by the IC on a quarterly basis. Based on these confirmations, the Company Secretary gives a compliance certificate to the Board of Directors.

The Company has a process of verifying the compliances through a random review of the process / system / documentation of the location of the IC / Corporate function / Group Company. The review is placed before the Board of the respective IC / group company. Existing internal

controls are also reviewed. The audit process includes planning the audit, discussion with auditee before audit commencement to explain the scope and purpose of the audit, verifying the compliances based on the supporting documentation, post audit meeting for explaining the observations, etc.

**cc) Group Governance Policy:**

Vide its circular dated 10th May 2018, SEBI has introduced the concept of Group Governance Unit. The circular expects listed companies to monitor their governance through a Governance Committee and establishment of a strong and effective group governance policy.

"Corporate Governance" in the Company and its subsidiaries broadly includes strategic supervision by the Board and its Committees, compliance of Code of Conduct, Statutory Compliance including compliance of Companies Act / applicable SEBI Regulations, avoiding conflict of interest, Risk Management, Internal Controls and Audit.

The Company has four listed entities within the group. Each of these entities have their own Board and Board Committees in compliance with the Companies Act 2013 and SEBI LODR Regulations. The oversight of their subsidiaries (52 subsidiaries) is as per Companies Act 2013 and SEBI LODR Regulations. The Board Report and its annexures of these listed companies contains various disclosures dealing with subsidiary companies.

Most of these listed entities has one Executive Director and one or more Independent Director of the Company on its Board.

These listed entities publish their independent Auditors' certificate on Corporate Governance, secretarial audit report of Practicing Company Secretary and CEO/CFO's certificate for internal controls for financial reporting.

Responsibility of the Company's corporate team in the areas of statutory compliance (including corporate laws), Risk Management, Internal Controls and Internal Audit, covers all unlisted subsidiaries. The four listed entities have their own teams to carry out these functions.

The ICs have separate internal teams to oversee their legal and compliance functions. All Subsidiary Companies associated with the

respective ICs are reviewed by their respective IC Boards.

The subsidiary companies also function independently and have separate Boards which consists of representatives of the Company who are senior executives of the Company, representatives of Joint Venture partners, representative of the Company's Board as well as Independent Directors as required by law. As per law, these companies, wherever required, also have Audit Committee, Nomination and Remuneration Committee and CSR Committee.

Major subsidiary companies have some Executive Directors and Independent Directors of the Company on their Board. The Key Managerial Personnel of subsidiary companies like Chief Executives, Chief Financial Officers and Company Secretaries are mostly employees of the Company or are nominated by the Company as per the terms of the Joint Venture Agreement. The subsidiary companies' performance is also reviewed by the Company's Board periodically (included in quarterly results presented to the Company's Board). F&A heads of some of the subsidiary companies functionally report to select senior finance officers of the Company.

Thus, the overall functioning of these Subsidiary companies is monitored by the Group directly or through their respective ICs.

A voluntary Secretarial Audit is conducted for all subsidiary companies, including foreign companies and companies which are not covered under the purview of Companies Act, 2013. Thus, there is a complete audit of the compliance of applicable statutory provisions and adherence to good corporate practices.

The Company's Code of Conduct (Code) is required to be adhered by all unlisted group companies covering employees, directors, suppliers, contractors, etc. In addition to this, the subsidiaries also have their own vigil mechanism, if they meet the thresholds given in the Companies Act. The Audit Committee/Board of these companies monitor this mechanism. The Vigil Mechanism Framework to report breach of code is a structured process, which encourages and facilitates all covered, to report without fear, wrongdoings or any unethical or improper practice which may adversely impact the image, credibility and/or the financials of the Company, through an appropriate forum.

The Secretarial Department of the Company has qualified Company Secretaries (CS) with vast experience in the field of compliance and law. It consists of fulltime professionals dedicated to performing corporate secretarial and subsidiary governance duties. Qualified CS in secretarial department monitor the compliance related to subsidiaries under Companies Act / Rules. The Company's Secretarial Department develops a broad Governance policy for the Company and its group of subsidiaries.

The Company's Secretarial Department is involved in all major corporate actions of subsidiaries like IPO's, raising of capital, restructuring, major financial assistance to subsidiaries etc.

Appropriate disclosures related to subsidiaries are made in financial statements / directors' report of the Company as well as its subsidiaries as per Companies Act 2013 / applicable SEBI Regulations and applicable Accounting Standards. All companies are subject to Statutory Audit and applicable Secretarial Audit.

## Independent Auditor's Certificate on Corporate Governance

### TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

#### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated September 23, 2020.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Larsen & Toubro Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations").

#### MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate

Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W100018)

**Sanjiv V. Pilgaonkar**  
(Partner)  
(Membership No. 039826)  
UDIN: 21039826AAAAEE1819

Place: Mumbai  
Date: May 14, 2021



## Independent Auditor's Certificate in respect of the implementation of Employee Stock Option Schemes of the Company

### TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

#### INDEPENDENT AUDITOR'S CERTIFICATE IN RESPECT OF THE IMPLEMENTATION OF EMPLOYEE STOCK OPTION SCHEMES OF THE COMPANY.

1. This certificate is issued in accordance with the terms of our engagement letter dated September 23, 2020.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018), the Statutory Auditors of Larsen & Toubro Limited ("L&T"/ "Company"), pursuant to the requirement of clause 13 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended by Circular No. SEBI/LADNRO/GN/2015-16/021 dated September 18, 2015 and vide Notification no. SEBI/LAD/NGO/GN/2016-17/037 dated March 6, 2017 (the "Regulations") are required to certify for the year ended March 31, 2021, that the Employee Stock Option Schemes, L&T Limited ESOP Scheme -2003 and L&T Limited ESOP Scheme -2006 (the "Schemes") have been implemented in accordance with the Regulations and in accordance with the special resolutions passed in the general meeting held on August 26, 1999 and August 25, 2006 (the "Resolutions").

#### MANAGEMENT'S RESPONSIBILITY

3. Implementation of the Schemes in accordance with the provisions of the Regulations and Resolutions and compilation of the relevant information for financial reporting is the responsibility of the Management of the Company. This includes the design, implementation and maintenance of internal control necessary to ensure accurate compilation of information necessary of the purpose and maintenance of all accounting and other relevant supporting records and documents and applying an appropriate basis of preparation of the relevant information for financial reporting; and making estimates that are reasonable in the circumstances.

#### AUDITOR'S RESPONSIBILITY

4. It is our responsibility to certify whether the Company has complied with the applicable provisions of the Regulations and Resolutions during the year ended March 31, 2021, in implementing the Schemes on the basis of information compiled or collated by Management and the accounting and other relevant supporting records and documents provided to us for our examination.
5. We conducted our examination and obtained the explanations in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, which include the concepts of test checks and materiality. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

#### CRITERIA AND SCOPE

7. The criteria against which the information is evaluated are the following:
  - a) the Schemes;
  - b) the Regulations;
  - c) the Resolutions; and
  - d) Written representation provided by the Management.

#### OPINION

8. Based on our examination of the accounting and other relevant supporting records and documents maintained by the Company as aforesaid, and according to the information and explanations give to us, in our opinion, the Company has complied

with the applicable provisions of the Regulations and Resolutions in implementing the Schemes during the year ended March 31, 2021.

**RESTRICTION ON USE**

9. This certificate is addressed to and provided to the Members of the Company solely for the purpose of compliance with Clause 13 of the Regulations. This certificate should not be circulated, copied, used/ referred to for any other purpose, without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care of for any other purpose or to any other party to whom it is

shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**

*Chartered Accountants*

*(Firm's Registration No. 117366W/W-100018)*

**Sanjiv V. Pilgaonkar**

*Partner*

*(Membership No. 039826)*

*UDIN: 21039826AAAAEF9739*

*Place: Mumbai*

*Date: May 14, 2021*

## Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
**The Members of**  
**Larsen & Toubro Limited**  
 L & T House,  
 Ballard Estate,  
 Mumbai 400001.

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of **Larsen & Toubro Limited** ('the Company') bearing CIN: L99999MH1946PLC004768 and having its registered office at L & T House, Ballard Estate, Mumbai 400001, to the Board of Directors of the Company ('the Board') for the **Financial Year 2020-21** and **Financial Year 2021-22** and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Due to the pandemic caused by COVID-19 and prevailing lockdowns / restrictions on movement of people imposed by the Government, for the purpose of issuing this certification, we have conducted our audit remotely based on the records and information made available to us by the Company electronically.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that during the **Financial Year ended 31st March 2021**, none of the Directors on the Board of the Company, as listed hereunder have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
01	Mr. Anilkumar Manibhai Naik	00001514	23-11-1989	–
02	Mr. Mukund Manohar Chitale	00101004	06-07-2004	–
03	Mr. Subodh Kumar Bhargava	00035672	03-07-2007	–
04	Mr. Sekharipuram Narayanan Subrahmanyam	02255382	01-07-2011	–
05	Mr. Ramamurthi Shankar Raman	00019798	01-10-2011	–
06	Mr. Shailendra Narain Roy	02144836	09-03-2012	07-07-2020
07	Mr. Meleveetil Damodaran	02106990	22-10-2012	–

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Director Identification Number (DIN)</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>
08	Mr. Vikram Singh Mehta	00041197	22-10-2012	–
09	Mr. Adil Siraj Zainulbhai	06646490	30-05-2014	–
10	Mrs. Sunita Sharma	02949529	01-04-2015	–
11	Mr. Thomas Mathew T.	00130282	03-04-2015	02-04-2020
12	Mr. Ajay Shankar	01800443	30-05-2015	29-05-2020
13	Mr. Subramanian Sarma	00554221	19-08-2015	–
14	Mr. Dip Kishore Sen	03554707	01-10-2015	–
15	Mr. M. V. Satish	06393156	29-01-2016	–
16	Mrs. Naina Lal Kidwai	00017806	01-03-2016	28-02-2021
17	Mr. Sanjeev Aga	00022065	25-05-2016	–
18	Mr. N. Kumar	00007848	27-05-2016	–
19	Mr. Jayant Damodar Patil	01252184	01-07-2017	–
20	Mr. Hemant Bhargava	01922717	28-05-2018	–
21	Mr. Sudhindra Vasantrao Desai	07648203	11-07-2020	–
22	Mr. Tharayil Madhava Das	08586766	11-07-2020	–
23	Mrs. Preetha Reddy	00001871	01-03-2021	–

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the Financial Year ended 31st March, 2021.

For **S. N. ANANTHASUBRAMANIAN & Co.**

*Company Secretaries*  
 ICSI Unique Code P1991MH040400  
 Peer Review Cert. No. 606/2019

**S. N. Ananthasubramanian**

*Partner*  
 FCS : 4206  
 COP No. : 1774  
 ICSI UDIN : F004206C000240552

Date : May 4, 2021

Place: Thane

**To the Board of Directors of Larsen & Toubro Limited**

Dear Sirs,

**Sub: CEO / CFO Certificate****[Issued in accordance with provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We have reviewed the consolidated financial statements, read with the consolidated cash flow statement of Larsen & Toubro Limited for the year ended March 31, 2021 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 period which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) that there were no significant changes in internal controls over financial reporting during the year; and
  - (ii) that there were no significant changes in accounting policies made during the year; and
  - (iii) that there were no instances of significant fraud of which we have become aware.

Yours sincerely,

**R. Shankar Raman**  
 Whole-time Director and  
 Chief Financial Officer  
 DIN: 00019798

**S. N. Subrahmanyam**  
 Chief Executive Officer and  
 Managing Director  
 DIN: 02255382

Date: May 14, 2021

## Annexure 'C' to the Board Report

### ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31ST MARCH, 2021

#### 1. Brief outline on CSR Policy of the Company

The CSR projects of the Company are focused on communities that are disadvantaged, vulnerable and marginalized. The Company strives to contribute to improve their standard of living, through its interventions in water & sanitation, health, education and skill development.

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

In the context of the crisis brought forth by Covid-19 and the nationwide lockdown, considerable efforts were deployed to tackle the impact of the crisis. Responding to the request from the Hon'ble Prime Minister, Larsen & Toubro Limited (L&T) along with its Group Companies and its employees immediately contributed ₹ 150 crore in March 2020 to the PM CARES Fund, which included L&T's contribution of ₹ 53.23 crore. During FY 2021, an amount of ₹ 31.32 crore was additionally spent directly by the Company towards Covid relief activities, allocating funds to address immediate medical requirements for frontline workers as well as meals and groceries for migrant labour and vulnerable communities, concerted efforts continued throughout the year through various health, education and livelihood initiatives.

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

- **Water & Sanitation** – includes but not limited to watershed development, access to potable water, promoting rain water harvesting, soil and moisture conservation, recharging ground water levels by facilitating setting up of community-based institutions such as village development committees, self-help groups, farmer groups and community management of water resources for improving conditions related to sanitation, health and awareness amongst communities through an integrated approach.
- **Education** - includes but not limited to education infrastructure support to educational institutions, learning programs and nurturing talent at various levels. Promoting learning enhancement amongst children, both in schools and in communities through interventions in pre-school education, innovative teaching methodology and training teachers in formal schools, providing interesting "teaching learning material", with special focus on Science, Technology, Engineering and Maths (STEM) subjects.

This is achieved through support to Balwadis and Anganwadis, strengthening the in-school interventions and providing after school study classes in the community. Ongoing community-based education programs are significantly impacted by Covid-19 induced lockdown. Efforts are being taken to remain digitally connected to the children, despite challenges.

- **Health** - In an unprecedented year like FY 2021, focus and outlay on health was substantially increased. Regular health activities including but not limited to community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programs, support to HIV / AIDS, Tuberculosis control programs continued, albeit on a lower scale.
- **Skill Development** - includes but not limited to vocational training such as skill building, computer training, women empowerment, support to ITI's, support to specially-abled (infrastructure support and vocational training), Construction Skills Training Centres and providing employability skills to women and youth.

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

**2. Composition of CSR Committee.**

The CSR Committee of the Board comprises

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. M. M. Chitale	Chairman	4	4
2	Mr. R. Shankar Raman	Member	4	4
3	Mr D. K. Sen	Member	4	4

Mr. Sivaram Nair A acts as the Secretary of the Committee.

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The Composition of CSR committee, CSR Policy Framework and CSR Projects approved by the Board are available in the Governance section on the website of the Company. Please see the link <https://investors.larsentoubro.com/Listing-Compliance.aspx>.

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

While impact assessment was not mandatory in FY 2021, the Company has been carrying out this activity through an independent third party for the past several years. The Independent auditor's report is enclosed as **Exhibit A**.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2019-20	53.23 crore*	NIL
	<b>TOTAL</b>	<b>53.23 crore</b>	<b>NIL</b>

\*Company's contribution to PM CARES Fund in March, 2020.

**6. Average net profit of the company as per section 135(5).**

The average net profit of the Company for the last three financial years is ₹ 7277.81 crore

**7. (a) Two percent of average net profit of the company of last three financial years as per section 135(5)**  
₹ 145.56 crore**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.**

NA

**(c) Amount required to be set off for the financial year, if any**

NA

**(d) Total CSR obligation for the financial year (7a+7b-7c).**

The Company is required to spend an amount of ₹145.56 crore as CSR expenditure during the financial year 2020-21.

**8. (a) CSR amount spent or unspent for the financial year:**
**Total Amount Spent for the Financial Year. (in ₹)**

Against the mandated spend of ₹145.56 crore, the Company spent ₹150.07 crore towards various activities for the benefit of the community. This exceeds the required spend by ₹ 4.51 Crores. The CSR spend for FY 2021 is 2.06% of the average net profit of last three financial years.

**Amount Unspent (in ₹)**

Nil

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current F.Y. (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.												
	NOT APPLICABLE											
	TOTAL											

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
	As mentioned under Table 8c					144.06			

**(d) Amount spent in Administrative Overheads**

₹ 6.01 Crores

**(e) Amount spent on Impact Assessment, if applicable**

NA

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)**

₹ 150.07 Crores

**(g) Excess amount for set off, if any**

Sl. No.	Particulars	Amount
(i)	Two percent of the average net profit of the company of last three financial years as per section 135(5)	₹ 145.56 crore
(ii)	Total amount spent for the Financial Year	₹ 150.07 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 4.51 Crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 4.51 Crores

**9. (a) Details of Unspent CSR amount for the preceding three financial years**

NA

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

NA



**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

Capital Purchase FY 20-21	1	2	3
(a) Date of creation or acquisition of the capital asset(s)	28th January, 2021 & 31st March 2021	26th November 2020 & 17th March 2021	5th May 2020 & 16th December 2020
(b) Amount of CSR spent for creation or acquisition of capital asset (in ₹)	263,730.00	1,404,400.00	253,200.00
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Larsen & Toubro Limited	Larsen & Toubro Limited	Larsen & Toubro Limited
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Face Recognition Time Attendance Device and Laptops at MSTC, Plot No: D-11, B-Block, Autonagar, Visakhapatnam - 530012.	Medical equipment at Andheri Health Center - 400093	Medical equipment at Thane Health Center - 400601

Note: Capital Assets created will be transferred to a section 8 company within the stipulated period

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

NA

**S. N. Subrahmanyam**  
*Chief Executive Officer &  
 Managing Director*  
 DIN: 02255382

**M. M. Chitale**  
*Chairman - CSR Committee*  
 DIN: 00101004

## EXHIBIT - A

### Executive Summary – Social Audit of L&T CSR Programmes

#### 1. Introduction

Samhita Social Ventures conducted an extensive social audit study of 41 CSR projects implemented by Larsen & Toubro in FY 2019-20. A social audit is a technique of understanding, reporting and improving a project's social performance. It is a way to narrow gaps between goal and reality, by enhancing efficiency and effectiveness. The objective of the social audit was to:

- Verify the extent to which proposed project activities have been carried out
- Assess various stakeholders' response to the project so far
- Provide suggestions for more effective project implementation

These objectives were achieved by following a 3x3 model that focused on:

- Assessing three aspects of every project – stakeholder participation (internal and external), efficiency in planning and delivering the project, and effectiveness of the project in achieving the objectives
- Auditing the project at three levels – L&T's local teams, implementing NGOs (if applicable), and community/end beneficiaries

#### 2. Sample distribution of the audited projects

L&T focused on five cause areas - education, skill development, health, Environment Health & Safety (EHS) and water & sanitation. The graph below indicates the percentage share of the sample 41 projects audited by cause area.

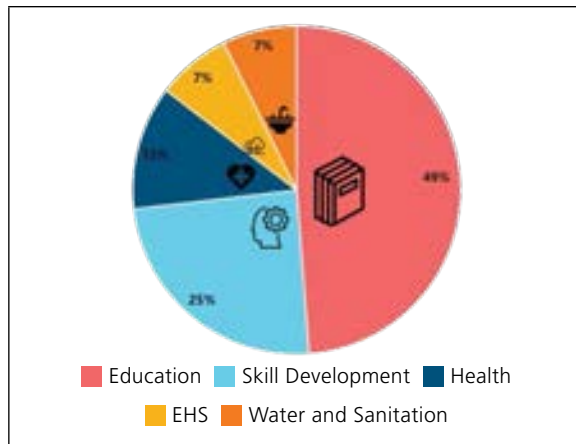


Figure 1: Sample distribution of projects by cause area

#### 3. Key findings

Majority of the projects adhered to the processes and activities as planned and most key performance indicators have been rated as 'present and well-executed'. As an example, key performance indicators of an education project are - process of selection of schools, provision of infrastructure, curriculum and pedagogy, involvement of stakeholders, condition and maintenance of infrastructure, and outcomes such as enhanced learning experience for students, improved attendance and enrolment of students, retention, to name a few.

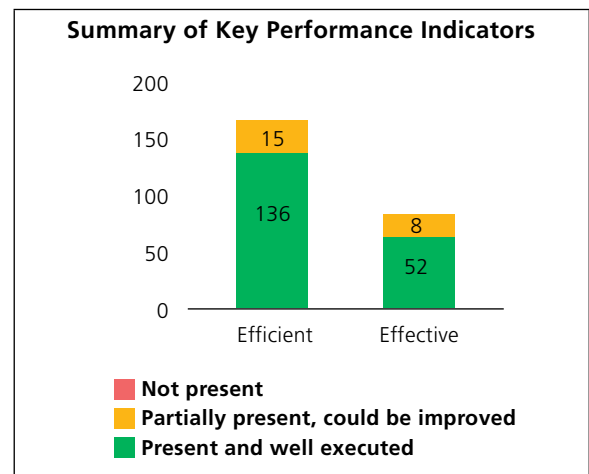


Figure 2: Summary of key performance indicators across all audited projects

##### 3.1. Skill development projects

Social audit was conducted for Construction Skills Training Institute (CSTI) and other vocational skill building projects including training on use of computer software, basic computer skills, MS Office, tailoring and beautician skills.

CSTI is a flagship skill training project of L&T, implemented in different centres across India. CSTI demonstrated strong performance on the 'training' parameters due to state-of-the-art infrastructure, robust technical curriculum and competent trainers. CSTIs have incorporated soft skills that help in boosting retention at work and encourage self-employment. The post-training process was also found to be adequate.

The other skill building projects demonstrated that indicators like quality of trainers, mobilisation of trainees, was good. Depending on the nature of the project, the primary stakeholders witnessed positive outcome in terms of improvement in skills and confidence.

### 3.2. Education projects

Education projects for social audit comprised of four different types of interventions – STEM education, provision of infrastructure, financial assistance, and extra-curricular development. The infrastructure support in schools was provided on a need basis and all the primary stakeholders expressed their satisfaction for the same. The STEM pedagogy received a positive acknowledgement from the students and has reached them despite delivery challenges during the pandemic.

### 3.3. Health projects

Health projects for social audit included health and hygiene awareness projects in schools, provision of prosthetic modular foot, L&T's Community Health Centre in Thane, breast cancer awareness camps and health infrastructure support including construction of

premises, provision of machinery and equipment. Overall, the projects related to health were found to be very beneficial to the primary stakeholders.

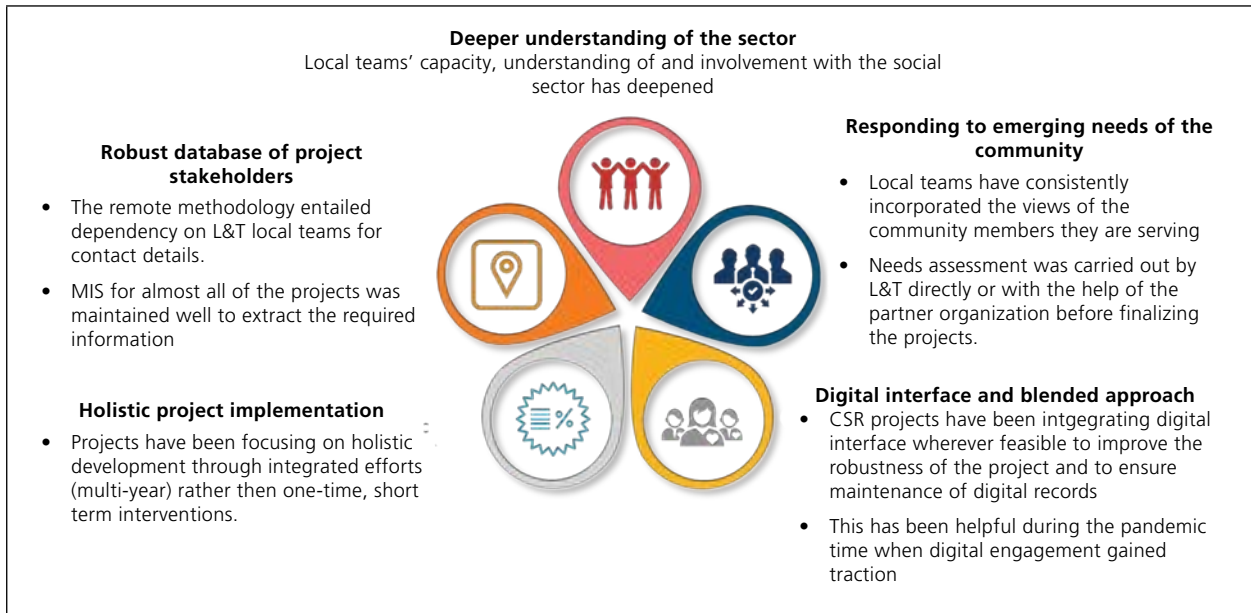
### 3.4. EHS projects

EHS projects for social audit included those on maintenance of a public garden, afforestation and desilting and cleaning of water bodies. The objective of EHS projects was to provide holistic support to the community and received overwhelming support from the concerned stakeholders.

### 3.5. Water and sanitation projects

Water and sanitation projects were mainly conducted in schools situated in remote rural locations and where prior to the intervention schools did not have a hygienic toilet facility for students. The students and the staff at schools mentioned that they feel secure and have benefitted greatly from the intervention.

## 4. Overall trends



## 5. Recommendations

### 5.1. Sustained maintenance of infrastructure

The company could ensure continued maintenance of facility constructed/supported by L&T through capacity building of partner institution to manage maintenance and operational cost. Leveraging on local community support for maintenance of infrastructure post-handover could prove beneficial.

### 5.2. Internal capacity building

It is suggested to leverage existing provisions by the government such as the DIKSHA initiative to access digital content and learning. L&T could create avenues to cross fertilise learning across teams and establish a common R&D.

### 5.3. Post intervention follow-up & tracking

To enhance the projects' outcomes, it is suggested to strengthen post treatment/support follow-up. Stronger post training tracking and monitoring mechanisms could assist in gathering accurate intelligence on retention and offer further support to trainees.

### 5.4 Overall

L&T could consider operational, maintenance or capacity building support for few years after project delivery. Additionally, projects in the area of environment, clean energy (as a differentiator) could be increased in the portfolio. L&T could design programmes for labour welfare as part of CSTI or other CSR initiatives.

TABLE 8C								
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name
				State	District			
1	Sustainable Soil & Water Conservation at Pathardi*	(iv) (x)	No	Maharashtra	Ahmednagar	0.34	No	Watershed Organization Trust
2	WASH awareness & construction of Toilets in Pathardi*	(i) (x)	No	Maharashtra	Ahmednagar	184.39	No	Watershed Organization Trust
3	Integrated Community Development Programme at Devgaon*	(x)	No	Maharashtra	Aurangabad	164.08	No	Watershed Organization Trust
4	Integrated Community Development Programme at Nagzari*	(x)	No	Maharashtra	Jalna	142.18	No	Watershed Organization Trust
5	Enhancing education level and infrastructure support in Bhim*	(ii) (x)	No	Rajasthan	Rajsamand	64.36	No	Bal Raksha Bharat
6	Construction of water harvesting structures, Individual Household toilets & Sanitation Awareness at Pappampatti*	(iv) (x)	Yes	Tamil Nadu	Coimbatore	149.68	No	National Agro Foundation
7	Construction of water harvesting structure & Individual Household toilets & Sanitation Awareness at Chettipalayam*	(iv) (x)	Yes	Tamil Nadu	Coimbatore	229.89	No	National Agro Foundation
8	Integrated community development programme at Gudiyatham*	(iv) (x)	Yes	Tamil Nadu	Vellore	338.46	No	DHAN Foundation
9	Water and soil conservation at Kumbhalgarh*	(iv) (x)	No	Rajasthan	Rajsamand	19.61	No	Seva Mandir
10	Improving education at Kumbhalgarh*	(ii) (x)	No	Rajasthan	Rajsamand	34.30	No	Seva Mandir
11	Improvement of women & Child health and Nutrition at Kumbhalgarh*	(i) (x)	No	Rajasthan	Rajsamand	91.43	No	Seva Mandir
12	Integrated Community Development Programme at Sewantri*	(iv) (x)	No	Rajasthan	Rajsamand	181.52	No	Seva Mandir
13	Educate and empower children at risk of dropping out in Pathardi*	(ii) (x)	No	Maharashtra	Ahmednagar	26.49	No	Light of Life Trust
14	WASH awareness and Sanitation Project at Gudiyatham*	(i) (x)	Yes	Tamil Nadu	Vellore	223.13	No	DHAN Foundation

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name
				State	District			
15	Livelihood Enhancement for women at Bhim*	(ii) (x)	No	Rajasthan	Rajsamand	49.32	No	Arpan Seva Sansthan
16	Water, soil conservation & water distribution at Bhim*	(iv) (x)	No	Rajasthan	Rajsamand	192.14	No	Arpan Seva Sansthan
17	Infrastructure Improvement of Schools and AnganWadi Centres at Bhim*	(ii) (x)	No	Rajasthan	Rajsamand	115.83	No	Arpan Seva Sansthan
18	Community Health Centre at Andheri*	(i)	Yes	Maharashtra	Mumbai	307.75	Yes	
19	Community Health Centre at Thane*	(i)	Yes	Maharashtra	Thane	177.64	Yes	
20	Skills development training for rural youth at Kanchipuram*	(ii)	Yes	Tamil Nadu	Kanchipuram	404.56	Yes	
21	Skills development training for rural youth at Panvel*	(ii)	Yes	Maharashtra	Raigad	346.00	Yes	
22	Skills development training for rural youth at Pilkhuwa*	(ii)	Yes	Uttar Pradesh	Hapur	308.52	Yes	
23	Skills development training for rural youth at Jadcherla*	(ii)	Yes	Telangana	Mahbubnagar	237.66	Yes	
24	Skills development training for rural youth at Serampore*	(ii)	Yes	West Bengal	Hooghly	480.00	Yes	
25	Skills development training for rural youth at Cuttack*	(ii)	Yes	Orissa	Cuttack	250.00	Yes	
26	Skills development training for rural youth at Hyderabad*	(ii)	Yes	Telangana	Ranga Reddy	80.72	Yes	
27	Skills development training for rural youth at Ahmedabad*	(ii)	Yes	Gujarat	Ahmedabad	333.84	Yes	
28	Skills development training for rural youth at Bengaluru*	(ii)	Yes	Karnataka	Bangalore	392.58	Yes	
29	Community Development Activities	(i) (ii) (iii) (x)	Yes	Tamil Nadu, Gujarat, Odisha, Maharashtra, Haryana, Karnataka, Andhra Pradesh, Madhya Pradesh, Telangana & West Bengal	TN (Chennai), GJ (Vadodara), OD (Sundargarh), MH (Mumbai, Nagpur), HR (Faridabad), KA (Bangalore), AP (Vishakhapatnam), Chandigarh, MP (Bhopal), TS (Hyderabad) & WB (Kolkata)	169.56	No	Prayas Trust

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name
				State	District			
30	Employee Volunteering Projects	(ii)	Yes	Maharashtra, New Delhi, Tamil Nadu & Gujarat	MH (Mumbai), DL (New Delhi), TN (Chennai, Coimbatore) & GJ (Surat, Vadodara)	51.69	yes	
31	STEM education project (Urban)	(ii)	Yes	Tamil Nadu, Haryana & Gujarat	Chennai, Hazira, Vadodara and Faridabad	83.72	No	American India Foundation
32	STEM Education Project (Rural)	(ii)	Yes	Rajasthan, Tamil Nadu & Puducherry	Jaipur, Chengalpattu & Puducherry	27.59	No	Navnirmiti Eduquality Foundation
33	Maintenance of Public green spaces	(iv)	Yes	Maharashtra	Mumbai & Nashik	91.10	yes	
34	Providing support to Cancer Institute (WIA) for Installation of Radiation equipment and care of underprivileged patients	(i)	Yes	Tamil Nadu	Chennai	175.00	No	Cancer Institute (WIA)
35	Construction of school building & skill development center	(ii)	Yes	Gujarat	Vadodara	823.63	No	BAPS Swaminarayan Sanstha
36	Education Infrastructure and Educational kit support for schools	(ii)	Yes	Maharashtra & Karnataka	Mahape, Ahmednagar & Mysore	27.74	yes	
37	Infrastructure enhancement for Multi-Speciality Hospital	(i)	Yes	Tamil Nadu	Kancheepuram	74.96	No	Shri Sankara Kripa Educational
38	Set up of computer lab in school	(ii)	Yes	Gujarat	Gandhinagar	50.00	No	Love India Foundation For Education
39	Support to Health & Dialysis Centres and Mobile Medical Units	(i)	Yes	Gujarat, Tamil Nadu, Maharashtra & Andhra Pradesh	Surat, Vadodara, Coimbatore, Chennai, Pune, Mumbai, Tiruvallur, Chittoor, Ahmednagar & Raigad	920.31	No	L&T Public Charitable Trust
40	Distribution of Cooked Meals & kits for Covid-19 affected	(i) (xii)	Yes	Maharashtra & Tamil Nadu	Mumbai & Chennai	135.77	No	Pratham Mumbai Education Initiative, Save the Children India & YR Gaitonde Medical Research Foundation
41	COVID-19 Relief efforts- Pan India	(i) (xii)	Yes	Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Madhya Pradesh, Maharashtra, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand & West Bengal	Pan India	2,996.71	Yes	
42	Designing & implementation of Projects	(i)	Yes	Maharashtra, Rajasthan & Tamil Nadu	MH (Mumbai), RJ(Rajsamand) & TN (Coimbatore, Vellore)	64.58	yes	

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹ Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name
				State	District			
43	Early Childhood Intervention through Pre-school readiness Program	(ii)	Yes	Maharashtra	Mumbai	21.18	No	Pratham Mumbai Education Initiative
44	Mobile Toy Van outreach	(ii)	Yes	Maharashtra	Mumbai	12.69	No	Children Toy Foundation
45	Support to Community Learning Centres for urban children from vulnerable communities	(ii)	Yes	Maharashtra	Mumbai	31.39	No	Angel Xpress Foundation
46	Support to Community Learning centres through Study Centers & Balwadis	(ii)	Yes	Maharashtra	Mumbai	71.83	No	Save The Children India
47	Support to Community Learning Center at Mahape	(ii)	Yes	Maharashtra	Thane	12.81	No	Pratham Education Foundation
48	Medical Infrastructure enhancement support	(i)	Yes	Tamil Nadu	Coimbatore	75.00	No	Genesis Foundation
49	Soft skills and personality development for urban children from vulnerable communities	(ii)	Yes	Maharashtra	Mumbai	0.83	No	National Centre for the Performing Arts
50	Health Awareness and Blood Donation Camp	(i)	Yes	Tamil Nadu	Chennai	0.50	No	Indian Red Cross Society
51	Educational support for Special Children at School	(i) (ii)	Yes	Tamil Nadu	Chennai	44.06	No	Vidyasagar Trust
52	Promoting awareness and inclusion	(ii)	Yes	Tamil Nadu	Chennai	7.43	No	Deaf Enabled Foundation of India
53	'Green Hands' – Building Awareness for Greenery Development in Nearby Communities	(iv)	Yes	Tamil Nadu	Chennai	3.60	Yes	
54	Support to Study Centres for urban children from vulnerable Communities	(i) (ii)	Yes	Tamil Nadu	Chennai	32.38	No	Bhumi
55	E-Content development for Skills development training Institutes for rural youth	(ii)	Yes	Tamil Nadu	Chennai	300.00	Yes	
56	Support to Evening School for urban children from vulnerable communities	(ii)	Yes	New Delhi	New Delhi	60.75	No	Seth Vidyalaya Trust



Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name
				State	District			
57	Skill Upgradation Training for Women construction Workers	(ii)	Yes	Gujarat	Ahmedabad	9.43	Yes	
58	School infrastructure development	(i) (ii)	Yes	Puducherry, Karnataka, Assam, Maharashtra, Telangana, West Bengal, Jharkhand, Punjab, Uttar Pradesh & Gujarat	Puducherry, Bangalore, Dibrugarh, Raigarh, Sangareddy, Hooghly, Palamu, Mohali, Meerut, Saharanpur, Hapur, Bulandshahr, Ranchi & Ahmedabad	41.73	Yes	
59	Infrastructure development at Primary Health Centre	(i)	Yes	Puducherry & Tamil Nadu	Puducherry & Tiruvallur	10.97	Yes	
60	School Adoption Project in government schools	(i) (ii)	Yes	Tamil Nadu	Coimbatore	203.89	Yes	
61	Greening of public spaces at Talegaon	(iv)	Yes	Maharashtra	Pune	5.05	Yes	
62	Multi skill training center for rural youth	(ii)	Yes	Andhra Pradesh	Visakhapatnam	69.74	Direct implementation till Dec. 2020	TATA Strive
63	Education support for Special Children	(ii)	Yes	Andhra Pradesh	Visakhapatnam	15.34	No	The Ability People and The hidden sprout special school, Vizag
64	Maintenance of Public green spaces	(iv)	Yes	Andhra Pradesh	Visakhapatnam	3.98	Yes	
65	WASH Facilities in Government Schools	(i) (ii)	Yes	Tamil Nadu	Coimbatore	23.94	Yes	
66	Infrastructure support for Model School	(i) (ii)	Yes	Andhra Pradesh	Visakhapatnam	20.94	Yes	
67	Support for School Infrastructure Upgradation	(i) (ii)	Yes	Maharashtra	Pune	11.02	Yes	
68	Support for education to vulnerable children	(ii)	Yes	Punjab & Haryana	Mohali & Sonipat	7.30	Yes	
69	Tree Plantation	(iv)	Yes	Tamil Nadu, Uttar Pradesh, Maharashtra, Telangana & Madhya Pradesh	Chennai, Allahabad, Nagpur, Hyderabad, Lucknow & Bhopal	0.55	Yes	
70	Health Support to underprivileged children	(i)	Yes	Orissa	Khordha	0.59	Yes	
71	Blood donation Camp	(i)	Yes	Orissa	Khordha	0.40	Yes	
72	Providing Skill Training to Youth On Data Entry / Retail Courses	(ii)	Yes	New Delhi	New Delhi	2.40	No	1. NIIT Foundation 2. Max Educational Trust

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name
				State	District			
73	Education Support for vulnerable children from urban communities	(i) (ii)	Yes	West Bengal	Kolkata	26.56	No	1. RNL Force 2. Bagmari Government Highschool 3. Disha Foundation 4. Path welfare 5. All Bengal Women union
74	Vocational Training for Women	(ii)	Yes	West Bengal	Kolkata	25.68	No	1. Anandan 2. Disha Foundation 3. Cathedral Relief Services
75	Support to children for urban children from vulnerable Communities	(ii)	Yes	West Bengal	Kolkata	25.21	No	Child in Need Institute Care and Counselling Institute of child health CRS foundation
76	WASH programme in government School	(i) (ii)	Yes	West Bengal	Kolkata	3.35	Yes	
77	Mother & Child – Health Programme	(i) (iii)	Yes	West Bengal	Kolkata	1.29	No	Cathedral Relief Services
78	Mobility Aids and Mainstreaming	(ii)	Yes	Maharashtra	Pune	12.00	No	Bharat Vikash Parishad
79	Infrastructure support for WASH programme, rainwater harvesting at Government school	(i) (ii)	Yes	Tamil Nadu	Kanchipuram	3.50	No	Integrated Development Initiatives & Alternatives Foundation India – NGO (India NGO)
80	Infrastructure development of village	(x)	Yes	Maharashtra	Ahmednagar	14.99	Yes	
81	Creation of public green spaces	(i)	Yes	Maharashtra	Buldhana	6.16	Yes	
82	ITI Workshop Upgradation	(ii)	Yes	Gujarat	Vadodara	20.96	Yes	
83	HIV AIDS Awareness Prevention & Support System	(i)	Yes	Gujarat	Surat	18.77	No	Gujarat State Network of people Living with HIV+ (GSNP+) and Swayam Welfare Center
84	Support to Community Development Centre at Mora	(ii)	Yes	Gujarat	Surat	16.41	Yes	
85	Providing educational kits	(ii)	Yes	Gujarat	Surat	21.88	No	Hazira Vikas Mandali
86	Providing Digital Classrooms in Schools	(i) (ii)	Yes	Gujarat	Surat	132.13	Yes	
87	Providing educational kits	(i) (ii)	Yes	Gujarat	Surat	65.30	Yes	
88	Health & Hygiene programme for adolescent health Awareness	(i)	Yes	Gujarat	Surat	1.77	Yes	
89	Maintenance of Public green spaces	(iv)	Yes	Gujarat	Surat	76.93	Yes	
90	Infrastructural support to rural school	(i) (ii)	Yes	Gujarat	Surat	50.02	Yes	
91	Drinking Water facilities at village	(i) (x)	Yes	Gujarat	Surat	75.60	Yes	

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name
				State	District			
92	Drinking Water facilities at government school	(i) (ii)	Yes	Gujarat	Surat	54.22	Yes	
93	Construction of Classrooms at government School	(i) (ii)	Yes	Gujarat	Surat	45.10	Yes	
94	Setting up Computer Lab at High School	(i) (ii)	Yes	Gujarat	Surat	28.08	Yes	
95	Rural health support	(i)	Yes	Gujarat	Surat	3.04	Yes	
96	'Aadhaar'- Skill Building for Community Women	(ii)	Yes	Gujarat	Surat	4.55	Yes	
97	School Infrastructure Support for Boys government school	(i) (ii)	Yes	Gujarat	Vadodara	19.56	Yes	
98	Infrastructure development support at Primary School	(i) (ii)	Yes	Gujarat	Vadodara	37.69	Yes	
99	Renovation of Community drinking water facilities	(i) (x)	Yes	Gujarat	Surat	74.56	Yes	
100	AutoCAD training for underprivileged youth	(ii)	Yes	West Bengal	Hooghly	21.99	Yes	
101	Providing educational support to tribal communities around L&T campus	(i) (ii)	Yes	Orissa	Sundargarh	280.00	Yes	
102	Maintenance of Public green spaces	(iv)	Yes	Gujarat	Vadodara	30.21	Yes	
103	Education support to vulnerable children	(ii)	Yes	Gujarat	Vadodara	39.59	No	1. Swami Vivekanand School 2. Roosevelt School 3. Sai Angel
104	Educational infrastructural support to vulnerable children	(i) (ii)	Yes	Madhya Pradesh, Haryana, Rajasthan & West Bengal	Singrauli, Faridabad, Chittorgarh & Paschim Bardhaman	52.95	Yes	
105	Health Infrastructural Support at Tanda	(i)	Yes	Uttar Pradesh	Ambedkar Nagar	1.94	Yes	
106	Infrastructural support at special children School	(i) (ii)	Yes	Tamil Nadu	Cuddalore	2.66	Yes	
107	Infrastructure Development for Government Boys Higher Secondary School	(i) (ii)	Yes	Tamil Nadu	Chennai	35.00	Yes	
108	Support to Government Higher Secondary School	(i) (ii)	Yes	Tamil Nadu	Chengalpattu	25.00	Yes	

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name
				State	District			
109	Support to Government Girls Higher Secondary School	(i) (ii)	Yes	Tamil Nadu	Chennai	15.00	Yes	
110	Basic Infrastructure upgradation in government primary schools	(i) (ii)	Yes	Uttar Pradesh	Sultanpur, Jaunpur, Ghazipur & Mirzapur	62.40	Yes	
111	Basic Infrastructure upgradation in Government Primary School	(i) (ii)	Yes	Tamil Nadu	Cuddalore	10.00	Yes	
112	Basic Infrastructure development in Government Boys and Girls Higher Secondary School	(i) (ii)	Yes	Tamil Nadu	Namakkal	40.00	Yes	
113	Sanitary Napkin Vending Machine and Incinerator Installation	(i) (ii)	Yes	Maharashtra	Pune	47.60	Yes	
114	Basic infrastructure Upgradation in Getticheviyur girls government school	(i) (ii)	Yes	Tamil Nadu	Erode	53.01	Yes	
115	Creating Infrastructure Facilities in School	(i) (ii)	Yes	Orissa & West Bengal	Jharsuguda, Mayurbhanj, Darjiling & Jalpaiguri	20.41	Yes	
116	Breast Cancer Brigade Project	(i)	Yes	Kerala	Kannur	13.14	No	Malabar Cancer Care Society
117	School Infrastructure Development	(i) (ii)	Yes	Gujarat, Rajasthan & Maharashtra	Mehsana, Vadodara, Mumbai, Satara, Aurangabad, Raigad, Pali & Jodhpur	64.66	Yes	
118	WASH facilities and awareness at Government Schools	(i) (ii)	Yes	Rajasthan, Madhya Pradesh, Odisha, Maharashtra & Haryana	RJ(Naguar, Dungarpur, Ajmer, Ganganagar, Jhunjhunu, Tonk), MP (Chhatarpur, Rajgarh, Sehore, Satna), OD (Keonjhar, Subarnapur), MH (Nashik) & HR (Faridabad)	56.60	Yes	
119	Infrastructure development (Solar Power System) at Government Schools	(i) (ii)	Yes	Rajasthan, Madhya Pradesh & Odisha	RJ (Alwar, Nagaur), MP (East Nimar) & OD (Sundargarh)	13.89	Yes	
120	Infrastructure development (Desks and Benches) at Government Schools	(i) (ii)	Yes	Rajasthan, West Bengal, Madhya Pradesh, Maharashtra, Gujarat & Haryana	RJ (Banswara, Dungarpur, Kushalgarh, Naguar), WB (Medinipur, Bankura), MP (Tikamgarh, Chhaigaonmakhan, Kalisindh), MH (Pune), GJ (Surendranagar) & HR (Faridabad)	40.25	Yes	
121	Health infrastructure support	(i)	Yes	Madhya Pradesh & Tamil Nadu	Rajgarh & Coimbatore	4.54	Yes	
122	Contribution to PM Cares Fund	(viii)	Yes	Pan India	Pan India	289.00	Yes	
	<b>TOTAL</b>					<b>14,405.61</b>		

\* While these are multi year projects, the budget allocation for these projects is approved on an annual basis.

## Annexure 'D' to the Board Report

- A. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21, the percentage increase in remuneration of each Director and Company Secretary during the financial year 2020-21 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	Total Remuneration	Ratio of remuneration of director to the median remuneration \$	Percentage increase in Remuneration
A. M. Naik	Group Chairman	6.21	73.51	0.37%
S. N. Subrahmanyam	Chief Executive Officer & Managing Director	28.50	337.64	4.86%
R. Shankar Raman	Whole-time Director & Chief Financial Officer	13.23	156.72	0.16%
Shailendra Roy#	Whole-time Director & Senior Executive Vice President (Power)	22.75	#	•
D. K. Sen	Whole-time Director & Senior Executive Vice President (Infrastructure)	4.98	58.96	11.38%
M. V. Satish	Whole-time Director & Senior Executive Vice President (Buildings, Minerals & Metals)	5.37	63.63	(7.05)%
J. D. Patil	Whole-time Director & Senior Executive Vice President (Defence)	5.36	63.50	5.38%
Subramanian Sarma@	Whole-time Director & Sr. Executive Vice President (Energy)	11.40	219.00	•
S. V. Desai%	Whole-time Director & Sr. Executive Vice President (Civil Infrastructure)	3.47	56.85	•
T. Madhava Das%	Whole-time Director & Sr. Executive Vice President (Utilities)	3.66	59.92	•
M. M. Chitale	Independent Director	0.72	8.55	47.65%
Subodh Bhargava	Independent Director	0.66	7.81	31.11%
M. Damodaran	Independent Director	0.64	7.61	173.19%
Vikram Singh Mehta	Independent Director	0.39	4.58	31.63%
Adil Zainulbhai	Independent Director	0.62	7.40	62.21%
Sunita Sharma^ *	Nominee of Life Insurance Corporation of India	0.36	4.24	40.20%

₹ crore

Name of the Director/ KMP	Designation	Total Remuneration	Ratio of remuneration of director to the median remuneration \$	Percentage increase in Remuneration
Ajay Shankar &	Independent Director	0.06	4.70	•
Naina Lal Kidwai~	Independent Director	0.23	3.03	•
Sanjeev Aga	Independent Director	0.56	6.58	72.52%
Narayanan Kumar	Independent Director	0.48	5.67	72.30%
Hemant Bhargava ^	Nominee of Life Insurance Corporation of India	0.31	3.70	625.58%
Preetha Reddy ^^	Independent Director	0.08	10.83	•
Sivaram Nair A	Company Secretary	1.66	19.63	282.82%

\$ 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 2020-21.

^ Part of the remuneration has been paid to the financial institution he/she represents.

• Details not given as the Director / KMP was there for part of the year.

& Ceased to be a Director w.e.f. 29th May 2020.

# Ceased to be a Director w.e.f. 7th July 2020. Ratio of remuneration to the median remuneration is not calculated since (a) the director is retired on 7th July 2020 and (b) total remuneration of the director also includes retirement benefits.

~ Ceased to be a Director w.e.f. 28th February 2021.

@ Non-executive director upto 18th August 2020 and appointed as Whole-time Director w.e.f. 19th August 2020.

% Appointed as Whole-time Directors w.e.f. 11th July 2020.

^^ Appointed as an Independent Director w.e.f. 1st March 2021.

\* Resigned as a Director w.e.f. 3rd May 2021 pursuant to withdrawal of nomination by LIC.

**B. Percentage increase in the median remuneration of all employees in the financial year 2020-21:**

The median remuneration of employees of the Company during the financial year was ₹ 8.44 lakh. In the financial year, there was a decrease of 1.59% in the median remuneration of employees.

**C. Number of permanent employees on the rolls of Company as on 31st March 2021:**

There were 40,253 permanent employees on the rolls of Company as on 31st March 2021.

**D. 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 decrease made in the salaries of employees other than the managerial personnel for the year 2020-21 was 10.12% whereas there is an increase in the managerial remuneration by 54.07%. Reduction in remuneration to employees other than managerial personnel is mainly due to cost reduction measures adopted by the Company in the current pandemic scenario and increase in managerial remuneration is mainly due to 3 new Executive Directors appointed during the year and retirement benefits paid to the retiring Executive Director.

**E. Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## Annexure 'E' to the Board Report

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Larsen & Toubro Limited  
CIN: L99999MH1946PLC004768  
L&T House, Ballard Estate,  
Mumbai – 400001.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2021**, 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, 2021** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable as there was no reportable event during the financial year under review;**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - 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/ proposed to delist its equity shares from any Stock Exchange during the financial year under review;**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable as there was no reportable event during the financial year under review;**
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

**We further report that:-**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and Women Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors of the schedule of the Board and Committee Meetings and Agenda & detailed notes on agenda were sent at least seven days in advance except for the meetings where consent of the Directors was obtained for receiving notice and agenda and notes to agenda less than seven days before the meeting;
- There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting;
- All decisions of Board and Committee meetings were carried unanimously.

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

adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the following events have occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

The Company has:

- Issued and allotted 90,000 Non- Convertible Debentures of ₹ 10 Lac each aggregating to ₹ 9000 Crore (Rupees Nine Thousand Crore only)
- Non- Convertible Debentures amounting to ₹ 3200 Crore were duly redeemed on their respective due dates.
- The members at the Annual General Meeting held on 13th August 2020, passed Special Resolutions :
  - to authorise the Board of Directors to raise funds through issuance of convertible bonds and/ or equity shares through depository receipts, including by way of Qualified Institutions Placement, in one or more tranches upto amount not exceeding ₹ 4500 Crore (Rupees Four Thousand Five hundred Crore only) or US \$600 Mn (US Dollars Six Hundred Million), whichever is higher.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **S. N. ANANTHASUBRAMANIAN & Co.**  
 Company Secretaries  
 ICSI Unique Code: P1991MH040400  
 Peer Review Cert. No.: 606/2019

**S. N. Ananthasubramanian**  
 Partner  
 FCS: 4206 | COP No.: 1774  
 ICSI UDIN: F004206C000253565

Date : 06th May, 2021  
 Place : Thane



**Annexure-'A'**

To,  
The Members,  
Larsen & Toubro Limited  
CIN: L99999MH1946PLC004768  
L & T House, Ballard Estate,  
Mumbai – 400001.

Our Secretarial Audit Report for the **Financial Year ended 31st March, 2021**, 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. Due to the pandemic caused by COVID-19 and prevailing lockdowns/ restrictions on movement of people imposed by the Government, for the purpose of issuing this report we have conducted our audit remotely based on the records and information made available to us by the Company electronically.
6. 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.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries  
ICSI Unique Code: P1991MH040400  
Peer Review Cert. No.: 606/2019

**S. N. Ananthasubramanian**

Partner  
FCS: 4206 | COP No.: 1774  
ICSI UDIN: F004206C000253565

Date : 06th May, 2021

Place : Thane

## Annexure 'F' to the Board Report

### DIVIDEND DISTRIBUTION POLICY

#### INTRODUCTION

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, prescribed Listed Companies are required to frame a Dividend Distribution Policy.

#### PURPOSE

The purpose of this Policy is to regulate the process of dividend declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

#### AUTHORITY

This Policy has been adopted by the Board of Directors of Larsen & Toubro Limited ('the Company') at its Meeting held on 22nd November, 2016. The Policy shall also be displayed in the annual reports and also on the website of the Company.

#### FORMS OF DIVIDENDS

The Companies Act provides for two forms of Dividend:

- **Final Dividend**

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

- **Interim Dividend**

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with this policy. The Board should consider declaring an interim dividend after finalization of quarterly/ half yearly financial results. This would be in order to supplement the annual dividend or to reward shareholders in exceptional circumstances.

#### QUANTUM OF DIVIDEND AND DISTRIBUTION

Dividend payout in a particular year shall be determined after considering the operating and financial performance

of the Company and the cash requirement for financing the Company's future growth. In line with the past practice, the dividend payout is expected to grow in accordance with the profitable growth of the Company under normal circumstances.

#### DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of-

- 1) Current financial year's profit:
  - a) after providing for depreciation in accordance with law;
  - b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion
- 2) The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; or
- 3) out of 1) & 2) both.

The circumstances under which shareholders may not expect dividend/or when the dividend could not be declared by the Company shall include, but are not limited to, the following:

- a. Due to operation of any other law in force;
- b. Due to losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;
- c. Due to any restrictions and covenants contained in any agreement as may be entered with the Lenders and
- d. Due to any default on part of the company.

#### FACTORS AFFECTING DIVIDEND DECLARATION

The Dividend pay-out decision of any company, depends upon certain external and internal factors-

##### External Factors:

- Legal/ Statutory Provisions and Regulatory concern: The Board should keep in mind the restrictions imposed by Companies Act, any other applicable laws with regard to declaration and distribution of dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.

- **State of Economy:** The Board will retain appropriate part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.
- **Nature of Industry:** The nature of industry in which a company is operating, influences the dividend decision. Like the industries with stable demand throughout the year are in a position to have stable earnings and thus declare stable dividends.
- **Taxation Policy:** The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the company for declaring dividends.
- **Capital Markets:** In case of unfavorable market or economic or business conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

#### **Internal Factors:**

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which *inter alia* will include -

- **Magnitude and Stability of Earnings:** The extent of stability and magnitude of company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the company.
- **Liquidity Position:** A company's liquidity position also determines the level of dividend. If a company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.

- **Future Requirements:** If a company foresees some profitable investment opportunities in near future including but not limited to Brand/ Business Acquisitions, Expansion / Modernization of existing businesses, Additional investments in subsidiaries/ associates of the Company, Fresh investments into external businesses, then it may decide for lower dividend payout and vice-versa.
- **Leverage profile and liabilities of the Company.**
- **Any other factor as deemed fit by the Board.**

#### **RETAINED EARNINGS**

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and for fixed as well as working capital. Thus the retained earnings shall be utilized for carrying out the main objectives of the company and maintaining adequate liquidity levels.

#### **PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE**

The Company does not have different classes of shares and follows the 'one share, one vote' principle.

#### **REVIEW & AMENDMENT**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Executive Management Committee has been authorized to change/ amend the policy as may be expedient taking into account the law for the time being in force and the same shall be intimated to the Board.

## Annexure 'G' to the Board Report

### NOMINATION AND REMUNERATION POLICY

#### (As per Companies Act, 2013)

The Board of Directors of Larsen & Toubro Limited ("the Company") had constituted the "Nomination and Remuneration Committee" which is in compliance with the requirements of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

#### 1. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Act read along with the applicable rules thereto and Regulation 19 of LODR. The Key Objectives of the Committee would be:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out by the Board or the Nomination & Remuneration Committee or by an Independent External Agency and review its implementation and compliance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Devising a policy on Board diversity;

#### 2. DEFINITIONS:

**2.1. Act** means the Companies Act, 2013 or Companies Act, 1956 as may be applicable and Rules framed thereunder, as amended from time to time.

**2.2. Board** means Board of Directors of the Company.

**2.3. Directors** mean Directors of the Company.

**2.4. Executive Directors** means the **Executive Chairman if any, Chief Executive Officer and Managing Director, Deputy Managing Director, if any and Whole-time Directors.**

**2.5. Key Managerial Personnel (KMP)** means

- Chief Executive Officer or the Managing Director or the Manager;
- Whole-time directors;
- Chief Financial Officer;
- Company Secretary;
- Senior Management Personnel designated as such by the Board; and
- Such other officer as may be prescribed.

**2.6. Senior Management Personnel** means all members of management one level below the Executive Directors including the Chief Financial Officer and Company Secretary. Presently, persons in Sr. Vice President grade and F&A heads of Independent Companies reporting to Whole-time Directors will be covered as Senior Management Personnel.

#### 3. ROLE OF COMMITTEE:

**3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**3.2. Policy for appointment and removal of Director, KMP and Senior Management**

**3.2.1. Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience

of the person for appointment as Director and recommend to the Board his/her appointment.

Appointment and Remuneration of KMP or Senior Management Personnel is in accordance with the HR Policy of the Company. The Company's policy is committed to acquire, develop and retain a pool of high calibre talent, establish systems and practises for maintaining transparency, fairness and equity and provides for payment of competitive pay packages matching industry standards.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Director who has attained the retirement age fixed by the Board or as approved by the Shareholders pursuant to the requirement of the Act/LODR.

### 3.2.2. Term / Tenure

#### a) Executive Directors:

The Company shall appoint or re-appoint any person as its Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### b) Independent Directors:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The rationale for such re-appointment shall also be provided in the Notice to Shareholders proposing such re-appointment.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the

Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### c) Maximum Number of Directorships:

- A person shall not be appointed as a Director in case he is a Director in more than eight listed companies after April 1, 2019 and seven listed companies after April 1, 2020. For the purpose of this clause listed companies would mean only those companies whose equity shares are listed.

### 3.2.3. Evaluation

The Committee shall by itself or through the Board or an independent external agency carry out evaluation of performance of the Board/Committee(s), Individual Directors and Chairman at regular interval (yearly) and review implementation and compliance.

The Company may disclose in the Annual Report:

- a. Observation of the Board Evaluation for the year under review
- b. Previous years observations and actions taken
- c. Proposed actions based on current year's observations

### 3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### 3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act or the prevailing policy of the Company, as applicable. The Board/Committee will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or

otherwise even after attaining the retirement age, for the benefit of the Company.

### **3.3. Policy relating to the Remuneration of Executive Director, KMP and Senior Management Personnel**

#### **3.3.1. General:**

- a) The remuneration / compensation / commission etc. to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Executive Directors shall be in accordance with the percentage / limits / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Executive Directors.
- d) Where any insurance is taken by the Company on behalf of its Executive Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- e) Remuneration of other KMP or Senior Management Personnel, in any form, shall be as per the policy of the Company based on the grade structure in the Company.

#### **3.3.2. Remuneration to Executive Directors/KMP and Senior Management Personnel:**

##### **a) Fixed pay:**

The Executive Directors/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee or policy of the Company. In case of remuneration to Directors, the breakup of the pay scale and quantum of perquisites

including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

##### **b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

##### **c) Provisions for excess remuneration:**

If any Chairman/Managing Director/Whole-time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

##### **d) Stock Options in Subsidiary Companies:**

Executive Directors may be granted stock options in subsidiary companies as per their Schemes and after taking necessary approvals. Perquisites may be added to the remuneration of concerned directors and considered in the limits applicable to the Company.

#### **3.3.3. Remuneration to Non- Executive / Independent Director:**

##### **a) Remuneration / Commission:**

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Act.

##### **b) Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be

prescribed by the Central Government from time to time.

**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act. The Board of Directors will fix the Commission payable to Directors on the basis of number of Board/Committee meetings attended during the year and Chairmanships of Committees.

**d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company. Non-Executive Directors are eligible for Stock options in accordance with Schemes formulated by the Company. Nominee Directors are not entitled to stock options as per their respective nomination letters received by the Company.

**4. MEMBERSHIP**

- 4.1** The Committee shall consist of a minimum 3 non-executive directors, half of them being independent.
- 4.2** Minimum two (2) members or one-third of the members whichever is greater including atleast one Independent Director shall constitute a quorum for the Committee meeting.
- 4.3** Membership of the Committee shall be disclosed in the Annual Report.
- 4.4** Term of the Committee shall be continued unless terminated by the Board of Directors.

**5. CHAIRPERSON**

- 5.1** Chairperson of the Committee shall be an Independent Director.
- 5.2** Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3** In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4** Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held atleast once in a year and at such regular intervals as may be required.

**7. COMMITTEE MEMBERS' INTERESTS**

- 7.1** A member of the Committee is not entitled to be present/participate in discussion when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2** The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**8. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

**9. VOTING**

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

**10. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- 10.1** Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.2** Determining the appropriate size, diversity and composition of the Board;
- 10.3** Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.4** Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.5** Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.6** Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an

employee of the Company subject to the provision of the law and their service contract;

- 10.7 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.8 Recommend any necessary changes to the Board; and
- 10.9 Considering any other matters, as may be requested by the Board.

#### **11. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- 11.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 To ensure the remuneration maintains a balance between fixed and incentive pay reflecting short and

long term performance objectives appropriate to the working of the Company.

- 11.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 To consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

#### **12. MINUTES OF NOMINATION AND REMUNERATION COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

#### **13. REVIEW & AMENDMENT:**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Executive Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.