LARSEN & TOUBRO

Technology for Sustainable Growth

76th ANNUAL REPORT

2020-2021

VISION

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

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

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

LARSEN & TOUBRO

A. M. Naik
Group Chairman

"It is vital to remain psychologically strong and stay united in our shared sense of purpose."

Dear Shareholders

I am addressing you all at a time when the nation has been impacted by the second wave of the Corona virus, leading to widespread distress and tragic loss of life. The unexpected scale and intensity of this year's surge threatened to overwhelm India's healthcare systems and undermine the prevailing macro-economic narrative. Undoubtedly, this is the most severe test ever faced by all of us – households, corporates, civil society and the Government.

At this critical juncture, as important as observing health and safety measures is to remain psychologically strong, guard against cynical despair and stay united in our shared sense of purpose. As they say, the darkest hour is before dawn, and we are already beginning to glimpse early signs that give rise to cautious optimism. The declining trend in cases across the states as well as the prospects of the vaccine rollout gaining pace should help us look forward to happier times.

Your Company reiterates its strong commitment to serve the people of this country, and expresses solidarity with the nation and its leadership.

Response to the Pandemic

L&T's first priority has revolved around taking every possible care of its employees, contract workers and society at large. For our employees, we have initiated a broad spectrum of measures that encompass financial, medical and insurance assistance as well as educational support.

These measures were communicated across the organisation and have contributed to bolstering the morale of our workforce. All these are over and above the regular benefits and insurance payments already in place for employees. In addition, quarantine centres, fully equipped with oxygen generators and other vital equipment, have been set up to meet the emergency needs of our employees and their families as well our contract workmen. Employees can also avail of in-house vaccination drives and secure help through medical services and professional online counselling.

We consider our contract workers as part of our extended workforce and have continued to pay their wages and provide food, shelter and medical assistance. This was done while maintaining the prescribed COVID-19 preventive and containment protocols at all our factories and project sites.

As a conscientious corporate citizen, we have contributed in monetary and material terms to meet the challenges posed by this humanitarian crisis. In addition to a donation to the PM Cares Fund at the onset of the crisis, the L&T Group has also supplied test, medical and PPE kits to locations around the country. When the second wave threw up the unexpected challenge of an acute shortage of oxygen, we responded by activating our global procurement arms, and commenced delivery of oxygen generators to various hospitals in India. We also supplied oxygen concentrators, ventilators and ambulances.

As India's leading Group involved in EPC projects, high-tech manufacturing and services, we drew on our reservoir of expertise to provide assistance in a number of ways. Our construction business has converted many hospitals to Covid Care Centres. We have installed smart technologies in over 20 major cities to help state governments and local authorities in their endeavour to contain the spread of the virus. These public-spirited initiatives by your Company have been widely acknowledged by multiple state governments.

Economic Scenario

The year FY21 was an economic roller coaster. It can be best described as a 'tale of two halves' where we witnessed a precipitous slowdown in economic activity in the first half, followed by an impressive sequential rebound in the second half. The combination of fiscal and monetary measures by the Government and RBI announced in the early part of the year accounted for 10% of India's nominal GDP. Not only did it cushion the economic fallout, it also bolstered consumer and business confidence when activities resumed post the first lockdown.

Secondly, the enhancement as well as the front-loading of borrowing programmes by the Centre and States ensured that money continued to flow through various economic constituents even when tax collections were low. Against all odds, our country has demonstrated commendable economic resilience despite stringent lockdowns, reverse migration of labour and supply chain disruptions.

Post the phased lifting of the lockdowns last year, the Indian economy recorded growth across most sectors, evidenced by way of significant increases in high frequency indicators such as energy demand, E-way bills, GST collections, cement and steel consumption, etc. These not only touched pre-pandemic levels but, in some cases, surpassed them. Despite the progressive pickup in various economic parameters, India's GDP has contracted by 7.3% in FY2020-21 mainly due to the lockdown in the first half of the year.

The global economy, already buffeted by various factors like trade tensions, political instability, Brexit and low crude prices, etc., was further stressed as the virus raged across large swathes of the world. In addition to introducing healthcare measures, most countries have opted for benevolent fiscal and monetary policies to support growth. Under-utilisation of manufacturing capacities across the world due to lower demand and decelerated global trade has become a recurring phenomenon. Increasingly, countries are resorting to a protectionist stance in an attempt to safeguard their own economies. Meanwhile, volatile oil prices due to demand-supply imbalances have affected the fiscal arithmetic of GCC countries and consequently, their ability to spend on Capex.

It appears that augmenting India's stock of vaccines, and accelerating its rollout across the country is the safest and surest route to full economic recovery.

Capex Spends

India's capex cycle over the last five years has revolved around public investments, while private investments remained largely lacklustre. Given the scale of India's infrastructure deficit, we remain optimistic about the Government's intent to complete around 7400 projects as envisaged in the National Infrastructure Pipeline, aggregating to ₹ 111 trillion by FY25. The project pipeline is expected to be collectively funded by the Central

Government, State Governments and PSUs to the extent of 79% with the remaining 21% being envisaged to come from the private sector.

We believe a phased recovery in economic activity over the next couple of years will result in tax buoyancy, and consequently enable the Government to forge ahead with various infrastructure projects. While the Union Budget 2021 highlighted large outlays on infrastructure, the Government also postponed the fiscal consolidation exercise to FY25, essentially creating more room for future Capex spends. Currently, many projects in India are also being funded by various bi-lateral/multi-lateral agencies which can potentially plug funding gaps, if any, in the National Infrastructure Pipeline. Private sector balance sheets have been looking healthier, thanks to the combination of incentives around PLIs, low tax rates and liquidity, as well as visibility of pick up in industrial demand and select segments of real estate. We are bullish about an uptick in private investments in the medium term. India's investment/GDP ratio which has been languishing, should see significant improvement in the coming years. Once private investments revive, we could hopefully see shades of a repeat of the 2003-08 capex cycle in India when both public and private investments gained momentum in tandem.

Since infrastructure investments serve the twin benefits of improving productivity and generating employment, we believe that the underlying macro drivers for investments in India remain intact. Your Company is poised to capitalise on these opportunities as they emerge.

Group Performance Overview

In a year marked by anxiety and uncertainty, your Company turned in a creditable performance and registered appreciable recovery across key performance parameters. Our order inflow for the year at ₹ 175,497 crore was achieved on the back of strong domestic wins in the Infrastructure and Hydrocarbon segments. Despite the COVID-19 led disruption, order inflow was boosted by the thrust given by the Indian Government to the Infrastructure sector to help put the economy back on track. We secured multiple large and prestigious orders during the year, viz., the Mumbai-Ahmedabad High Speed Rail (popularly called the 'Bullet Train'), a bridge across the Brahmaputra in Assam as well as EPCC packages for the Barmer Refinery in Rajasthan.

The L&T Group recorded revenues of ₹ 135,979 crore during FY2020-21, registering a decline of 6.5%. The decline was mainly due to the slowdown of project execution and manufacturing activity, affected due to lockdown-related disruptions in first half of the year. This was partially compensated for by a more normalised level of operations during the second half of FY2020-21.

As on March 31, 2021, the order book at ₹ 327,354 crore provides multi-year revenue visibility. The infrastructure segment has a 75% share of the consolidated order book. The order book registered a growth of 7.7%, on the back of some mega orders secured during the year.

Shareholder value was delivered through healthy profit after tax which stood at ₹ 11,583 crore, representing a growth of 21.3% over the previous year. During the year, the Company concluded the divestment of its Electrical & Automation (E&A) business including the sale of the integrated marine automation solutions company, Servowatch Systems Limited.

The Company continues to focus on shareholder value creation by divesting non-core assets, capturing cost efficiencies and leveraging technology for productivity gains. The Company's strategically diversified business portfolio, geographical dispersion, robust balance sheet and strong order book are reliable signposts to a brighter future. Further, its proven execution strengths and committed workforce are helping it to successfully transition into a more digitally evolved work environment. This should enable the business to thrive and grow, once the immediate challenges posed by the pandemic are overcome.

It gives me great pleasure to inform you that the Board of Directors has recommended a final dividend of ₹ 18 per share for FY2020-21. This is in addition to the ₹ 18 per share of special dividend declared earlier during the year.

International Business

The Company has gradually expanded its international footprint through geographic dispersion as a conscious de-risking strategy. While the Middle East region has obviously remained an area of focus, the Company has turned its attention to many countries in Africa as well as South East Asia. Currently, the Middle East region constitutes 61% of the international order book of ₹ 68,773 crore.

Training, Talent Management and Next Line Planning

At the L&T Group, we have crafted a culture of continuous training and empowerment, with an emphasis on transparency, efficiency and empathy. Our people occupy prime position in the organisation's hierarchy of stakeholders, and therefore continuous attention is given to retention and development of talent at all levels. Talent management has been broadly classified into three domains: Business Leadership, Technical Leadership and Project Leadership. For Business Leadership, a robust '7 Step Leadership Development Model' has been in place for more than a decade. The Company's top management ensures that employees are accorded opportunities for professional development and are able to grow along with the business they work for. Our initiatives in digitalisation have enabled us to provide the relevant learning experience to our employees, even as they worked remotely during the lockdown.

Sustainable Development

Our Group is over eight decades old, and we have been at the forefront of many sustainability initiatives, long before they were mandated by law. In other words, we internalised the spirit behind ESG and were among the early companies who turned precepts into practice. An annual reporting cycle has been maintained for all our Sustainability Reports since 2008. These reports are accessible on the Company's website. The reports, which serve as ESG progress scorecards, are aligned to the Global Reporting Initiative (GRI) standards and Sustainable Development Goals (SDGs), and have been independently verified by a third-party assurance agency.

Our approach covers a wide spectrum of materially relevant parameters. This involves placing under the lens factors such as energy conservation, use of renewable energy, reduction of GHG emissions, water efficiency and materials management. We also calibrate our growing green portfolio, clock improvements in sustainability implemented by our vendors as well as measure enhancements in employee engagement, safety and well-being.

As the community sees it, sustainable development must necessarily translate into the tangible things that make life safer, less burdensome and more promising for their children. On our part, we are helping to provide the communities around us with better access to potable water, an improved level of sanitation, and facilities for health, education and skill building. We are also committed to expanding and enhancing the scope of our activities far into the future – for happy communities contribute to the society's general sense of well-being.

Turning to governance, at L&T, our core values pivot around the principles and ideals based on independence, transparency, accountability, responsibility, compliance, ethics and trust. In recognition of our efforts, we received the 'Grant Thornton Bharat SABERA' award for Best Integrated Reporting.

As stated in our Integrated Report, I also wish to underscore that we have clarified our position vis-à-vis controversial weapon segments in Defence Engineering: we are not involved in any such weaponry.

Outlook

The outlook for FY2021-22 is one of cautious optimism, with the country's GDP regaining positive territory thanks to the base effect in the first half, followed by robust growth in the second. While the current resurgence of COVID-19 may dent prospects in the initial part of the year, vigorous vaccination efforts and improved adherence to safety protocols should spark a revival in the latter half. We therefore believe the recovery is 'delayed' and not 'derailed'.

One unintended but welcome consequence of the pandemic has been the rapid adoption of digital technologies. This was a lifeline which ensured that economies do not get paralysed due to lockdowns and other constraints. Another positive fall-out has been an increased awareness of sustainability and a more stringent emphasis on Environment Protection, Social Responsibility and Governance frameworks. With countries signing up for time-bound zero carbon emission targets, newer business opportunities should emerge for your Company in green hydrogen, renewables, water and waste management and allied fields.

Elsewhere, the recovery of the global economy has been uneven, with the performance of several countries still below pre-COVID-19 levels. With oil firmly back above USD 60 per barrel, we should see an upswing in GCC Capex spends as well as improved prospects in Africa and South East Asia.

Against the backdrop of the pandemic and its aftermath, your Company will continue to uphold the primary dictum of maintaining the health and safety of its people. Simultaneously, it will aggressively pursue opportunities for growth, both in domestic and international markets. The focus would be on mega project wins, efficient execution of its large order book and productive utilisation of its monetary resources. All of this is targeted at ensuring a sustainable business model and thereby enhancing shareholder returns.

As we pass through a crisis of unprecedented magnitude, I would like to thank Team L&T as well as our customers, vendors, the Government and other stakeholders for the confidence and trust they have reposed in us. I also thank my fellow Board members for their invaluable support in guiding the Company and enabling another year of growth.

Thank You

A. M. Naik

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COMPANY INFORMATION

BOARD OF DIRECTORS

(as on 14th May 2021)

MR. A. M. NAIK
Group Chairman

MR. S. N. SUBRAHMANYAN
Chief Executive Officer and Managing Director

MR. R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer

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

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

MR. JAYANT DAMODAR PATIL
Whole-Time Director & Sr. Executive Vice President (Defence & Smart Technologies)

MR. SUBRAMANIAN SARMA
Whole-time Director & Sr. Executive Vice President (Energy)

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

MR. T. MADHAVA DAS
Whole-time Director & Sr. Executive Vice President (Utilities)

MR. M. M. CHITALE
Independent Director

MR. SUBODH BHARGAVA
Independent Director

MR. M. DAMODARAN
Independent Director

MR. VIKRAM SINGH MEHTA
Independent Director

MR. ADIL SIRAJ ZAINULBHAI
Independent Director

MR. SANJEEV AGA
Independent Director

MR. NARAYANAN KUMAR
Independent Director

MR. HEMANT BHARGAVA
Nominee of Life Insurance Corporation of India

MRS. PREETHA REDDY
Independent Director

Company Secretary
Mr. Sivaram Nair A

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

Auditors
M/s.Deloitte Haskins & Sells LLP

Registrar & Share Transfer Agents
KFin Technologies Private Limited

76th Annual General Meeting through Video Conferencing or Other Audio Visual Means on Thursday, 5th August 2021 at 3.30 p.m. IST

Chairman & Board of Directors

CEO & Managing Director S N Subrahmanyan

M V Satish

Buildings & Factories

Public Spaces & Airports
- Airports
- Public Spaces
- Factories

Commercial & Residential Spaces
- Health
- ITOS & Data Centres
- Residential

B&F Fast

T Madhava Das

K. Asok Kumar

Water & Effluent Treatment

Water & Wastewater
- Rural Water Supply
- Urban Water & Water Management
- Waste Water

Irrigation, Industrial & Infrastructure
- Large Water Systems I (North & West)
- Large Water Systems II (South & East)
- Industrial & Desalination
- Smart Water Infrastructure

Water International

Power Transmission & Distribution

Domestic
- Substation
- Utility Power Distribution
- Transmission Lines
- Optic Fibre Cabling Projects

International
- Middle East
- Africa
- ASEAN

Renewables
- Utility Scale
- Microgrids & Energy Storage
- Special Initiatives
- International

Digital Solutions

Subsidiary
- L&T Saudi Arabia

S V Desai

Heavy Civil Infrastructure

- **Metros**
- **Hydel & Tunnels**
- **Nuclear**
- **Defence**
- **Ports & Harbours**

L&T Geostructure Pvt. Ltd.

Joint Ventures
- ALYSJ JV Gold Line Doha Metro
- ArRiyadh New Mobility Consortium- Riyadh Metro Orange Line

Transportation Infrastructure

Roads, Runways & Elevated Corridors (Domestic)
- Roads & Bridges
- Formations & Structures

Railways
- Main Line Railway Construction Business
- Metro Business

Transportation (International)

Subsidiaries
- L&T Oman LLC
- L&T Infrastructure Engineering Ltd.
- Hitech Rock Products & Aggregates Ltd.

D K Sen

Metallurgical & Material Handling
- Minerals & Metals
- Middle East
- Products

Infrastructure Development Projects
- Roads
- Ports
- Metros
- Power Transmission

Power Development
- Development of Thermal and Hydro Power Plants
- L&T Uttaranchal Hydro Power Limited
- Nabha Power Limited

Subramanian Sarma

Derek M Shah

Power

EPC Projects
- Coal-based Projects
- Gas-based Projects
- Nuclear Steam Turbine & Generators Island

Enviro Systems
- Electrostatic Precipitators
- Flue Gas Desulfurization
- Selective Catalytic Reduction
- Combustion Modification

Manufacturing
- Ultra Supercritical and Supercritical Boilers
- Ultra Supercritical and Supercritical Steam Turbine & Generators
- Pulverisers
- Nuclear Steam Turbine & Generators
- Steam Turbines for Combined Cycle Power Plant
- Contract Manufacturing for Steam & Hydro Turbine Generators
- Heavy Foundry
- Axial fans
- Rotary Air Pre-heaters

Joint Ventures
- L&T-MHI Power Boilers
- L&T-MHI Power Turbine Generators
- L&T Howden

Joint Venture for Engineering & Design
- L&T-Sargent & Lundy

Construction Capability Unit

Energy Products & Systems Engineering

Power Training Institute

L&T Hydrocarbon Engineering
- Offshore
- Onshore
- Construction Services
- Modular Fabrication
- Operations & Maintenance
- New Energy - H2, Bio-Fuels
- AdVENT (Advanced Value Engineering & Technology)

JVs, Subsidiaries & Associates
- L&T Sapura Shipping
- L&T Sapura Offshore
- Larsen Toubro Arabia
- PT. Larsen & Toubro Hydrocarbon Engineering Indonesia
- L&T-Chiyoda
- L&T Hydrocarbon Saudi
- Larsen & Toubro Kuwait Construction
- Larsen & Toubro Electromech
- L&T Modular Fabrication Yard
- L&T Hydrocarbon International FZE
- Larsen & Toubro Heavy Engineering

L&T Valves

Valves for
- Oil & Gas
- Refining
- Chemicals & Petrochemicals
- Power
- Defence
- Nuclear
- Aerospace

Subsidiaries
- L&T Valves USA LLC
- L&T Valves Arabia Manufacturing LLC

Arvind Garg

Construction, Mining, and Industrial Machinery
- Construction Machinery
- Mining Machinery
- Crushing & Sand Plant Solutions
- Rubber Processing Machinery
- Domestic Marketing Network

Subsidiary/JV
- L&T Construction Equipment Limited
  - Construction & Road Making Machinery
  - Hydraulic Systems and Components

Anil Parab

Heavy Engineering

Nuclear
- Nuclear Power Plant Equipment & Systems
- PHWR
- ITER
- FBR
- LWR
- ATVP

Process Plant Equipment
- Refinery, Cracker, Oil & Gas and Coal Gasification
- Fertilizer & Petrochemicals
- Modification, Revamp & Upgrade Services
- Process Plant Internals
- L&T Piping Centre

Joint Venture
- L&T Special Steels & Heavy Forgings Pvt. Ltd.

J D Patil

Defence

Defence & Aerospace
- Submarines & Underwater Platforms
- Artillery Guns, Armoured Systems, Missiles & Aerospace Systems
- Weapon Systems & Engineering Systems (Land & Naval)

Defence Shipbuilding
- Warships - New Build & Refits

JVs / Subsidiaries
- L&T MBDA Missile Systems Ltd.

R. Srinivasan

Smart World & Communication
- Smart Cities & Smart Infrastructure
- Safe Cities
- Cyber Security
- Communication Network & Telecom Infrastructure
- Military Communication

Amit Chadha

L&T Technology Services

Verticals

Industrial Products
- Building Automation & Smart Infrastructure
- Machinery & Equipment
- Electrical, Drives & Power

Transportation
- Automotive
- Truck & Off-Highways
- Aerospace & Rail

Telecom & Hitech
- Telecom & Infra
- Semiconductors
- Consumer Electronics & ISV
- Media & Entertainment

Process Engineering
- CPG
- Chemicals
- Oil & Gas

Medical Devices & Life Sciences
- Medical Devices
- Healthcare

Horizontals
- **Digital Engineering**
  - Digital Consulting
  - Digital Manufacturing
  - Smart Products & Services
- **VLSI Design Services**
- **Mechanical Engineering**
- **Embedded Engineering**
- **Verification & Validation**

Sanjay Jalona

L&T Infotech

Verticals
- Banking and Financial Services
- Insurance
- Manufacturing
- Energy & Utilities
- Consumer Packaged Goods, Retail & Pharma
- High-Tech, Media and Entertainment
- Public Sector

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

Debashis Chatterjee

Mindtree

Industry Groups
- Banking, Financial Services & Insurance
- Communication, Media & Technology
- Retail, Consumer Packaged Goods & Manufacturing
- Travel, Transport, Logistics & Hospitality
- Healthcare

Service Lines
- Customer Success
- Data & Intelligence
- Cloud
- Enterprise IT
- Consulting

Mindtree NxT

Shrikant Joshi

L&T Realty

Development Types:
- Land Development
- Joint Venture Development
- Slum Rehabilitation Authority Projects

Development Verticals:
Integrated Mixed Use Development

Residential
- Elite Housing
- Luxury Housing

Commercial
- Built-to-suit Office Campuses
- Standalone Commercial Buildings

Retail
- Integrated Malls
- High Street Retail

Transit Oriented Development

R Shankar Raman

Dinanath Dubhashi

L&T Finance Holdings

Products
- Farm Equipment Finance
- Two Wheeler Finance
- Micro Loans
- Consumer Loans
- Housing Finance
- Real Estate Finance
- Infra Finance
- Mutual Fund

Corporate Finance & Accounts
- Finance
- Accounts
- Treasury
- Risk Management
- Investor Relations
- Taxation
- Insurance
- Internal Controls

K V B Reddy

Hyderabad Metro

Corporate Centre
Hasit Joshipura

Corporate HR
Dr. C Jayakumar

Corporate Audit Services
W. P. Parthasarathy

Corporate Secretarial
Sivaram Nair

EPC Construction

EPC Projects

Manufacturing

Services

Others

As on 30.06.2021

LEADERSHIP TEAM

A. M. Naik
Group Chairman

S. N. Subrahmanyan
CEO & Managing Director

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

Subramanian Sarma
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(Civil Infrastructure)

EXECUTIVE COMMITTEE (ECOM)

S. N. Subrahmanyan
CEO & Managing Director

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

Subramanian Sarma
Whole-Time Director &
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(Utilities)

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

Hasit Joshipura
Sr. Vice President & Head
Corporate Centre

Shrikant Joshi
CEO & Managing Director
L&T Realty Limited

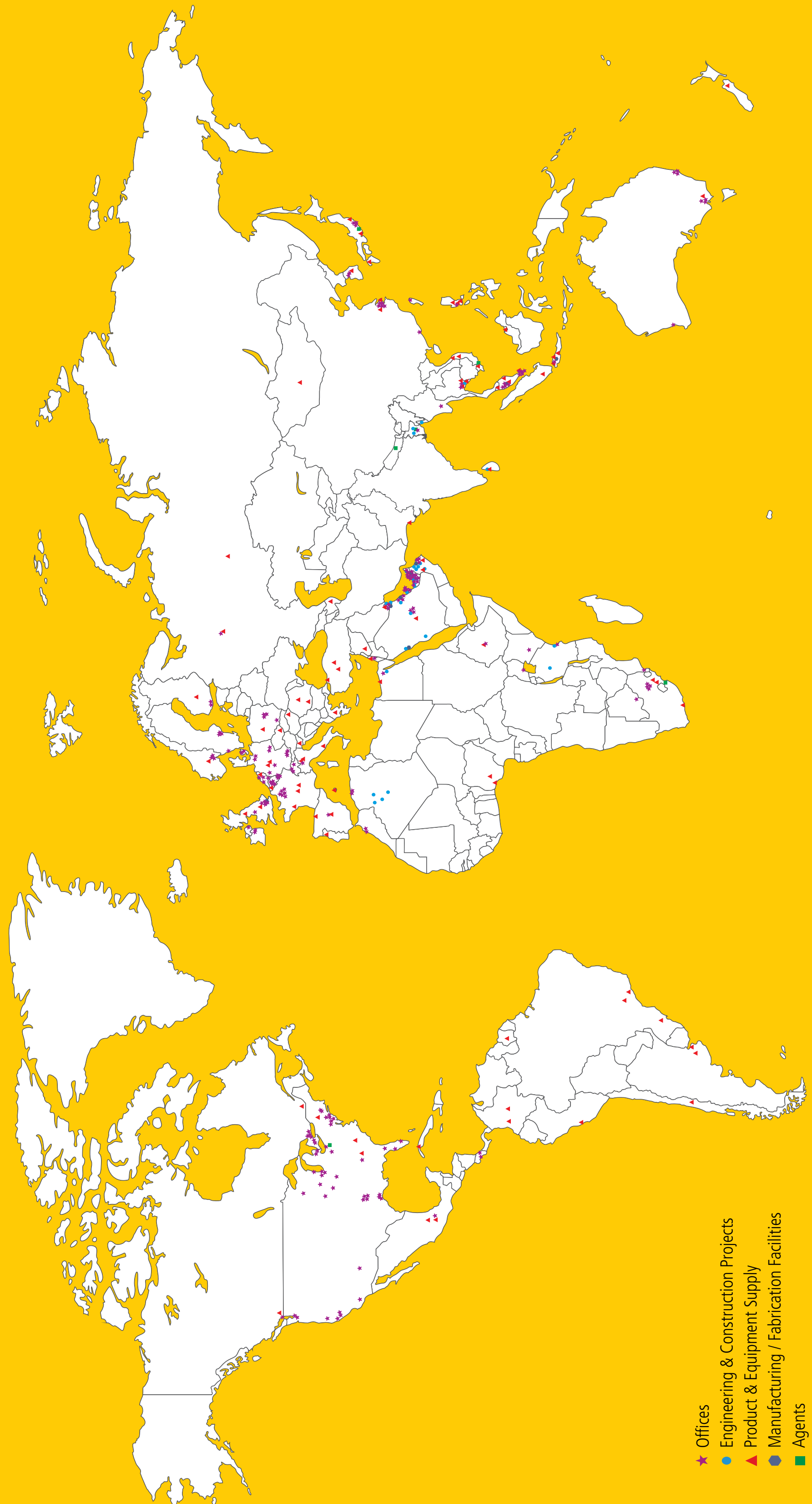
NATIONWIDE NETWORK

+Campus denotes facilities for design and manufacture

* Part of L&T?s Corporate Social Initiatives

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

GLOBAL PRESENCE



Note: Map is broadly representative of L&T's presence in markets worldwide.
For details of establishments within India, please refer to 'Nationwide Network'.

CORPORATE SOCIAL RESPONSIBILITY

Drip irrigation for farmers under L&T's CSR flagship Integrated Community Development Programme at Devgaon, Maharashtra

Building India's Social Infrastructure

L&T' s deep concern for the underprivileged stems from a philosophy of inclusive, sustainable growth and development. Long before CSR was mandated by the Companies Act 2013, L&T was providing health and educational services to the underprivileged around its campuses. Today, L&T's CSR programmes are well-established, focusing on areas that align with the global and national matrices of development: water & sanitation, health, education and skill-building

This year, the COVID-19 pandemic and national lockdown severely impacted the social sector as much as the economy. Health, Education, Skilling were among the most seriously impacted sectors.

L&T, through its CSR efforts, responded swiftly to address the immediate needs of augmenting the health infrastructure, addressing lost livelihoods and supporting those suffering from Covid-19. Strong support was provided to the Government pan-India. L&T has been at the forefront in supporting Covid-19 related work, in areas such as direct supply of food and groceries to migrant and vulnerable communities, strengthening the public health infrastructure to be able to provide treatment and services for Covid-19-affected persons and providing safety and protective gear to Covid warriors – the health-care professionals and para-medical workers.

L&T's COVID CARE

This year, as if life for the underprivileged was not challenging enough, dealing with Covid-19 increased the pressure on survival. In this difficult time, L&T has been on the front lines in several ways – through setting up ICUs for treating Covid-19 patients, equipping Government hospitals with ventilators, providing Personal Protective Equipment (PPE) kits, gloves and masks to health workers, as well as making available basic provisions like food to those in need. Most of the staff working on our programmes assumed responsibility to educate communities about prevention and safety measures in the project areas and were available for counselling as well as referrals.

- **Helping the hapless**

During the lockdown, an L&T initiative ensured food security to underprivileged children in Mumbai as a first response to the pandemic.

Covid has been particularly harsh on the underprivileged, pushing them deeper into poverty. The sudden loss of employment has led to the lack of essentials: millions have now been struggling to make it from one day to the next.

Under its CSR initiatives, for over 10 years now, L&T has been reaching out to children in the slums around its Powai, Mumbai and Mahape (New Mumbai) campuses through balwadis and after-school study centres.

These children belong to families that have just one daily-wage earning member – a rickshaw driver, vegetable vendor, painter, etc. – all of whom lost their livelihoods due to the lockdown.

Thus, L&T's primary concern during the lockdown was to ensure that these children should at least have food security. In collaboration with NGO partner Save The Children India (STCI), it undertook relief work to aid these

Dry ration kits distributed to the students of a Community Learning Centre at Bandstand, Bandra, Mumbai

L&T-backed NGO volunteers distributing packaged meals at Burmah Shell Pipeline, Kurla East

children and their families, as well as other vulnerable families, all residing across Powai and Turbhe.

Ration kits containing dal, rice, wheat, salt, sugar, oil, tea, turmeric powder, red chili powder, onions and potatoes were provided to as many as 1,400 beneficiaries. Sanitation kits containing bathing and washing soap, toothpaste, hair oil and sanitary pads were also distributed among these families.

The drive was carried out with utmost care and by adhering to all physical distancing norms to deter the spread of coronavirus.

- **Plugging Hunger**

Mumbai Food Project comes to the rescue of distressed masses during the lockdown

Soon after the first phase of the lockdown from March 24, reports started pouring in about daily-wage earners and migrant workers in Mumbai having no access to food supplies and even shelter. They included construction workers, taxi drivers, rag-pickers, beggars, street vendors, transgenders and many more.

The local administration responded by setting up relief camps and food canteens, but the number of the distressed were overwhelming and the risk of many slipping through the cracks was imminent. The Municipal Corporation of Greater Mumbai (MCGM) approached corporates and NGOs for support. L&T and an NGO partner, Pratham Mumbai Education Initiative, responded quickly to the pressing needs.

On March 30, entrepreneurs, corporate leaders and others together launched an initiative named the Mumbai Food Project. L&T was one of the first supporters of this humanitarian drive.

Temporary food camps and distribution zones were set up across Mumbai, serving nearly 8,000 packaged meals and kits of essential items a day. The drive was carried out through NGO Pratham's well-established network and community programmes, with the much-needed support from MCGM.

- **Caring for Caregivers**

In Chennai (Tamil Nadu) too, L&T swung into action to meet the urgent needs of the community. Frontline workers and staff at hospitals put in every effort to ensure the required care for patients in these tough times. There were many patients, caretakers, health workers and hospital staff in hospitals with no access to essentials, especially food. To mitigate their food problem, L&T, in association with the NGO YRG Foundation served 43,150 hygienically prepared meals (2500 meals per day for 17 days) across 7 government hospitals in Chennai.

Another 20,000 meals were distributed in association with the 'Feed My Chennai' programme to people in distress (especially migrant workers and homeless people) who got stranded due to the lockdown and did not have access to food.

- **Strengthening the health system**

The Government's efforts to prevent the Covid infection and treat the infected were falling short, with limited,

A CT-scan machine donated towards Covid relief, Mumbai, Maharashtra

Bitter-gourd farm flourishes as a result of increased water availability to farmers at Chettipalayam, Coimbatore, Tamil Nadu

overburdened resources. L&T responded to this challenge by supporting health infrastructure, providing protective gear and supplies for frontline workers as well as donating treatment, testing and diagnostic equipment.

Safety Equipment	Hospital Equipment	Medical Supplies
Testing Kits: 155 (Maharashtra, Tamil Nadu, Gujarat and Centre) N-95 Masks: 2,16,162 (Maharashtra, Tamil Nadu, Gujarat, Uttarakhand, New Delhi, Telangana, Bihar, West Bengal) PPE Kits: 1,22,247 (Maharashtra, Tamil Nadu, Telangana, Andhra Pradesh, Gujarat, Madhya Pradesh, Uttar Pradesh, New Delhi, Uttarakhand, Bihar, West Bengal, Assam)	Semi-Fowler Beds: 100 Ventilators: 10 Bipap Ventilators: 7 Multiparameter Monitors: 20 Pulse Oximeters: 20 (Tamil Nadu) Ventilators: 26 (Maharashtra, Madhya Pradesh, Bihar, West Bengal) Patient Monitors: 2 (Maharashtra) Dialysis Machines: 13 (Seven Hills Hospital, Mumbai)	Nitrile Gloves, 3-ply masks, hand sanitiser bottles, infrared thermometers, sprayers with disinfectants (West Bengal, Andhra Pradesh)
		Food Supplies
		In Mumbai Grocery Kits: 3,432 Cooked Meals: 8,000 *In Gujarat* Grocery Kits: 1550 Cooked Meals: 12,500 *In Chennai* Cooked Meals: 43,150 (Doctors, stranded patients, sanitation workers in 7 Hospitals
Covid Facility	**Medical Vehicles**	Cooked Meals: 20,000 (Tamil Nadu)
Covid Testing Laboratory: 1 (Uttar Pradesh)	Bio-medical Waste Van: 1 Life-Care Ambulance: 1 (Gujarat)	Rice: 11,000 kg (Migrant workers, daily-wage earners – Tamil Nadu)

L&T reached out to 12 states in India with a spend of over ₹ 36 crores for Covid Relief in 2020-21.

Ongoing Projects

In March 2020, most of the CSR projects were in readiness to be rolled out for the FY 2020-21. However, the pandemic struck, and the lockdown was announced. The enormity of the pandemic and its impact on the most vulnerable communities we worked with through our CSR projects, posed a challenge. This was addressed by revisiting the projects, re-strategising them in line with the changed reality and reallocating resources. Sustaining services in the ongoing projects was our priority. NGO partners were supported, so as to be at the forefront in order to reach out to communities by adapting to the new normal.

We continued to mitigate the impact of the pandemic in all possible ways, while continuing our mission and touched the lives of 12,139,76 individuals this year.

WATER & SANITATION

Through our Integrated Community Development Programme (ICDP), which commenced in 2014-15, water for drinking, sanitation and agriculture is available to five formerly water-stressed locations in Rajasthan, Maharashtra and Tamil Nadu, covering a population of 25875 across 11596 hectares.

Infrastructure

The affected communities were involved in the implementation of the solutions to their problems. Their contributions, such as labour, were used to construct water-harvesting and soil conservation structures such as

Toilet before (left) and after (right) the sanitation intervention at Okkilipalayam village, Chettipalayam, Coimbatore, Tamil Nadu

field bunds, check dams, farm ponds and contour trenches. Now, water for household use is available for 2-3 extra months in a year for 100% of the households, as compared to 56% families in 2014. The ground water level has increased in project locations by 2.9 metres on an average in the ICDP locations initiated in 2014-15. Resilience has been built against fluctuating rainfall cycles.

In addition to the availability of water for drinking, agriculture and sanitation, other visible outcomes of water and soil conservation work in the project area are increase in land bought under irrigation, fallow land converted to arable land and increase in the area protected from surface run-off, leading to more land being made available for agriculture. This, combined with efficient techniques of agriculture, led to an increase in the viability of agricultural income, leading to reverse migration of many farmers.

Based on the success achieved in the projects initiated in 2014-15, the ICDP approach was extended to another 4 water-stressed districts covering a population of 55,584 people.

This year, in Devgaon in Aurangabad district in Maharashtra, 7.21 crore litres of water storage potential was created through the construction of farm bunds for capturing excess run-off water. This water conservation measure resulted in an increase in the level of water in the wells within the project area.

The greening impact and growth in the vegetative cover due to soil & water conservation interventions – such as continuous contour trenches and water absorption trenches in the project area at Dabhrul Village in Devgaon, Paithan Block, Aurangabad district, Maharashtra – is visible in the Google Earth images at Latitude : 19° 41′ 10.80″ N, Longitude : 75° 35′ 51.86″ E, clicked before and after the interventions.

In all the ICDP locations, the community was actively involved in soil and water conservation practices to increase the availability of water, reduce groundwater exploitation and prevent land degradation. With assured irrigation options, farm-based livelihood enhancement was initiated. Vegetable farming was one such initiative, which was not possible in the pre-project period. Vegetable farming and horticulture increased the average income of farmers from ₹ 6000 to 8000 per month in Papampatti and Chettipalayam, Coimbatore in Tamil Nadu.

Sanitation drives

L&T initiated sanitation drives to provide easy access to toilets and sanitation facilities in rural households, covering six ICDP locations in Tamil Nadu, Rajasthan and Maharashtra. This initiative was also aligned with the Government's Swachha Bharat Programme announced in October 2014, which provided an impetus to L&T's existing rural sanitation drive. L&T constructed over 4000 well-designed toilet-cum-bathrooms using local skills and material, of which over 800 were constructed in 2020-21. The local masons were trained in constructing the L&T-designed toilets. The community was educated about the use of toilets and its impact on health through community meetings and awareness programmes using local media. Community-based monitoring committees ensured that these villages became free of open-defecation. Today, 98% households have toilets in 5 ICDP locations, compared to 33% in 2014-15.

Workshop on 'Ground Water Balance Estimation and Crop Water' at Parvakkal watershed area, Gudiyatham, Tamil Nadu

Village Development Committee meeting at Bhim, Rajasthan

WASH initiative in schools

As many schools in the project area lacked proper sanitation facilities, L&T provided adequate Water, Sanitation and Hygiene (WASH) infrastructure for over 5000 children and trained them in using toilets and keeping their schools clean and hygienic. This year, since the schools were closed, the awareness programmes were held on the school grounds, with adequate Covid-safety measures.

58 school toilets were constructed in the ICDP areas in Tamil Nadu and Rajasthan, of which 11 were constructed this year.

Sensitivity to water usage

Sensitisation programmes on the importance of saving water were held for the community using local cultural media. Regular workshops on ground-water balance estimation and crop water budgeting were conducted in the project areas in Gudiyatham, Tamil Nadu, to sensitise farmers towards water usage. Data collected from borewells and open wells of farmers was used for preparing the crop water budget. To deal with water scarcity for the second crop, crop water budgeting was done before the second crop to get better yields. The entire village was informed about the availability and level of groundwater in a particular area. Groundwater balance and crop water budgeting data is displayed on the common wall in the village for ready referral and awareness of all.

After ensuring the availability of water, water distribution schemes were introduced in six villages in Bhim block in Rajasthan. This ensured that all 3315 rural households from these villages were provided with adequate piped water supply within or nearby the household premises to relieve women and girls from the drudgery of fetching water. This gave them more time for education and leisure activities.

Capacity Building

The communities concerned were trained to facilitate optimum, equitable and efficient water use and implement other agricultural methods and technology to increase their yield. Farmers were trained in preparing low-cost organic manures. A large number of farmers, realising its cost-effectiveness, started using this manure preparation regularly.

Indigenous knowledge on managing livestock was revived, and youth and women trained in ethno-veterinary care. Women's groups were given training in the retention of the nutritional value of food through traditional millet recipes and by growing vegetables through kitchen gardening.

The knowledge shared in these workshops will help farmers sustain the project activities in the future.

Institution Building and Sustainability

Community groups of farmers were set up to maintain and regulate the use of the structures and resources created through the project and democratically manage the community fund. Capacity-building of these groups was undertaken regularly. In the area where L&T has exited from the project, these groups have assumed the responsibility of monitoring the activities initiated by the project.

Women played an equal role in the decision-making, being members of the village development committee, and also formed SHGs for livelihood-generation. This led to the development of leadership skills among women.

Capacity-building training for Village Development Committee, at Village Brahmangaon, Aurangabad, Maharashtra

Village-based group teaching during the pandemic at Gundi ka Bhilwara village, Kumbhalgarh, Rajasthan

A sustainability index indicating the maturity and readiness of the local committees to sustain project efforts was computed, and the groups were further given inputs to strengthen their solidarity and encourage democratic functioning.

Today, all the project areas have access to drinking water and sanitation, as well as water to cultivate fodder for livestock and extra crops.

The impact of the ICDP projects which were completed last year has been sustained and is visible this year by the same / increased level of water in the wells and area of arable land and irrigated land; as well as the same / decreased percentage of fallow land.

Improving quality education and health in ICDP areas

Water sufficiency in the ICDP project area and the resultant increase in agricultural income led to increased aspirations among the local population. They seek a better future for their children. L&T thus extended their support to work on the other need-based social issues like health, education and livelihoods in the ICDP locations initiated in 2014-15.

One such education project in the Pathardi cluster, (Ahmednagar in Maharashtra) works specifically with children from very poor and vulnerable families at risk of dropping out of school by mentoring the child, counselling both children and parents and conducting remedial teaching classes after school hours and over weekends. Special classes are conducted for children appearing for the Board exams. A significant achievement this year is that all girl students in the project passed the SSC Board examination conducted in March 2020 and wish to pursue higher education. Confidence-building and personality development sessions are an integral part of the intervention for the holistic development of children. This year, 365 children from vulnerable families in Pathardi have access to quality education through blended learning strategies.

Another educational initiative in the Kumbhalgarh Block in Rajasthan was the organisation of Residential Learning Camps for out-of-school underprivileged children, enabling them to read and write with a view to reintegrating them into the formal education system. These camps ensure holistic development and were conducted despite the pandemic situation.

Similarly, a health project for mitigating malnutrition among women and children was introduced in Kumbhalgarh in Rajasthan where community volunteers are trained to visit households and identify malnourished women and children, counsel them, refer them to the treatment camps and follow up their treatment. Nineteen treatment camps were conducted this year and 275 children and women were screened and treated.

During the Covid-induced lockdown, the project staff in the ICDP areas conducted awareness sessions for the community about Covid prevention and protection. The local village committees and farmer groups supported the distribution of nutrition kits among the balwadi children and provided dry ration to the needy families. The community health volunteers also adopted technology to counsel women over the phone and conducted follow-ups through a mobile app. Moreover, SHGs stitched and distributed masks to the community.

Self Help Groups stitched and distributed masks at Bhim, Rajasthan, during the pandemic.

Onion crop demonstration at Devgaon, Maharashtra

We have touched the lives of 1,10,525 beneficiaries through our water and sanitation interventions this year.

Case story: Wonders water can do

In 2018, the Nagzari cluster in Ambad block of Jalna district in Maharashtra received only 250 to 300 mm of rainfall. So, the farmers were forced to grow only low-yield kharif crops. They had to rely on tankers for six months for drinking water as the wells had dried up.

Since 2019, L&T has supported the Integrated Community Development Programme in the Nagzari cluster, and a large number of water and soil conservation works (nala deepening, farm bunding and farm ponds) were carried out in this area. Due to good rainfall in 2020 and water and soil conservation measures, the water level in the wells increased drastically – from 4.37 to 7.9 meters. Hence, a sufficient amount of water became available for drinking as well as agriculture. Farmers are now growing kharif, rabi, as well as, summer crops. The area is now tanker-free.

EDUCATION

The backbone of social development is education. It has been accorded priority as part of L&T's efforts towards inclusive development. The aim of our education initiatives is to increase the access of underprivileged children to education by providing basic infrastructure, ensuring enrolment, mainstreaming dropouts and making learning a fun experience.

L&T enhances the quality of education in resource-stressed slums, as well as in rural and tribal schools, by strengthening the concrete infrastructure as well as improving the quality of education in many ways.

We have a four-pronged approach to Improving education 1) Improving access 2) Improving the quality of education 3) Encouraging curiosity and interest in STEM (Science, Technology, Engineering Math) subjects 4) Capacity-building and advocacy with stakeholders.

Improving access to education

- **Pre-primary centres in the community:** L&T runs pre-primary centres like balwadis and anganwadis in urban slums and rural areas for improved school readiness and smooth transition of children from anganwadis to primary schools. Local women who have a rapport with the parents and an understanding of the community are selected and trained to be balwadi teachers. These teachers ensure that parents send their children to balwadis and then to the schools.

- **After-school community study centres:** These centres offer supplementary education to underprivileged children, while monitoring their learning levels. Here, they learn at their own pace and move to their potential level of learning. The fear-free and positive learning environment at these centres helps children build their foundation of learning. They are even better able to cope in their classrooms, and are thus prevented from dropping out of school.

Infrastructure upgradation of a Government school at Getticheviyur, Erode, Tamil Nadu

Community Learning Centre Teacher conducting classes during pandemic with adherence to Covid Norms

- **Providing basic infrastructure:** L&T constructed and repaired classrooms, donated chairs and desks, and constructed toilet blocks and water stations for basic hygiene facilities as well as kitchens and sports grounds. L&T developed school infrastructure that is child-friendly and fun-based learning. This creates a conducive learning environment and prevents children from dropping out, especially girls, who often dropped out if sanitation facilities were not available in school. Supplies – including stationery, uniforms, shoes etc. – are also provided to needy students in resource-poor schools.

Improving the quality of education

- Emphasis was laid on teachers adopting interactive, hands-on, practical ways of teaching rather than rote learning. Interactive teaching learning aids were provided to the teachers for effective content delivery.

- **E-learning** was provided through digitisation of content, smart classrooms and computer labs which helped teachers to deliver selective content online. Providing innovative e-teaching aids helped the teacher to integrate information and communication technologies into their teaching and make the learning interesting for the students.

- **Interventions for holistic development:** To make learning fun, extracurricular activities focusing on talent development, summer camps, sports activities, cultural shows and educational outings were organised in the schools as well as in the community learning centres. These activities aid the holistic development of the children and expand their horizons.

Life-skills workshops and awareness sessions on social issues were conducted in all the educational projects. For example, in one of the projects, older students took responsibility in advocacy activities pertaining to the community, such as mapping their community, identifying dropouts, filing requests and petitions for fixing streetlights, and motivating other children to join the community learning centres.

Encouraging curiosity and interest in STEM subjects

Most future jobs will involve digital technology skills in Science, Technology, Engineering and Mathematics (STEM), which intimidated students from resource-poor schools in four locations, namely Vadodara, Hazira, Chennai and Faridabad. Therefore, L&T introduced the STEM 'Engineering Futures' Project in 103 upper primary Government schools. The aim of the programme is to strengthen STEM learning activities in schools and empower the students to enhance learning through critical thinking. To replace rote learning with experiential learning, teachers in these schools were trained in collaborative and interactive teaching methods. Students were exposed to diverse learning platforms by encouraging them to participate in national science events, exhibitions and competitions. Parents were encouraged to persuade their children, especially daughters, to participate in these events. This will help bridge the gender gap in STEM-related careers.

Education during the pandemic

The sudden lockdown in the first wave in March 2020 led to the shutting down of schools. This led to loss of learning for many children, and worse – it was feared that this would push children towards labour to supplement the family income and would lead to long-lasting adverse effects on the health, nutrition and mental health of the children.

A student of the Government school in Hazira, Gujarat, uses a mobile phone for remote learning

Project staff go to Kansad village in Hazira, Gujarat, to visit the homes of children who do not have access to digital media during the pandemic

Gearing up to the challenge, and after deliberation with the implementing partners, we re-strategised education projects to suit the prevailing situation and adopted digital and remote teaching and learning methodology. L&T ensured learning continuity in all its projects during the closure of schools and mobilised teachers, parents and children to participate in the process of remote learning.

We have impacted the lives of 2,44,962 beneficiaries through our education projects this year.

Case story: When home became the classroom – driving education during Covid times

❝When Covid-19 struck, due to the long break from school, we were scared that we might forget what we studied. But then, online classes began where we learnt math, science and even used WhatsApp for grammar lessons! Besides appearing for e-exams, we also participated in various competitions by submitting our drawings through WhatsApp. Now my home is my classroom and I keep learning.❞ — *Saishree, Student, L&T Bhumi Evening Learning Centre, Chennai, Tamil Nadu*

Case story: Covid pandemic – Challenges and opportunities in the STEM project

Initially, schools were apprehensive about remote learning. So, it was challenging to bring all the primary stakeholders such as the principals, teachers and students on this new learning platform.

Regular virtual teacher training programmes, online classes by teachers, e-learning, regular Head of the School meetings, virtual STEM workshops, and community engagement with students were some of the strategies under this project. Content sharing on WhatsApp groups, along with Google assessment forms and regular communication with all the stakeholders, helped to align to the different needs of each learner.

However, the sudden transition to online schooling came with its challenges--unavailability of the required materials for STEM experiments at home, absence and the limited access to smartphones, lack of mobile network/data plans and network issues. Keeping this in mind, the project team conducted home visits and distributed worksheets to those who couldn't connect virtually.

❝Since the pandemic, I have been a part of remote learning activities. The STEM exhibition gave me a chance to build a model I wanted to – a plug tray kitchen garden. I am grateful that I got such an opportunity to experiment with different theories of Science❞ -- *14-year-old Reshma Bariya, Vadodara, Gujarat*

❝I am thankful for the training sessions conducted on Google forms, PowerPoint presentations and video-making. I faced difficulty in the beginning, but now, after the training sessions, it has become a lot easier for me to take lessons online.❞ – *Khyatiben Patel, Teacher, Sharada Vidyalaya, Icchapore, Vadodara, Gujarat*

Teacher trained remotely to conduct online classes with children, Karambakkam, Chennai

Paediatric camp in a mobile van at Coimbatore, Tamil Nadu

Impact of strategies adopted

- 350 Engineering Futures Program Teachers (100%), equipped to use remote learning methodologies, conducted online classes for students
- 100% of Science and Math curriculum covered via remote learning content and classes.
- 10628 (64.19%) students participated in the remote learning programme.
- 6035 (56.78%) students were able to perform STEM activities.
- 4884 (29.50%) students who don't have access to smartphones were reached out to through community visits and worksheets.
- 10628 (100%) parents gave feedback on the remote learning experience and encouraged children to participate in the project.

Advocacy and Collaboration

- **Creating a home learning environment:** School management committees and parents were encouraged to dialogue and take the responsibility of maintaining the infrastructure in the schools and creating a learning environment at home. During online learning, many parents assumed the responsibility for monitoring their child's attendance and progress in online classes.
- **Collaboration with government agencies:** All the education interventions in the government schools had the concurrence of the state department of education, and the project progress was shared with the district education officers to promote successful strategies within the district. Headmasters were encouraged to provide leadership and ensure monitoring of interventions through monthly meetings with teachers.
- **Advocacy for child rights:** L&T, through its work in the education sector, ensures the preservation of child rights, such as the right to education, the right to be protected from violence and abuse and prevention of child labour. For instance, a virtual Child Rights desk was operated, helping children and parents to enrol in school, obtain entitlement documents and address issues like child labour, abuse and neglect.

HEALTH

To make health care accessible and affordable to the underprivileged, L&T undertakes several initiatives.

Health Centres: L&T's 12 multi-speciality Health Centres are professionally staffed and provide outpatient and tertiary health services. Focus was laid on preventing infant, child and maternal mortality.

Psychological health: Psychiatric OPDs and counselling clinics provided services for mental health and stress-related issues. A child guidance clinic supported parents and children who have behavioural problems and are scholastically backward.

Infrastructure: L&T provided medical equipment and construction / refurbishment services to health centres and hospitals run by the Government or charitable trusts.

Outpatient Department at L&T Health Centre at Coimbatore, Tamil Nadu

A mobile van visits a tribal community in Coimbatore, Tamil Nadu, and conducts a health awareness session

Health Camps: Mobile vans took L&T's health services to the underprivileged. Specialised health camps covered eye care, dental, paediatric and gynaecological care. Camps on reproductive health were conducted for deprived children and adolescents.

HIV/AIDS programmes: L&T has a comprehensive programme for HIV/AIDS management and state-of-the-art diagnostic and counselling facilities. It provided the Government's free Anti-Retroviral Therapy (ART) at its ART health centre in Mumbai in association with the National AIDS Control Organisation (NACO). This Centre is an example of successful public-private collaboration.

Tuberculosis (TB) services: L&T takes preventive and curative steps towards the control and management of TB.

Dialysis Centres: L&T runs artificial kidney dialysis centres for the underprivileged at highly subsidised rates at its Health Centres at Mumbai, Thane, Vadodara, Surat and Chennai.

Cancer camps: Camps on preventive education and early diagnosis were held – especially for women, with a focus on breast and cervical cancers. Mammography and pap smear services were also provided.

Case story: Aarogya at the doorstep

The mobile health clinic Aarogya at Coimbatore in Tamil Nadu is an initiative covering 17 villages, including resident tribals with socio-economic barriers to accessing healthcare.

The project aims to enhance health awareness, provide door-to-door medical services, basic treatment for common ailments and referral to Government healthcare services within the Madukkarai block of Coimbatore district.

Health awareness sessions were conducted in areas such as anaemia, nutrition, health & hygiene, diabetes management, breast cancer, de-addiction, reproductive health, child abuse and parenting. These sessions are conducted by medical officers and professional social workers during the health camps.

The project worked in close coordination with the Health Department by referring patients to various Government health facilities. The mobile health clinic intends to bridge the gap between people and the health care facilities, which hinges on core approaches, availability, accessibility, and affordability.

The project covered 7300 beneficiaries in 2020-21.

Case story: Dialysis gives the hope to live

Ms. Kanniammal, aged 75, is a widow from Annanoor, Chennai who lives all by herself after her only daughter got married. Her only source of income is her husband's pension of ₹ 5000/- per month. She was diagnosed with Chronic Kidney Disease in 2017. Initially Kanniammal underwent dialysis at a centre at the cost of ₹ 1800/- per session. She came to know about the quality treatment given at an affordable price at Prayas Medical Centre at Chennai by a consulting nephrologist. She visited the Centre and started her dialysis session from January 2018 and is continuing till date. In 2019, when her haemoglobin level dropped alarmingly, the Centre made an expensive drug available to her free of cost, and now her haemoglobin level is maintained at 10.9. Since she lives

Industrial Electrician Course at Construction Skills Training Iinstiture, Serampore, West Bengal

CCTV installation and Maintenance Training session at the L&T Smart City Skill Development Centre Lab at Hyderabad

alone, counselling was provided to instil in her a positive attitude towards life and to increase her confidence level.

"It's true that Prayas Medical Centre not only treats my ailment, but also gives me strength to face society with hope" – *Ms. Kanniammal, Chennai, Tamil Nadu*

This year we have provided 822,967 individuals with better access to information and healthcare facilities.

SKILL DEVELOPMENT

A key strategy to realise the potential of India's demographic advantage is skill development. L&T helps to create the human resources to improve India's competitiveness and growth – especially in construction skills – by training underprivileged youth.

L&T's Construction Skills Training Institutes (CSTIs) provide free standardised industrial training to prepare the large unorganised workforce to meet the demand for skilled workers in India and abroad. The skills imparted include bar-bending, formwork, electrical work, tiling, masonry, welding, carpentry and solar electrical work.

With an emphasis on technology and innovation, new technology-based skill-training courses have been introduced – in Solar PV Technician skills, OFC and CCTV installation and maintenance.

The integral elements of all the skill-training deliverables are digital training, digital study material, micro-learning modules on mobile apps, Augmented Reality / Virtual Reality Training, safety, quality standards and soft skills training. Periodic online assessment is an essential part of all the courses.

The hands-on training and the L&T certificate prepared the trainees to earn and support their families. Many found jobs abroad. L&T thus helped to bridge the schism between the skill demands of industry and the aspirations of the youth.

L&T has 9 CSTIs in 8 states – Tamil Nadu, Maharashtra, Uttar Pradesh, Telangana, Orissa, Karnataka, Gujarat and West Bengal.

This year, 17635 youth completed various courses at these CSTIs, of which 35 % obtained employment.

35,522 rural and urban youth, along with women and physically challenged persons from underprivileged communities, were imparted skills that improved their employability.

Case Story: Fulfilling a family's dreams

Umesh Kumar from Madhya Pradesh belongs to Tenganikala village, Balghat district and was born in a poor family. He lives with his parents and a younger brother. His father, being non-literate, works as a daily labourer and his mother is a homemaker. Because of lack of nutritional food, his mother does not keep good health. She tends to neglect her health worrying about her children and their future. She encouraged Umesh to study and not have the same fate as their father, whose meagre income was unable to fulfil even the basic needs of the family. Umesh completed the ITI course in the trade of Fitter.

He worked for 3-4 years in different companies in Balaghat (Madhya Pradesh) and Pune (Maharashtra) but did not find a steady job or consistent work. Additionally, the income was not enough to support his family. He was

Digital training modules incorporated for all courses at the Construction Skills Training Institute at Panvel, Maharashtra

Trainees learning Bar bending skill at CSTI, Serampore

disappointed as he could not fulfil his mother's dream to have enough to meet the basic needs and foster good health.

During a break, when he visited his hometown, a friend told him about the CSTI at Jadcherla and informed Umesh that he was earning a monthly salary ₹ 16, 500/- working on an L&T project. Umesh discussed joining the CSTI with his parents, but since it was 1000-1200 km from his hometown, his father was reluctant to send him there. However, his mother convinced his father that it would benefit the family, so Umesh joined the CSTI at Jadcherla.

After successfully completing his training in bar bending & steel fixing, he soon got a job at a construction project through the placement agency and currently earns ₹ 18,500/- pm.

"My son has fulfilled my dreams. Umesh's father and I are very happy" – *Umesh's mother*

Case story: Multi Skill Training Centre (MSTC) Vizag, Andhra Pradesh

The MSTC at Autonagar in Gajuwaka was established by L&T to create livelihood options in the submarine and shipbuilding sector. This Centre is a very helpful resource for the nearby shipbuilding industry (located near Vishakhapatnam Port), helping it obtain skilled manpower for shipbuilding.

Local ITI-pass youth qualified in electrical and fitter trades benefit from the basic and advanced courses at the MSTC. The Centre has installed Engineering Software (CATIA) and AutoCAD to aid teaching and training. From FY 21, L&T strengthened mobilization, placement process followed by student tracking post placements.

This year, the Centre trained 89 candidates, of which 29 are women.

Case story: Ensuring livelihoods for rural women amid the Covid-19 crisis

As the pandemic spread rapidly, global health- monitoring organisations called for everyone stepping outdoors to wear a protective mask.

Amidst the distressing shortage of masks faced by L&T in Hazira and to create livelihoods for women living in remote villages trained in tailoring by L&T under its skill building initiative, they were engaged in mask production.

The tailoring faculty and the Hazira CSR team arranged for raw material and reached out to these women, who responded positively and began producing face masks at the Skills Training Centre in Lavachha, Valsad, Gujarat.

Step-by-step tutorials on sewing the masks were given to 39 women, both in person and on a digital platform. Each woman made around 60-70 masks per day and, in a few weeks, they stitched more than 14631 face masks. Throughout this initiative, women earned a minimum of ₹ 75/- and a maximum of ₹ 18046/-. Similarly, tailoring course trainees at Prayas Trust, Bengaluru in Karnataka, earned ₹ 5000/- per month by stitching and selling designer masks.

This move has not only helped in protecting others but also gave livelihood opportunities to several women, especially during the lockdown when most of them were left jobless.

Multi-Skill Training Centre, Vizag, Andhra Pradesh

Women trained in sewing skills produce face masks at the Skills Training Centre in Lavachha, Valsad, Gujarat.

EMPLOYEE VOLUNTEERING

In the pandemic year of 2020-21, even while grappling with many more uncertainties and anxieties than usual, L&T employees came forward to volunteer and do their bit for the underprivileged. With children being adversely affected owing to school closure, volunteers taught various subjects to children online, read out stories and enhanced language skills of children in remote areas through voice calls. Volunteers recorded stories for children, making them available for teachers in L&T-supported government schools. L&T engineers helped keep up the spirit of STEM learning among children, motivating them and painstakingly judging unique science models created by children from L&T-supported schools. Volunteers mentored and built confidence of college students through online career guidance and spoken English sessions and made video-based learning materials for them. Employees used their professional skills to build capacities of individuals from marginalised sections by conducting mock interviews over video calls. This year too, volunteers recorded books for the visually impaired. Blood donation drives, health camps, environment cleanliness and tree plantation drives were conducted across project sites in remote locations.

4,360 L&T-ites volunteered in 2020-21, contributing 27,763 hours of their time and directly reached more than 11,700 people.

Total Spending on Corporate Social Responsibility (CSR) in FY 2020-21 was ₹ 15006.959 lakhs which is 2.062% of profit after tax, above the mandated 2% as per the Companies Corporate Social Responsibility Policy, Rule 2014.

Over 1.21 million beneficiaries (including beneficiaries of the L&T Public Charitable Trust)

Water & Sanitation

1,10,525 Beneficiaries

Education

2,44,962 Beneficiaries

Health

8,22,967 Beneficiaries

Skill Development

35,522 Beneficiaries

1,21,39,76 Total Beneficiaries

ANNUAL BUSINESS RESPONSIBILITY REPORT 2020-21

L&T is committed to fulfilling its economic, environmental and social responsibilities while conducting its business. It is conscious of its impact on the society within which it operates, and has systems to either eliminate or control the adverse impact of its operations. L&T works towards resource conservation, improving social relations with the community in which it operates, supporting community-led groups to assuage social problems, alleviate the distressing impact of crisis or disasters like the Covid-19 virus outbreak, and generating economic value. L&T' s Sustainability Roadmap 2021 aligned with its Business plan, LAKSHYA 2021, has produced pleasing results through various digitalisation initiatives.

The Business Responsibility Report (BRR) is prepared in accordance with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of the Business (NVG – SEE) released by the Ministry of Corporate Affairs, Government of India. The BRR complies with the regulations 34 (2) (f) of the Securities Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations 2015. In 2020, L&T published its 3rd Integrated Report (IR) 2019-20, as per the International Integrated Reporting Council (IIRC) reporting framework. The externally assured IR was also in accordance with the Global Reporting Initiative (GRI) Standards 'Comprehensive' option. FY 2018 onwards, the IR has replaced the sustainability report being released by the organisation. The Integrated Report and previous sustainability reports can be accessed at **www.Lntsustainability.com**

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L99999MH1946PLC004768**
2. Name of the Company: **Larsen & Toubro Limited**
3. Registered address: **L&T House, Ballard Estate, Mumbai, 400 001, India**
4. Website: **www.Larsentoubro.com**
5. E-mail id: **sustainability-ehs@Larsentoubro.com**
6. Financial Year reported: **1st April 2020 - 31st March 2021**
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Group	Class	Sub Class	Description
282	2824	28246	Manufacture of parts and accessories for machinery / equipment used by construction and mining industries.
301	3011	30111	Building of commercial vessels, passenger vessels, ferry boats, cargo ships, tankers, tugs, hovercraft (except recreation-type hovercraft), etc.
		30112	Building of warships and scientific investigation ships, etc.
		30114	Construction of floating or submersible drilling platforms.
410	4100	41000	Construction of water treatment plants, water pipelines and irrigation facilities
421	4210	42101	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways.
		42102	Construction and maintenance of railways and rail-bridges.
422	4220	42201	Construction and maintenance of power plants
		42202	Construction / erection and maintenance of power, telecommunication and transmission lines.
		42901	Construction and maintenance of industrial facilities such as refineries, chemical plants, etc.

Group	Class	Sub Class	Description
465	4659	46594	Wholesale of construction and civil engineering machinery and equipment.
681	6810	68100	Real estate activities with own or leased property.
711	7110	71100	Architectural and engineering activities and related technical consultancy.

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

   1. **Construction and project related activity**
   2. **Manufacturing and trading activity**
   3. **Engineering services**

9. Total number of locations where business activity is undertaken by the Company

   i. **Number of International Locations : 31 (excluding listed subsidiaries and limited life project sites.)**

   Listed IT & Technology services subsidiaries operate from another additional 81 international locations

   ii. **Number of National Locations : 50**

10. Markets served by the Company – Local/State/National/International/: **All**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : ₹ **280.91 crore**
2. Total Turnover (INR) : ₹ **73315.59 crore** [Revenue from operations]
3. Total profit after taxes (INR) : ₹ **11336.97 crore** [Net profit after tax from continuing operations & discontinued operations]
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **2.06%**
5. List of activities in which expenditure in 4 above has been incurred: L&T's focus areas in Corporate Social Responsibility are as follows:

   i. Health

   ii. Education

   iii. Water & Sanitation

   iv. Skill Building

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Yes. The Business Responsibility (BR) initiatives of L&T are extended to the Subsidiary/Associate Companies and they are also encouraged to participate in Business Responsibility Initiatives of the parent organisation. In addition, listed subsidiaries like L&T Finance Holdings, L&T Infotech, L&T Technology Services and Mindtree Ltd. (Listed entities) have their separate Business Responsibility Report (BRR) as a part of their Annual Reports. L&T Hydrocarbon Engineering and other unlisted subsidiary companies participate in our Business Responsibility initiatives.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**

   Yes. The suppliers are critical to the company's operation and supply chain sustainability issues can impact its operations. L&T promotes BR initiatives in its value chain. At present, less than 30% of its suppliers/distributors participate in BR initiatives.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- DIN Number : **00019798**
- Name : **Mr. R. Shankar Raman**
- Designation : **Chief Financial Officer & Whole-time Director**

b) Details of the BR head

S. No	Particulars	Details
1.	DIN Number (If applicable)	**Not Applicable**
2.	Name	**Dr. Pradeep Panigrahi**
3.	Designation	**Head-Corporate Sustainability**
4.	Telephone Number	**+91-22-61238521**
5.	Email ID	**sustainability-ehs@Larsentoubro.com**

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

Name of principles:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 – Businesses should promote the well-being of all employees

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

P5 – Businesses should respect and promote human rights

P6 – Businesses should respect, protect, and make efforts to restore the environment

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 – Businesses should support inclusive growth and equitable development

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for the following principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	**Yes. The policies are aligned with the principles of NVG guidelines and conform to international standards of ISO 9001, ISO 14001, OHSAS 18001 and ILO principles.**								

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy been approved by the Board? **Yes.** If yes, has it been signed by MD/owner/CEO/appropriate Board Director? **Signed by the Group Chairman**	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? **Yes.**	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	**www.Lntsustainability.com**								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have an in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options) **Not Applicable**

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

3. **Governance related to BR**

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

  Annually

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  Yes, L&T has been publishing its Sustainability report annually as per the Global Reporting Initiative (GRI) framework since 2008. From 2017-18, the Sustainability Reports have been replaced by an Integrated Report (IR) which follows GRI Standards as well as International Integrated Reporting Council (IIRC) framework. The Integrated Report is externally assured. L&T is following the GRI Standard 'In Accordance – Comprehensive' report. The reports can be accessed at www.Lntsustainability.com.

SECTION E:

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

At Larsen & Toubro, Corporate Governance is fundamental to the business and core to its existence. The philosophy is based on the transparent governance and disclosure practices, respect for human rights, individual dignity and adherence to the norms of moral and professional conduct. L&T is a professionally managed Indian multi-national company and committed to total customer satisfaction and enhanced value creation. The vision of L&T is inclusive, with a culture of caring and trust enabled by the corporate policies. These are also applicable to all its subsidiary and associate companies.

L&T has laid down its Code of Conduct (CoC), which is applicable to Board members, senior management and employees. The objective is to remain committed and vigilant towards the ethical conduct of business processes and instil a sense ownership of the Company. All designated employees, including Board Members, adhere to the CoC and provide an annual declaration of their compliance.

A separate detailed CoC is in force for all other employees covering supervisory, executive and management staff. Apart from a preamble explaining the principles of honesty, ethics and integrity, the Code covers all aspects of functioning, including anti-trust behaviour, information security, insider trading rules, professional engagements, use of Company assets and brand logo, intellectual property, respect for human rights, overarching corporate HR philosophy including equal opportunity employment, prohibited items, social media code of conduct, use of information technology assets, anti-bribery policies and other aspects of individual governance codes. The Code incorporates reporting structures and a graded escalation matrix to be followed in case any breaches are noticed or pointed out, including reference to the Whistle Blower Investigation Committee in appropriate cases. The Code is also applicable to unlisted subsidiaries.

The CoC is available at https://investors.larsentoubro.com/CodeOfConduct.aspx. Periodic training is conducted for relevant stakeholders to make them aware of the CoC and amendments thereof. All new employees undergo training on the CoC in induction / orientation programmes. The training module on the CoC is also hosted on L&T's intranet-based 'Any Time Learning' (ATL) portal. The Graduate Engineering Trainees (GETs) and Post Graduate Engineering Trainees (PGETs) also learn about the CoC in their 'PRAYAG' & 'SWAGAT' (special orientation) training modules.

The senior management and the audit committee of the Board are apprised of the internal processes on a periodical basis, which covers internal controls, statutory compliance and assurance.

L&T has established a separate CoC for suppliers and vendors which covers various aspects such as compliance with environmental regulations, health & safety, labour practices, human rights aspects, minimum wages rule, freedom of association and collective bargaining, prohibition on child labour, forced & compulsory labour, ethical behaviour, reducing the negative impact on society due to their operations, transparency in business processes and environment conservation.

Every new supplier needs to sign this CoC to do business with L&T. In FY21, 29,407 suppliers have signed this CoC. Training workshops, including capability-building programmes are periodically conducted for vendors and sub-contractors, and cover topics such as Environment, Health & Safety (EHS), Human Rights, business process improvements and sustainability. L&T ensures compliance by its vendors and suppliers to the CoC through periodic quality appraisals, EHS audits and assessments.

Whistle Blower Policy

The Policy was formulated in 2004 and has been reviewed and updated periodically. The policy aims to offer an impartial vigilance mechanism in place for directors, senior management and employees to report their concerns about potential, suspected and actual frauds, unethical behaviour, and violations of the CoC. The Whistle Blower policy is an effective method available to employees to report without fear any wrong practices, unethical behaviour or non-compliance which may have a detrimental effect on the organisation, including financial damage and impact on brand image.

During 2020-21, a total of 48 complaints were received through the whistle-blower mechanism, all of which were scrutinised and addressed in accordance with L&T's protocol. 46 complaints were resolved and 2 complaint is in the process of being resolved. The Whistle Blower investigation committee and management maintain the anonymity of the whistle-blower at all times. The stakeholder complaints are included in the Director's Report section of the Annual Report.

The Whistle-blower policy has also been extended to suppliers and contractors which enables them to report their concerns about unethical behaviour, misconduct, violation of legal and other requirements, improper practices, actual or suspected fraud by Company officials without the fear of unfair treatment or punishment (including loss of business).

Other Policies

The various other policies that govern the general functions of L&T include:

- Sustainability Policy
- Environment Health and Safety Policy
- Green Supply Chain Policy
- Human Resources Policy
- Corporate Social Responsibility Policy
- Policy for Protection of Women's Rights at Workplace
- Risk Management Policy
- Related Party Transactions Policy
- Quality Policy
- Policy on Determination of Materiality of Event or Information

The detailed policies can be found on the weblink https://www.lntsustainability.com/corporate-policies/.

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

L&T ensures that environment, health, and safety aspects are taken into consideration at the design stage itself while manufacturing products or providing services to customers. It is our endeavour to provide safe and sustainable goods and services to our clients. Our business portfolio consists of infrastructure, energy (oil & gas/power), defence, heavy engineering, hydrocarbon projects. Sustainability aspects, including lower emissions and resource conservation, are integrated into our engineering and design. L&T also provides training to customers and customers' personnel in the safe use and handling of products.

L&T offers conservation-based products and projects, such as green buildings, wastewater treatment, recycling plants and solar PV-based power plants. These help our clients contain pollution and conserve resources. At our own campuses, we have 13 certified green buildings and a certified Green Campus (viz., the Leadership Development Academy at Lonavala). Our campuses have adopted the zero-wastewater discharge approach and continue to ensure water positive status. Energy efficiency programmes and climate change mitigation measures are extensively implemented across L&T, contributing to greener campuses and project sites. Renewable energy is harnessed at campuses and project sites as well.

L&T's green product and services portfolio consists of metro rail projects, efficient power transmission and distribution systems, small hydro-electric power stations, solar PV-based power plants, green buildings, water treatment & distribution infrastructure, emission control equipment. Our green portfolio is focused on minimising environmental impact, e.g. reduced water consumption, carbon emissions, material consumption and reduced waste generation. These help our clients to move onto the low-carbon economy path.

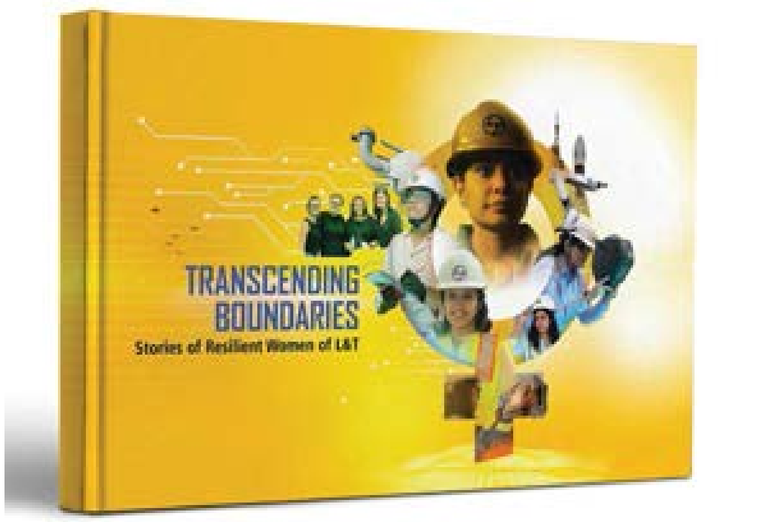
L&T participates in the 'Make in India' programme and promotes local sourcing of products and services. The transportation of material at the project sites is optimised based on the project execution stage. Many of our infrastructure projects are at remote locations, and therefore goods and services are procured from local producers and the surrounding areas as far as possible. L&T has adopted the 3R (Reduce, Recycle & Recover) principle for material conservation. Material recycling and the use of alternative material (in place of natural material) are extensively practiced by our infrastructure business. The Sustainability Roadmap 2021 targets increasing recycling / use of recycled material by 5%.

Fly ash is used as a substitute for cement in construction, crushed sand is used in place of natural sand, and blast furnace slag is used. These are some of the conservation methods practiced at project sites. However, since most of L&T's products are 'engineered to order' and based on customer-specific requirements, the potential for use of recycled material for products is limited.

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

L&T's growth depends upon the growth of the employees within the organisation. The commitment, enthusiasm and dedication of employees has helped L&T become a large organisation of repute within India and in other geographies

L&T's 24-acre Leadership Development Academy at Lonavala, near Mumbai



L&T showcased stories of a few of its women staffers whose inner strengths enabled them to surmount challenges

where we operate. L&T nurtures and motivates its talent pool through its leadership programmes and other forms of monetary and non-monetary incentives. L&T recognises that employees spend a better part of their working lives at their workplace. The organisation hence provides workplace infrastructure that is conducive to the well-being of staff – this includes good IT infrastructure, ergonomic seating, recreation areas, high standards of hygiene and other services such as basic medical care facilities. The policies of the Corporate Human Resources Department form a strong framework for workforce management. Fostering a culture of caring and trust are embedded in various corporate policies like the Environment, Health & Safety (EHS) Policy, Whistle-Blower policy, Protection of Women's Rights at Workplace Policy and the CoC.

L&T does not discriminate against employees based on caste, religion, region, gender or physical disability, and the merit of candidates is always accorded top priority for selection and promotion. L&T adheres to the UNGC (United Nation Global Compact) principles which include Human Rights clauses. These clauses are part of our contracts with suppliers, partners and NGOs, and are extended across our supply chain.

L&T recognises the employees' right to form unions and associations affiliated with trade unions at its manufacturing campuses. 5.26% of permanent employees are covered under the unionised employee category. L&T has provided direct employment to 80 Persons With Disabilities (PWDs) and the supply chain has employed 19 PWDs. During FY21, L&T did not receive any complaint in respect of child labour, forced / involuntary labour.

Total workforce

L&T employees	40,527
Number of permanent women employees	3,149
Number of contract workmen	3,20,299

Training and skill-building are the pillars which support L&T's skill development agenda. Regular training and exposure to the challenges of the future are vital parts of an employee's career progression. L&T trains employees in new skills and emerging fields in addition to continual training in functional and behavioural areas. Employees are given opportunities for higher education through sponsorship in reputed colleges and by way of corporate tie-ups with renowned management institutes.

L&T's e-learning portal – Any Time Learning (ATL) – is available for employees anytime and at any place. The training modules are diverse. They are prepared by subject matter experts and complied from various knowledge sources. ATL courses are interactive, engaging and user-friendly. ATL-Next, a learning process automation and analytical platform has been hosted on L&T's intranet portal since the last two years. This intelligent and adaptive


Virtual Reality Safety Training workshop


Workmen training helps enhance safety and productivity

learning platform makes learning personal and compelling. The Leadership Development Academy (LDA) at Lonavala has been identified as a unique corporate university in India. It is a symbol of value for L&T as it helps people develop and grow by providing the right infrastructure and services to aid and enhance learning. The LDA has been recognised as a 'Research Centre' by Symbiosis International University and it also enables employees to pursue their Ph.D. programmes. In addition, various functional, technical and managerial training programmes are provided to employees through technical training centres from Mumbai (located at Madh and Mahape), Mysuru and Project Management Institutes at Vadodara and Chennai.

L&T Zero Harm Vision ensures the safety of the workforce is given high priority in all activities across facilities and project sites. Every task, job or assignment is mandated to be performed in a safe manner and this forms the foundation of our work execution philosophy.

The Management's commitment to safety is demonstrated through our structured approach, which is inclusive when undertaking business decisions and is further supported by assigning individual safety objectives.

We focus on effective implementation of health and safety practices in line with our 'Zero-Harm Vision'. This focus is to establish a safer work environment for our employees, contractors, and customers through a rigorous safety management system, of procedures, and firm implementation. This is further extended to our supply chain partners as well.

L&T's Corporate Environment, Health & Safety (EHS) policy articulates our unwavering commitment in ensuring a safe workplace. It defines the protocols to be followed by each business across India and abroad. The safety performance of the Company is reviewed on a quarterly basis by the Company's Board, to guarantee the Corporate EHS policy is effectively implemented and adhered to across the company.

Our commitment to safety requires that all our employees and supply chain partners undertake regular safety training, which includes Tool Box Talks, emergency mock drills and task specific safety briefings. All new employees are introduced to the aspects of safety and all contract workmen receive mandatory safety training before the commencement of work.

L&T is the first corporate organisation in India to be accredited as 'Course Provider' by the National Examination Board in Occupational Safety & Health (NEBOSH), UK, for delivering the International General Certificate by the Institution of Occupational Safety & Health (IOSH), UK for delivering their course.

L&T continued commitment to safety has provided more than 3.2 million man-hours of safety training were provided in FY 2020-21 to our workforce. Our wellness programme

CSR programmes increase the yield of community agriculture

Employee volunteers help underprivileged children to excel in STEM (Science, Technology, Engineering & Maths)

'Working on Wellness' is a unique initiative undertaken by the Corporate Health and Welfare Department, which conducts counselling, awareness sessions, health programmes, diagnostics camps and health workshop activities aimed at enhancing employees' wellness and well-being at office. These health interventions are grouped into six critical areas like cancer, diabetes, cardiac disease, obesity, ergonomic issues, and stress. In addition, our health programme extended to cover health check-ups, and medical support on Covid 19 virus pandemic. A programme of vaccination and awareness to our employees and workers was initiated to minimise the spread and containment of the Covid 19 virus.

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

L&T's responsibility to stakeholders is reflected in the way we do our business. The contribution of shareholders and investors to the growth of the Company is deeply valued, and we strive to ensure that we deliver value to all stakeholders.

L&T maps both internal and external stakeholders along with vulnerable, marginalised and disadvantaged stakeholders. This large and mixed community has varied and extended expectations, and L&T strives to match or exceed expectations from all stakeholders.

Active engagement with a large and varied ecosystem of stakeholders (shareholders, employees, customers, bankers, vendors, government, communities and society at large. is done through multiple touch-points.

L&T is a pioneer in providing a counselling helpline for its employees and their families in India, in collaboration with the Tata Institute of Social Science (TISS).

Our Corporate Social Responsibility (CSR) department runs specific programmes in the areas of Education, Health, Water and Sanitation and providing livelihood opportunities to vulnerable and marginalised stakeholders. These initiatives are excuted both near and away from our campuses and project sites to ensure that the benefits reach the last mile and to the maximum number of beneficiaries.

Our Education initiatives are focused on ensuring sustainable development of communities and contribute to strengthening education and social infrastructure. These initiatives, which mostly cater to children below 18 years belonging to marginalised sections of society, provide support for better learning abilities of young minds and supplement learning in schools. The projects not only cover academics but also touch various other facets of education including nutrition at the pre-primary level, setting up of basic infrastructures such as smart classrooms and soft skills to supplement textbook education. They also help train teachers in STEM (Science Technology Engineering Maths) education and hence make a difference in the entire education cycle of the child.

Rainwater harvesting fosters bountiful harvests

Safety Training at L&T's Construction Skills Training Institute, Panvel

In 2020-21, L&T supported more than 500 schools and reached out to over 1.9 lakh children with its education initiatives pan-India.

L&T's interventions in the health field range from running its own health centres providing quality services ,to supporting health institutions partnering with the Government to provide necessary quality infrastructure, training the health care workers in delivering services and imparting preventive health education in the communities.

One of our flagship CSR programmes is the Integrated Community Development (ICD) programme, which focuses on improving the quality of life of communities living in the 'water-stressed' regions of India. The ICD programme works towards providing access to clean drinking water, sanitation facilities and water for agriculture and livestock in these regions. The projects are made sustainable by building and strengthening people's institutions to manage the resources created by the project. Water and Sanitation efforts in these regions are followed by CSR interventions in health, education and skill-building based on the needs, aiming to improve the quality of life of these communities.

L&T's Skilling programme specialises in training youth. It focuses particularly on rural youth, who are either uneducated or partially educated. The programmes enhance the skills of youth who are mostly school dropouts and make them employable. This is done through Construction Skills Training Institutes (CSTIs) across the country. These institutes provide free formal and vocational training in construction skills for the large unorganised workforce in the sector. The skills imparted include bar-bending, formwork carpentry, masonry, scaffolding and welding, and more recently, courses were introduced in the installation of solar panels, CCTV and other digital equipment required for planning a smart city.

This year has seen one of the most challenging global health crises by way of the Covid--19 pandemic. The pandemic had a devastating effect on lives of migrants, daily wage earners and the poor and challenged us to respond quickly and devise new strategies in all our existing projects, to absorb the impact. In addition to re-strategising, L&T offered support in directly mitigating the impact of the pandemic and contributed significantly to support the government efforts by way of donating physical infrastructure as well as medicine, supplies, personal safety kits, investigation equipments and so on.

We use the following communication channels to engage with various stakeholders:

External Stakeholders	
Stakeholders	Engagement Modes
Shareholders and investors	Press Releases, Infodesk with a contact number and email ID, dedicated email id for investor grievances, Quarterly Results, Annual Reports, Sustainability / Integrated Reports, AGM (Shareholders interaction), Investor meets, corporate website
Suppliers / Contractors	Regular supplier, dealer and stockist meets

Supplier Meets help stakeholders understand new concepts and products better

Technical skills training for women

External Stakeholders	
Media	Press Releases, Quarterly Results, Annual Reports, Sustainability / Integrated Reports, AGM (shareholders interaction), Access information and media interactions
Community	Periodic feedback mechanism
Customers	Regular business interactions, client satisfaction surveys
Government	Press Releases, Quarterly Results, Annual Reports, Sustainability / Integrated Reports, Stock Exchange filings, issue specific meetings, representations

For Internal Stakeholders	
Employees	Employee engagement surveys for improvement in employees' engagement process
	Circulars, Messages from Corporate and Line Management
	Corporate Social initiatives
	Welfare initiatives for employees and their families
	Online news bulletins to convey topical developments
	A large bouquet of print and on-line in-house magazines (some location-specific, some business-specific), a CSR programme newsletter
	L&T Helpdesk, toll-free number

Principle 5: Business should respect and promote Human Rights

L&T is an Indian Multi-National Company (MNC) with a presence in 31 countries and is exposed to human rights issues. L&T publishes an annual Communication On Progress (COP) as part of its compliance to UN Global Compact (UNGC) and is a member of Global Compact Network India (GCNI). The policies and practices related to human rights are extended to subsidiary and associate companies as well. L&T's Human Resource Policy covers human rights aspects and ILO conventions. Prohibition of child labour, the prohibition of forced and compulsory labour, non-discrimination, freedom of collective bargaining, etc. are covered in our CoC for employees and Human Resource Policy. The Grantees of the CSR grant also sign the same CoC, hence ensuring endorsement of human rights at the L&T supported CSR projects.

L&T believes that every employee should have the opportunity to work in an environment free from any conduct which can be considered as Sexual Harassment.

L&T is committed to treating every employee with dignity and respect. The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules, 2013. The policy is applicable to all L&T establishments located in India. The policy has been widely


Solar power generation at the campus of a Construction Skills Training Institute


Miyawaki forest in Erode - faster, denser growth of indigenous trees

disseminated. L&T has constituted Internal Complaints Committees to ensure implementation and compliance with the provisions of the aforesaid Act and the Rules.

This Policy encompasses the following objectives:

- To define Sexual Harassment at workplace;
- To lay down the guidelines for reporting acts of Sexual Harassment at the workplace; and
- To provide the procedure for the resolution and redressal of complaints of Sexual Harassment at workplace.

A detailed procedure for making a Complaint and initiating an Enquiry to the redressal process, and finally the process of preparation of a report within a stipulated timeline is well laid out in the Policy document. The Policy also covers Disciplinary Action for Sexual Harassment at workplace.

The policy is a part of L&T's Code of Conduct.

Training programmes and workshops for employees are organised throughout the year. The orientation programmes for new joinees include awareness sessions on prevention of sexual harassment at workplace and upholding the dignity of employees. Specific programmes have been created on the digital platform to sensitise employees to uphold the dignity of their colleagues and prevent sexual harassment at workplace. During FY 2020-21, about 13400 employees have undergone training through the programmes / workshops, including the awareness sessions held on the digital platform.

There were 3 complaints received during the F.Y. 2020-21. All the complaints were redressed as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules, 2013.

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

Environment protection and the conservation of natural resources are part of L&T's business philosophy. L&T's Corporate Environment, Health & Safety (EHS) Policy lays emphasis on incorporating environmental consideration into all business processes. As a part of our Sustainability programme, we set quantifiable targets with a timeline and action plan to achieve sustainability goals. Our Sustainability Roadmap 2021 is aligned with our business plan, LAKSHYA 2021, which incorporates measurable targets and key initiatives. The Sustainability Roadmap is extended to Subsidiary & Associate Companies and they are encouraged to set similar targets and roadmaps. Environmental risks and opportunities are periodically identified from operations and addressed at the business level.

A separate Code of Conduct has been extended to vendors and service providers which covers the need for compliance with environmental regulations, health and safety, labour practices, human rights aspects, minimum wages, freedom of association, collective bargaining, prohibition of child labour and forced and compulsory labour, ethical behaviour,

L&T offers a range of eco-friendly services, including wastewater treatment and solar PV installation

L&T regularly organises tree-plantation drives at its premises, project sites and allotted public areas

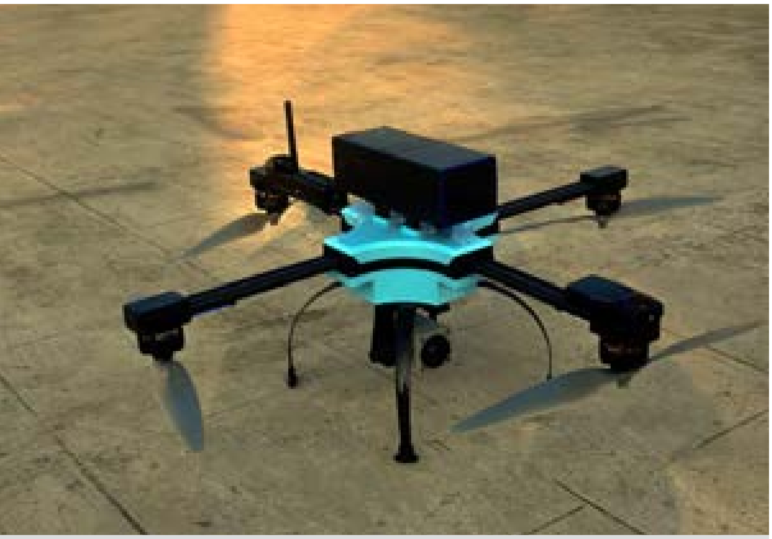
transparency in business processes and environment conservation. All new vendors/ service providers need to sign this combined CoC as part of the initial empanelment process.

We continue to conduct water assessment surveys at our campuses. Water conservation and rainwater harvesting are practiced within our premises. Additionally, our community interventions consist of rainwater harvesting, check-dam construction and restoration, creation of farm ponds, soil moisture conservation programmes, roof water harvesting in schools and households, etc. Our campuses have been maintaining zero-wastewater-discharge status since 2014. Our community intervention programmes have helped us to conserve more than 10142 million litres of water annually.

Our climate-change interventions programme focuses on climate-change mitigation and abatement. We focus on controlling / reducing the energy consumption intensity (GJ/billion turnover), implementing energy conservation projects and increasing the use of renewable energy in our operations. We also maintained Carbon Neutrality in two of our campuses, i.e. Powai (Mumbai) and Chennai in 2020-21 as well. We have aligned our practices with the Government of India's National Action Plan on Climate Change (NAPCC) and its eight Missions, and continue to report progress on this front in our Sustainability / Integrated Reports. Increased energy efficiency, developing low-emission technologies, building sustainable infrastructure, increasing the green cover, and dissemination of sustainability knowledge are some of the measures adopted by the organisation. We also invest in lower emission and cleaner programmes, thus promoting sustainable growth.

Our green product and services portfolio helps our clients to reduce their carbon footprint. We comply with applicable environmental regulatory requirements from the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB). Compliance with these pollution control norms is also covered by the statutory compliance certificates submitted by Business Heads on a quarterly basis. Sustainability assurance by an independent assurance agency on an annual basis covers compliance with environmental regulations, including submission of compliance reports to regulatory agencies. During 2020-21, there were no pending or unresolved show cause / legal notices from CPCB / SPCB. Renewable energy at manufacturing campuses is utilised, wherever feasible. Currently, 7 campuses are sourcing renewable energy (wind and solar) from external sources, and 12 campuses are generating renewable energy onsite.

Fully-grown trees are natural carbon sinks, and biodiversity plays an important role in the sustenance of human lives on this planet. L&T undertakes tree plantation both within and outside its premises (as part of our CSR programme) and we engage with agencies / NGOs to conduct plantation at public places, national parks and on Government land. During the year 2020-21 more than 8 lakh trees were planted by our people in project locations across India. We continue to nurture self-sustaining forests at six



L&T's services include advanced technology, such as drone-based CCTV surveillance for smart city projects

L&T's green portfolio includes green buildings and several eco-friendly products, systems and solutions

locations including two in L&T campus in India through the Miyakwaki technique and green areas like public gardens are developed and maintained.

Principle 7: Responsible Public Advocacy

We engage with multiple business and trade organisations and professional bodies. Our senior executives participate through active dialogue with the Government, be it on new policy consultations or by presenting views of different stakeholders. They provide their expertise and business acumen during public policy consultations and present the views of industry at large.

Industrial forums and institutes where L&T actively participates include:

- Association of Business Communicators of India
- Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Bombay Chamber of Commerce & Industry (BCCI)
- Bureau of Indian Standards
- Construction Industry Development Council (CIDC)
- Confederation of Indian Industry – Centre of Excellence for Sustainable Development (CII-CESD)
- CII – Green Business Centre (GBC)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Institute of Chemical Engineers (IIChE)
- National Safety Council
- National Fire Protection Institution
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- India Smart Grid Forum (ISGF)
- Central Board of Irrigation and Power (CBIP)
- India Lead Zinc Development Association (ILZDA)
- Society of Indian Defence Manufacturers (SIDM)

L&T interacts regularly with the Confederation of Indian Industry – Centre of Excellence for Sustainable Development (CII - CESD) on Sustainability and Integrated Reporting <IR> policies, regulations, and L&T is a member of <IR> lab India. The Federation of Indian Chambers of Commerce and Industry (FICCI) engages with L&T for CSR and India Sanitation Coalition. L&T regularly interacts with the Indian Institute of Corporate Affairs (IICA) on CSR- related aspects as well. L&T is also an active member of committees such as the Environment & Recycling Council by CII – Green Business Centre (GBC), CII EHS Council (Western Region), Corporate Social Responsibility (CSR), etc.

Principle 8: Support inclusive growth

The following corporate policies of L&T put emphasis on inclusive growth by empowering communities and accelerating sustainable development.

- Corporate Social Responsibility Policy


Ration kits are distributed for Covid relief


Food distribution to health workers and patients during the pandemic

- Corporate Human Resource Policies
- Corporate Environment, Health & Safety (EHS) Policy
- Sustainability Policy

Nation-building and community development are integral to L&T's Strategic vision. The Company's CSR programmes are based on the theme 'Building India's Social Infrastructure'. The objective is to contribute positively to society, improve the quality of life of those who are at the bottom of the pyramid, provide sustainable solutions and make a meaningful impact on people's lives.

The CSR interventions of L&T are based on the CSR Policy and are in line with the Companies Act 2013 and CSR Rules 2014. The CSR Committee of the Board oversees the implementation of CSR programmes at the corporate level. They are ably supported by the core CSR team at corporate level and Sustainability and CSR SPOCs from all businesses.

We strive to provide access to essential services in health and education for the underprivileged and provide for equality of opportunity by empowering people through capacity-building and skill development.

L&T impacts communities across India through initiatives in the areas of education, health, water & sanitation and skill-building. From empowering students in rural areas through digital literacy to building toilet blocks in schools and improving quality of primary education. From strengthening health infrastructure to making services accessible to the marginalised. From ensuring water reaches far-flung fields to creating access to sanitation facilities. From capability building among local communities to creating a talent bank of employable young men and women. Through each initiative, we strive to make services and resources available till the last mile.

This year, we are experiencing an unprecedented situation due to the Novel Coronavirus (Covid-19) outbreak in our country. Thus L&T contributed ₹ 31.32 crore to back the Government's efforts by supporting infrastructure as well as providing supplies, food and spreading awareness.

Below are the highlights of L&T's CSR interventions focused across four key thrust areas and how we leveraged our capacity during the pandemic.

WATER & SANITATION

Water

- Implementation of Integrated Community Development (ICD) Programme aimed at making water available for drinking, sanitation and agriculture to communities staying in water-stressed regions of Maharashtra, Tamil Nadu and Rajasthan.
- Mobilising people to be equal partners in changing behaviours to address problems like wastage of water and overexploitation of ground water.
- Conducting educational activity on the theme of ground-water management to motivate the project

Rally for promotion of good sanitation practices

Village development commitee meeting

community to adopt conservation measures, shift to cultivating water efficient crops and improved irrigation technologies

- Building water-harvesting and soil conservation structures like check dams, farm ponds, percolation tanks, field bunds, contour trenches and implementing other sustainable agricultural techniques like crop rotation leading to increased crop yield and hence improved agricultural viability
- Capacity building of the community members in Participatory Ground Water Management, ground water balance estimation and crop water budgeting for making them self-sufficient to monitor and analyse the data and manage use of the water efficiently
- Promoting household and school level rainwater harvesting for a sustainable solution to the drinking water problems of the project area
- Strengthening basic infrastructure and services in rural India and creating livelihood options once water-sufficiency is achieved

Agriculture and Allied livelihoods

- Treating and bringing undulated and fallow land under cultivation and adoption of multi cropping pattern due to availability of water and quality soil leading to improved productivity and additional income
- Organising Farmers' Field Schools for efficient irrigation practices, water management and use of natural fertilisers which helped in improving soil structure and reduced cost of cultivation
- Diversification of annual crops to suitable dryland horticulture perennial crops to reduce cost of production and to improve the quality of produce
- Demonstrating and promoting location-specific sustainable agricultural practices such as Participatory Variety Selection, Guli method of ragi cultivation, and Systematic Rice Intensification for substantial increase in productivity
- Capacity building of dairy farmers by adopting traditional methods of heath care for livestock, construction of cattle floors and promoting azolla fodder for stabilisation and improving viability of the existing dairy farms
- Training para-vets and watershed assistants from among the community youth for sustaining and supporting the watershed management project and health care of livestock after the project comes to an end

Sanitation

- Community-led total sanitation approach for ensuring behavioural change on a large scale, following up and supplementing the change by supporting construction of household toilets for making communities open-defecation-free

Toilet facilities were constructed to enable villages become open-defecation-free

L&T supports the education of the underprivileged

- Increased ownership of the project through active participation of village development committee and contribution from the local community
- School sanitation programme and collaboration with government schemes to complement and sustain the sanitation programme in the community

Community Cohesion and Participation

- Capacity-building of the people's institutions like village development committees, farmers' groups and self-help groups to ensure their participation in decision-making and increased ownership
- Strengthening farmers and community groups through village meetings, exposure visits and training on leadership, planning, management and governance skills
- Ensuring participation of women by having 50% women members in the Village Development committee and forming Self Help Groups (SHGs). Capacity-building of SHG members in managing finance and accounts as well as group dynamics, leading to collective decision making and empowerment of women to be equal partners in the development process in the community
- Sustained community action for the operation and maintenance of assets created and for further protection and development of natural resources, once the project is over

Number of beneficiaries: 110,525

EDUCATION

- Increasing access to quality education for underprivileged children, for example bicycles were provided to the students attending the education programme in a rural project to make the long-distance commute manageable and ensure that the students attend school
- Improving the quality of education by introducing student-centred interactive pedagogy and introduction of innovative teaching and learning techniques and aids
- Enhancing pre-primary and primary education to ensure school readiness, smooth transition from Anganwadi centres to primary schools and prevent children from dropping out
- Infrastructure development in schools for creating a conducive learning environment, including provision of basic facilities like water, toilets, etc.
- E-learning through digitisation of content, smart classrooms and computer labs
- STEM Education Programme for encouraging scientific rigour among students with emphasis on joyful learning and introducing 21st century skills like critical thinking, communication, collaboration and creativity, to prepare students for careers focussed on technology and innovation
- Encouraging children to participate in national science events for application of learning and exposure to larger learning platforms

Self Help Group Meeting – Empowerment through livelihood generation

Online training for capacity-building of teachers

- Establishing urban and rural community learning centres to provide after-school and remedial academic support to children, especially first-generation learners, and help them to cope with their curriculum, move to their potential level of learning and prevent them from dropping out
- Organising career counselling, personality development, life-skills programmes, medical camps for overall development of the child
- Conducting extra-curricular activities where children engage in fun-filled interactive activities for emotional, cognitive, and holistic well-being
- Training students from 9th grade in core employability skills such as Spoken English, Digital Literacy, Emotional Quotient under Youth Engagement Programme
- Developing leadership by making older students take responsibility in advocacy activities pertaining to the community like mapping their community, identifying dropouts, filing requests and petitions to fix street lights, and motivating other children to join community learning centres
- Preparing children for board examinations and supporting in college enrolment
- Running a child rights desk programme where children and parents are helped for school enrolment, getting entitlement documents and addressing issues like child labour, abuse and neglect
- Strengthening community-based monitoring mechanisms to ensure quality education and working with School Management Committees and parents' groups to provide a conducive learning environment at home
- L&T employee volunteering programme (L&T-eering) to augment the running of urban community learning centres, design low-cost teaching aids to explain concepts in science and math, organising various education sessions in resource- poor schools, such as on safety, caring for environment, celebrating days of national importance with them, organising extra-curricular programmes and events for development of various art forms, mentoring children from low-income communities to develop various aspects of their personality and mentoring young adults for confidence-building and making them job-ready.

Number of beneficiaries: 244,962

HEALTH

Urban Health Projects

- Providing health and welfare activities for the underprivileged across its locations in India
- Conducting malnutrition and anaemia mitigation camps
- Conducting eye check-ups, blood donation camps and health awareness programmes
- Providing health services in remote locations through mobile health vans

Infrastructure support enables Government health centres to continue services during the pandemic

L&T's Health and Dialysis Centre, Vadodara

- Dedicated health centres at 9 locations across India provide family welfare services maternal & child health care and reproductive health, speciality and super-speciality consultations, low-risk day care surgeries (capacity of 8 beds), services in diagnostic and clinical camps, immunisation and health education
- Services for psychological health including counselling child guidance clinic, physiotherapy and occupational therapy
- Outreach treatment services through satellite clinics
- TB Clinic services to treat Multi Drug Resistant Tuberculosis and counselling patients and their families
- Treating and supporting HIV / AIDS patients through Anti-Retroviral Therapy (ART) centre at Mumbai
- Artificial kidney dialysis centres at 5 locations pan-India

Rural Health Projects

- Capacity-building of para-workers to identify children with acute malnutrition before they become seriously ill and sending them to referral camps for timely detection of Severely Acute Malnutrition and provisioning treatment of children (without medical complications) with ready-to-use therapeutic foods or other nutrient-rich foods at home
- Training of para-workers to conduct regular home visits, counselling with mothers and monitor children on their nutrition and health, and leveraging services from Government and strengthen linkages with ICDS and health department
- Promoting nutrition gardens and conducting recipe demonstrations and contests in the community for nutrition awareness
- Providing rural primary care health centres and Anganwadis with need-based supplies and infrastructure support to ensure quality health services
- Ensuring immunisation of mother and child and other services for children under- 5 under the Government's ICDS programme by offering information and counselling services during home visits by a trained community volunteer. This programme is run in coordination with Government front-line workers like ASHAs and ANMs.
- Training of traditional birth attendants to guide and support women for safe institutional deliveries
- Training men, women and youth in the communities on maternal and reproductive health to ensure informed decisions and responsible behaviour

Apart from regular health projects described above, Covid relief was an important initiative this year

Underprivileged youth at one of L&T's Construction Skills Training Institutes

Multi-Skill Training Institute

Covid Relief

L&T has assisted in the setting up of ICUs for treating Covid-19 patients, equipped existing government hospitals with ventilators, provided of Personal Protective Equipment (PPE) kits, gloves, masks to health workers, as well as made available basic provisions food to those in need.

- Immediate relief was provided to the communities where CSR projects are implemented. Relief work was undertaken to aid the needy and vulnerable families of the children attending community learning centres by way of providing food and ration as most of them come from single-breadwinner families. Additionally, other vulnerable families in these communities were also supported by way of providing them with essentials required to survive from one day to the next. 1400 families were reached out to with dry ration kits and sanitation kits, and cooked meals were given to 8000 families.
- L&T was one of the first supporters of the Mumbai Food Project initiated by few entrepreneurs, corporate leaders and others. The grant funding made available from L&T enabled the project to serve over 16,000 meals every day, benefitting construction workers, taxi drivers, rag-pickers, beggars, street vendors, transgenders and many more.
- Additionally, 2000 meals were provided to hospital staff on Covid duty, 20000 meals were distributed to migrant workers and 11000 kg rice was distributed in Tamil Nadu
- Direct support to strengthen the health system to fight Covid included providing testing kits, N95 masks, PPE kits, ventilators, dialysis machine, beds and other hospital equipment.
- A Covid testing laboratory was constructed in U.P.

Number of beneficiaries: 822,967

SKILL DEVELOPMENT

- Providing free training in various construction skills like bar-bending, formwork carpentry, masonry, scaffolding, welding, electric wiring etc., through Construction Skills Training Institutes (CSTIs) to rural and urban youth to enhance their employability
- Introducing innovative and technology-based skill-training in Solar PV Technician skills, OFC & CCTV Installation and Maintenance
- Digitalising CSTIs with e-learning modules
- Training CSTI trainees in safety and soft skills
- Vocational training programmes for women: Tailoring, beautician, home nursing and food processing courses
- Imparting skills and development of self-help groups at ICD locations
- Collaboration with state-run technical institutes (ITIs)

Number of beneficiaries: 35,522 (17635 - CSR+ 17,887 - LTPCT)

ITI students who completed AutoCAD Training at Serampore, West Bengal

Masks being prepared by trainees during skill building

Impact of Covid on CSR Projects

Covid-19 affected a large number of daily wage earners, migrant labourers and poor across states, class, caste, gender and region. The sudden lockdown in the first wave in March 2020 led to the shutting down of schools, colleges, shops and establishments, small businesses, community outreach health services and training institutes. This led to loss of learning opportunities for many children, loss of income for families, absence of outreach health services affecting mother and child health care services and no skill training opportunities.

L&T geared up to the challenge and, after deliberation with implementing partners, re-strategised many CSR projects as follows:

- Ensured learning continuity in all the projects during closure of schools and mobilised teachers, parents and children to participate in the process of remote learning and adopted digital and remote teaching and learning methodology.
- Children lacking access to digital media were provided with worksheets and their progress monitored through home visits, involving parents in the process, while maintaining Covid safety norms.
- Community learning centres kept children engaged through meaningful activities related to academics as well as healthy recreation through online platforms.
- In the rural as well as urban health projects the project teams joined government efforts in spreading awareness about Covid infection and safety precautions through posters, pamphlets and tele calls.
- Community health volunteers started to visit a few children each day to engage them in pre-school activity, made home visits for provision of nutrition supplements and counselled mothers on childcare services.
- The CSR team monitoring system also went digital and field services for all the CSR projects were monitored through video calls, Microsoft team meetings and diligent documentation.

Despite the Covid-19 crisis, we reached most of the services to the worst-affected communities aided by technology and innovative methods. The pandemic brought to the front crisis management skills and achieving targets in the adverse situation, turning adversity in an opportunity to reach out to people.

L&T spent ₹ 150.01 Crore 2020-21 towards CSR activities as per the Companies Act 2013.

Principle 9: Engage with and provide value to customers

The range of projects, products and services offered by L&T has a far-reaching impact on customers and considerable attention is consequently devoted to the design, development and execution of these offerings.

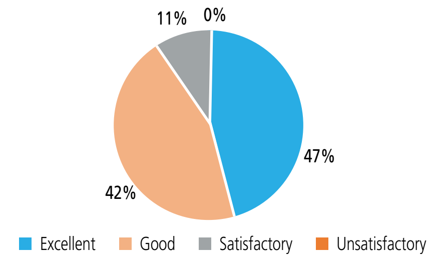
Inputs on changing customer preferences and market trends gathered from interactive customer engagement and study of markets are incorporated into products and services through training, R&D, design, testing, manufacturing and best-in-class construction methodologies. The business has also leveraged new-age technology for productivity improvements that benefit both Company and customer. These include Artificial Intelligence, Machine Learning, use of Geospatial technologies (Lidar, Radar, Sonar, Thermal, Optical), Virtual Reality (including extensive usage in worker safety applications and training), Augmented Reality, Analytics tools, Bots, Laser, Radiography, extensive use of IOT platforms and adoption of different components of the Industry 4.0 value chain. Health and safety aspects are also carefully incorporated into product lifecycles.

Products carry requisite labelling, and maintenance manuals include related specifications and codes that render transparency and provide maintenance utility to customers. Products undergo testing in conformity with national and international standards such as Indian Standards, International Organization of Standardization (ISO), RoHS (for relevant products). Training of customer personnel on product characteristics, usage and maintenance forms an integral part of services offered by L&T.

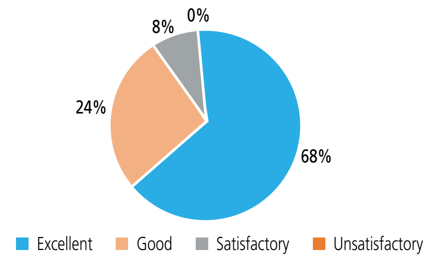
L&T's green product and services portfolio helps its clients to reduce their energy, water and material footprint and helps them to follow a low-carbon economy path. The Company regularly engages with customers through customer meets, customer satisfaction surveys and market-based research, including training and capability building programmes for customers. Senior management actively reviews customer feedback and suggests corrective and/or preventive action as required.

A survey of 66 customers across L&T, most of whom had been associated with L&T for more than 5 years, showed our customer engagement has been excellent.

Level of satisfaction with L&T's response to address customer queries and grievances



Customers' experience with L&T personnel Interaction



ANNEXURE: MAPPING TO THE SEBI FRAMEWORK

Question	Reference	Description
	Section	Page Number
Section A: General Information about the Company		
1. Corporate Identity Number (CIN) of the Company	AR	28
2. Name of the Company		28
3. Registered Address		28
4. Website	AR	28
5. Email id	AR	28
6. Financial Year Reported	AR	28
7. Sector(s) that the Company is engaged in (industrial activitycode-wise)	AR	28 and 29
8. List three key products/services that the Company manufactures/ provides (as in balance sheet)	AR	29
9. Total number of locations where business activity is undertaken by the Company	AR	29
i. Number of International Locations (Provide details of major 5)	AR	29
ii. Number of National Locations	AR	29
10. Markets served by the Company – Local/State/National/International	AR	29
Section B: Financial Details of the Company		
1. Paid up Capital (INR)	AR	29
2. Total Turnover (INR)		29
3. Total profit after taxes (INR)	AR	29
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	AR	29
5. List of activities in which expenditure in 4 above has been incurred:	AR	29
Section C: Other Details		
1. Does the Company have any Subsidiary Company/ Companies?	AR	29
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	AR	29
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	AR	30
Section D: BR Information		
1. Details of Director/Directors responsible for BR a) Details of the Director/Director the BR policy/policies • DIN Number • Name • Designation b) Details of the BR head • DIN Number (if applicable) • Name • Designation • Telephone number • e-mail ID	AR	30
Principle-wise (as per NVGs) BR Policy / policies	AR	30-31

Question	Reference	Description
	Section	Page Number
3. Governance Related to BR Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	AR	31
Does the Company publish a BR or a Sustainability Report? What is the Hyperlink for viewing this report? How frequently it is published?	AR	31
Section E: Principle-wise Performance		
Principle 1: Ethics, Transparency and Accountability		
Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	AR	32-33
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	The details related to stakeholder complaints are included in the Director's Report Section of this Annual Report.	32-33, 109 and 110
Principle 2: Sustainable Products and Services		
List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	AR	33
For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):	AR	33
Does the company have procedures in place for sustainable sourcing (including transportation)?	AR	33
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	AR	33
If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	AR	33
Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company is a leading EPC solution provider for Solar Photo Voltaic (PV) based power plants helping customers save on the energy bills and contribute to reduction of GHG emissions from consumption of indirect energy.	

Question	Reference	Description
	Section	Page Number
Principle 3: Employee Well Being		
Total number of employees. Total number of employees hired on temporary/contractual casual basis. Number of permanent women employees. Number of permanent employees with disabilities Do you have an employee association that is recognized by management? What percentage of your permanent employees and members of this recognized employee association?	AR	33-36
Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the finacial year.	AR	33-36
What percentage of your under-mentioned employees were given safety and skill upgradation training in the last year?	AR	33-36
Principle 4: Valuing Marginalized Stakeholders		
Has the company mapped its internal and external stakeholders?	AR	36-38
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	AR	36-38
Principle 5: Human Rights		
Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers Contractors/NGOs/Others?	AR	38-39
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	AR	38-39
Principle 6: Environment		
Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors NGOs/others?	AR	39-41
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?	AR	39-41
Does the company identify and assess potential environmental risks?	AR	39-41
Does the company have any project related to Clean Development Mechanism?	AR	39-41
Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.	AR	39-41
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	AR	39-41
Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	AR	39-41

Question	Reference	Description
	Section	Page Number
Principle 7: Responsible Public Advocasy		
Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Have you advocated/lobbied through above associations for the advancement or improvement of public good?	AR	41
Principle 8: Inclusive Growth		
Does the company have specified programmes/initiatives projects in pursuit of the policy related to Principle 8?	AR	41-48
Are the programmes/projects undertaken through in-house team own foundation/external NGO/government structures/any other organisation?	AR	41-48
Have you done any impact assessment of your initiative?	AR	41-48
What is your company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.	AR	41-48
Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	AR	41-48
Principle 9: Customer Welfare		
What percentage of customer complaints/consumer cases are pending as on the end of financial year?	AR	48-49
Does the company display product information on the product label, over and above what is mandated as per local laws?	AR	48-49
Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year	AR	48-49

STANDALONE FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

	Ind AS [11]						IGAAP [11]			
Description	2020-21	2019-20 [10]	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12 [8]
Statement of Profit and Loss										
Gross revenue from operations [1]	73316	82384	82287	74612	66301	63813	57558	57164	52196	53738
PBDIT [1] [2]	7266	6838	7653	7701	6481	5829	6488	6667	5473	6283
Profit after tax (excluding extraordinary/ exceptional items) [12]	5505	5414	5466	4861	4560	4454	4699	4905	4169	4413
Profit after tax (including extraordinary/ exceptional items)	11337	6679	7491	5387	5454	5000	5056	5493	4384	4457
Balance Sheet										
Net worth	60414	52175	50048	49174	46013	42135	37085	33662	29291	25223
Loan funds	23809	25785	11990	10561	10558	13924	12936	11459	8478	9896
Capital employed	84223	77960	62038	59735	56571	56059	50021	45121	37769	35119
Ratios and statistics										
PBDIT as % of net revenue from operations [1][3]	9.91	8.30	9.30	10.34	9.86	9.23	11.38	11.78	10.60	11.82
PAT as % of net revenue from operations [1][4]	15.46	8.11	9.10	7.23	8.30	7.91	8.87	9.71	8.50	8.38
RONW % [5]	20.14	13.07	15.74	11.32	12.37	12.39	14.30	17.46	16.06	18.95
Gross Debt: Equity ratio	0.39:1	0.49:1	0.24:1	0.21:1	0.23:1	0.33:1	0.35:1	0.34:1	0.29:1	0.39:1
Basic earnings per equity share (₹) [6]	80.74	47.59	53.43	38.46	39.00	35.81	36.31	39.57	35.55	32.41
Book value per equity share (₹) [7]	430.13	371.65	356.79	350.90	328.79	301.57	265.85	241.97	211.39	182.90
Dividend per equity share (₹) [7][9]	36.00	18.00	18.00	16.00	14.00	12.17	10.83	9.50	8.22	7.33
No. of equity shareholders	1371535	1,251,569	10,21,275	8,99,902	9,23,628	10,28,541	8,53,824	832,831	854,151	926,719
No. of employees	40527	45467	45,205	42,924	41,466	43,354	44,081	54,579	50,592	48,754

[1] For Continuing Operations from 2018-19

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

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

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

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

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

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

[8] Figures for the year 2011-12 include Hydrocarbon business which has been transferred w.e.f April 1, 2013 to a wholly owned subsidiary.

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

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

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

[12] Profit from discontinued operations from the year 2018-19 has been considered as exceptional item.

CONSOLIDATED FINANCIALS-10 YEAR HIGHLIGHTS

₹ crore

	Ind AS						IGAAP			
Description	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Statement of Profit and Loss										
Gross revenue from operations [1]	135979	145452	135220	119862	110011	101975	92762	85889	75195	64960
PBDIT [1] [2]	15624	16329	15330	13641	11130	10463	11258	10730	9929	8884
Profit attributable to Group shareholders (excluding extraordinary/exceptional items) [3]	6965	8894	8144	7151	5920	4154	4470	4547	4911	4649
Profit attributable to Group shareholders (including extraordinary/exceptional items)	11583	9549	8905	7370	6041	4233	4765	4902	5206	4694
Balance Sheet										
Net worth	75869	66723	62375	54904	50217	44180	40909	37712	33860	29387
Non-controlling interest	12052	9521	6826	5201	3564	2893	4999	3179	2653	1753
Loan funds	132605	141007	125555	107524	93954	88135	90571	80330	62672	47150
Capital employed	220525	217251	194756	167629	147735	135208	136479	121221	99185	78290
Ratios and statistics										
PBDIT as % of net revenue from operations [4] [1]	11.49	11.23	11.34	11.40	10.18	10.35	12.24	12.60	13.33	13.81
PAT as % of net revenue from operations [5] [1]	8.52	6.57	6.59	6.16	5.53	4.19	5.18	5.76	6.99	7.30
RONW % [6]	16.25	14.80	15.35	14.12	12.80	9.91	12.13	13.71	16.47	17.26
Gross Debt: Equity ratio	1.51:1	1.85:1	1.81:1	1.79:1	1.75:1	1.87:1	2.21:1	2.13:1	1.85:1	1.61:1
Basic earnings per equity share (₹) [7]	82.49	68.04	63.51	52.62	43.20	30.32	34.22	35.31	37.69	34.14
Book value per equity share (₹) [8]	540.16	475.27	444.67	391.78	358.83	316.20	293.29	271.10	244.40	213.09
Dividend per equity share (₹) [8] [9]	36.00	18.00	18.00	16.00	14.00	12.17	10.83	9.50	8.22	7.33

Figures for 2015-16 to 2020-21 are as per Ind AS and for earlier periods as per IGAAP and hence not directly comparable.

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

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

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

[4] PBDIT as % of net revenue from operations =[PBDIT/(gross revenue from operations less excise duty upto June 30, 2017)].

[5] Profit after tax (PAT) as % of net revenue from operations = [PAT including extraordinary/exceptional items/gross revenue from operations less excise duty upto June 30, 2017].

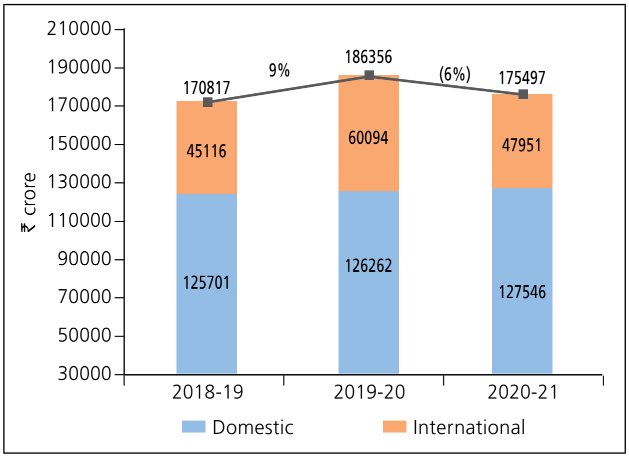
[6] RONW = [(PAT including extraordinary/exceptional items)/(average net worth excluding revaluation reserve)].

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

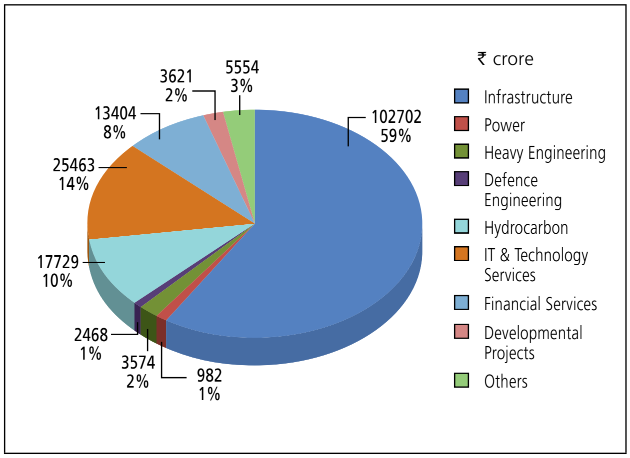
[8] After considering adjustment for issue of bonus shares during respective years.

[9] Dividend for the year 2020-21 includes special dividend of ₹ 18.00 per share and final dividend of ₹ 18.00 per share

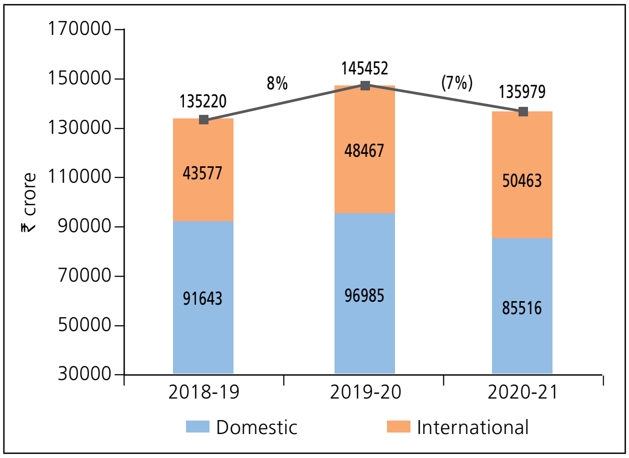
L&T CONSOLIDATED - ORDER INFLOW



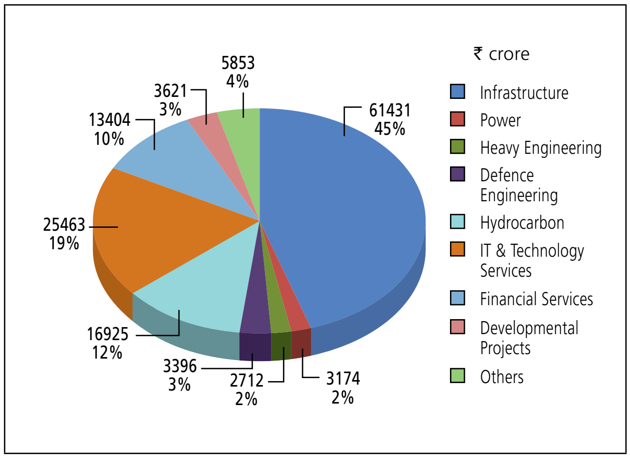
L&T CONSOLIDATED - SEGMENT-WISE ORDER INFLOW 2020-21



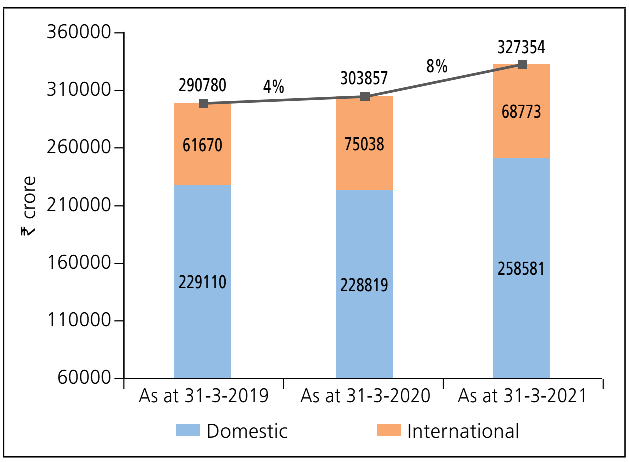
L&T CONSOLIDATED - GROSS REVENUE FROM OPERATIONS



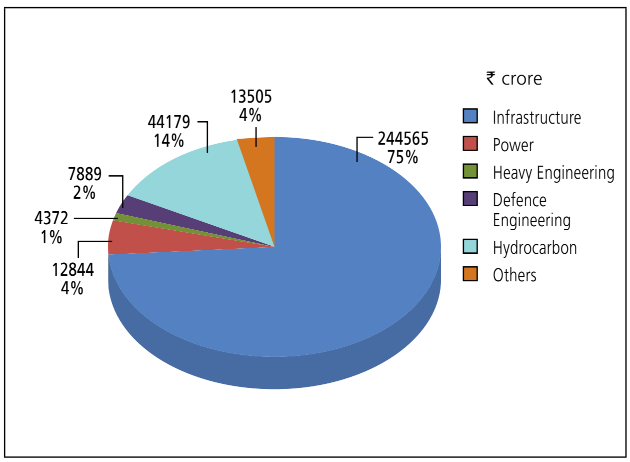
L&T CONSOLIDATED - SEGMENT-WISE EXTERNAL REVENUE 2020-21



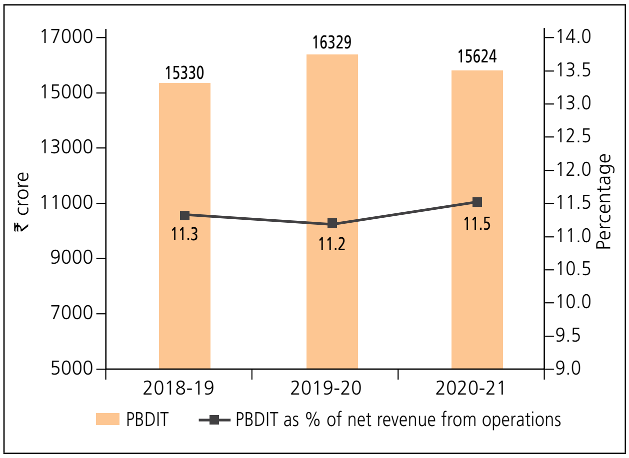
L&T CONSOLIDATED - ORDER BOOK



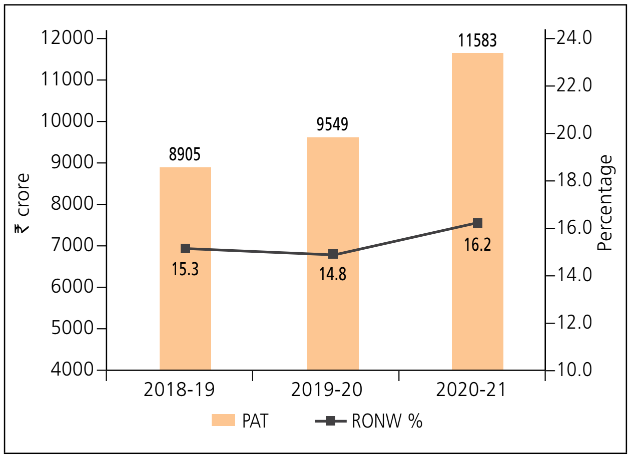
L&T CONSOLIDATED - SEGMENT-WISE ORDER BOOK 2020-21



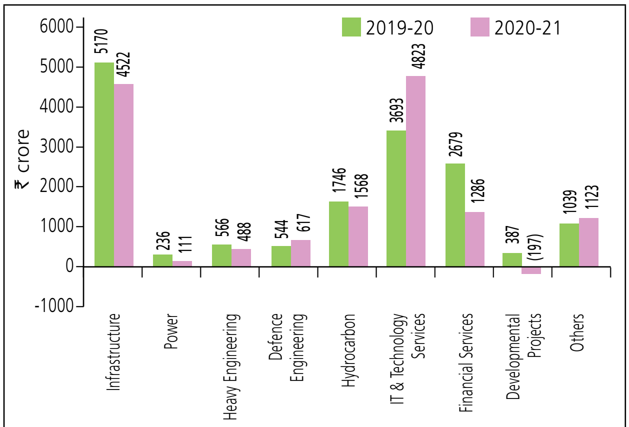
L&T CONSOLIDATED - PBDIT AS % OF NET REVENUE FROM OPERATIONS



L&T CONSOLIDATED - PAT AND RONW %

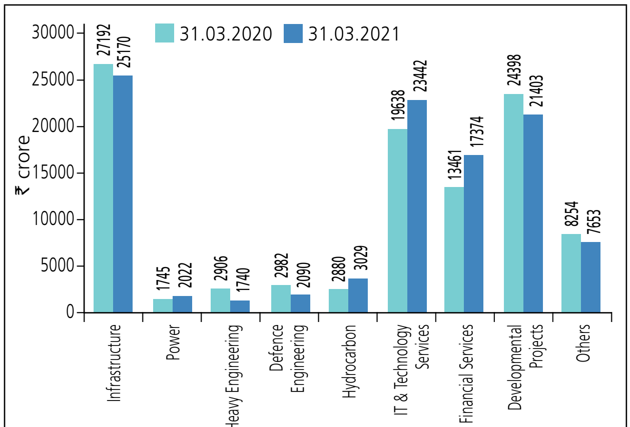


L&T CONSOLIDATED - SEGMENT-WISE EBIT



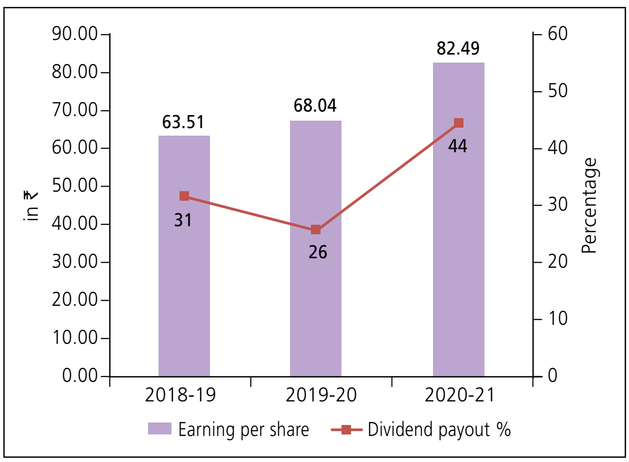
Total Segment wise EBIT 2019-20 : ₹ 16060 crore and 2020-21 : ₹ 14341 crore

L&T CONSOLIDATED - SEGMENT-WISE NET ASSETS

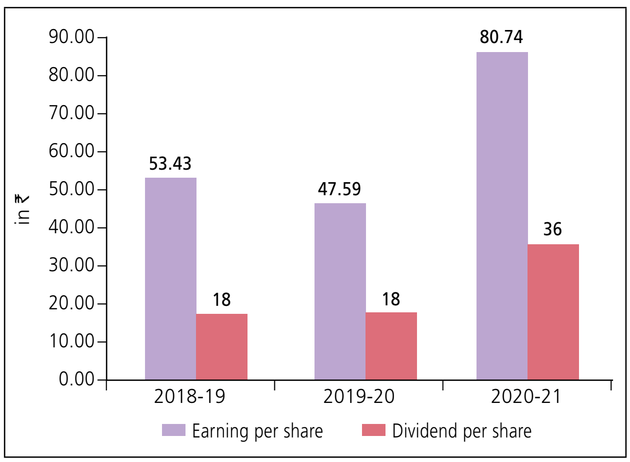


Total Segment wise Net Assets as at 31.03.2020 ₹ 103456 crore and as at 31.03.2021 ₹ 103923 crore

L&T CONSOLIDATED - EPS & DIVIDEND PAYOUT %



L&T STANDALONE - EPS & DPS



LARSEN & TOUBRO LIMITED

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Email: igrc@larsentoubro.com • Website: www.larsentoubro.com
Tel No: 022-67525656 • Fax No: 022-67525893

Notice

NOTICE IS HEREBY GIVEN THAT the Seventy Sixth Annual General Meeting of **LARSEN & TOUBRO LIMITED** will be held through **VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS on Thursday, August 05, 2021 at 03.30 P.M. IST** to transact the following business :-

1) To consider and adopt the audited financial statements of the Company for the year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company and the report of the auditors thereon for the year ended March 31, 2021;

2) To declare final dividend on equity shares;

3) To appoint a Director in place of Mr. D. K. Sen (DIN: 03554707), who retires by rotation and is eligible for re-appointment;

4) To appoint a Director in place of Mr. Hemant Bhargava (DIN: 01922717), who retires by rotation and is eligible for re-appointment;

5) To appoint a Director in place of Mr. M. V. Satish (DIN: 06393156), who retires by rotation and is eligible for re-appointment;

6) To appoint a Director in place of Mr. R. Shankar Raman (DIN: 00019798), who retires by rotation and is eligible for re-appointment;

7) To consider and, if thought fit, to pass as an **ORDINARY RESOLUTION** the following:

   "**RESOLVED THAT** Mrs. Preetha Reddy (DIN: 00001871) who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting of the Company, and is eligible for appointment and in respect of whom the Company has received a Notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director."

8) To consider and, if thought fit, to pass as an **ORDINARY RESOLUTION** the following:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mrs. Preetha Reddy (DIN: 00001871) be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from March 01, 2021 to February 28, 2026."

9) To consider and, if thought fit, to pass as a **SPECIAL RESOLUTION** the following:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Sanjeev Aga (DIN: 00022065) who was appointed as an Independent Director of the Company for a term upto May 24, 2021 by the Shareholders and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years with effect from May 25, 2021 to May 24, 2026."

10) To consider and, if thought fit, to pass, as a **SPECIAL RESOLUTION** the following:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and Regulation 17(1A) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Narayanan Kumar (DIN: 00007848) who was appointed as an Independent Director of the Company for a term upto May 26, 2021 by the Shareholders and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years with effect from May 27, 2021 to May 26, 2026 and also continue as an Independent Director of the Company after he attains the age of 75 years."

11) To consider and, if thought fit, to pass as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act and the rules made thereunder, approval be and is hereby granted to the re-appointment of Mr. M. V. Satish (DIN: 06393156) as the Whole-time Director of the Company with effect from January 29, 2021 upto and including April 07, 2024.

RESOLVED FURTHER THAT Mr. M. V. Satish in his capacity as Whole-time Director, be paid remuneration as may be fixed by the Board, from time to time, as prescribed under the Companies Act, 2013 and within the limits approved by the members as per the details given in the explanatory statement."

12) To consider and, if thought fit, to pass as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the said Act and the rules made thereunder, approval be and is hereby granted to the re-appointment of Mr. R. Shankar Raman (DIN: 00019798) as the Whole-time Director of the Company with effect from October 1, 2021 upto and including September 30, 2026.

RESOLVED FURTHER THAT Mr. R. Shankar Raman in his capacity as Whole-time Director, be paid remuneration as may be fixed by the Board, from time to time, as prescribed under the Companies Act, 2013 and within the limits approved by the members as per the details given in the explanatory statement."

13) To consider and, if thought fit, to pass as a **SPECIAL RESOLUTION** the following:

"**RESOLVED THAT** in supersession of the resolution no. 13 passed by the Members at the 75th Annual General Meeting of the Company held on August 13, 2020 in this regard and in accordance with the provisions of Sections 41, 42, 62 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) as amended from time to time, Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI Regulations'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enabling provisions in the Memorandum and Articles of Association of the Company as also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (SEBI), Government of India (GOI), Reserve Bank of India (RBI) and all other appropriate and/ or concerned authorities, or bodies and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ('Board') (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer , issue and allot in one or more tranches, to Investors whether Indian or Foreign, including Foreign Institutions, Foreign Institutional Investors, Foreign Portfolio Investors, Foreign Venture Capital Fund Investors, Venture Capital Funds, Non-resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pension Funds, Individuals or otherwise, whether Shareholders of the Company or not, through an issue of convertible bonds and/or equity shares through depository receipts, including by way of Qualified Institutions Placement ('QIP'), to Qualified Institutional Buyers ('QIB') in terms of Chapter VI of the SEBI Regulations, through one or more placements of Equity Shares (hereinafter collectively referred to as "Securities"), whether by way of private placement or otherwise as the Board may determine, where necessary in consultation with the Lead Managers, Underwriters, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Rating Agencies/ Advisors, Depositories, Custodians, Principal Paying/Transfer/Conversion agents, Listing agents, Registrars, Trustees, Auditors, Stabilizing agents and all other Agencies/Advisors so that the total amount raised through issue of the Securities shall not exceed INR 4500 Crore (Rupees Four Thousand Five Hundred Crore) or US $600 Mn (US Dollars Six Hundred Million), if the value is higher.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby also authorised to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue/ conversion/ exercise/ redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT in case of QIP issue it shall be completed within 12 months from the date of passing of this resolution.

RESOLVED FURTHER THAT in case of QIP issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be -

i) in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue

ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Equity Shares to be offered and allotted shall be in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board, be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deems fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Manager(s) in offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with Lead Manager(s) and to seek listing of such securities.

RESOLVED FURTHER THAT the Company do apply for listing of the new Equity Shares as may be issued with the BSE Limited and National Stock Exchange of India Limited or any other Stock Exchange(s).

RESOLVED FURTHER THAT the Company do apply to the National Securities Depository Limited and/ or Central Depository Services (India) Limited for admission of the Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create necessary charge on such of the assets and properties (whether present or future) of the Company in respect of Securities and to approve, accept, finalize and execute facilities, sanctions, undertakings, agreements, promissory notes, credit limits and any of the documents and papers in connection with the issue of Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers in such manner as they may deem fit."

14) To consider and ratify the remuneration payable to Cost Auditors and for that purpose to pass, as an **ORDINARY RESOLUTION** the following:

"**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the remuneration of ₹ 13 lakhs plus applicable taxes and out of pocket expenses at actuals for travelling and boarding/lodging for the financial year ending March 31, 2022 to M/s R. Nanabhoy & Co. Cost Accountants (Regn. No. 00010), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2021-22."

By Order of the Board of Directors

For **LARSEN & TOUBRO LIMITED,**

SIVARAM NAIR A
COMPANY SECRETARY
M.NO – F3939

Mumbai, June 18, 2021

Notes:

[a] In view of the COVID-19 pandemic and the need for ensuring social distancing, the Government of India, Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 ("MCA Circulars"), prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. MCA vide its Circular No. 02/2021 dated January 13, 2021 extended the time line for holding of Annual General Meetings through VC/OAVM till December 31, 2021. Securities and Exchange Board of India ("SEBI") also vide its Circular dated May 12, 2020, permitted holding of Annual General Meetings through VC/OAVM which was further extended by its circular dated January 15, 2021 ("SEBI Circulars") till December 31, 2021. In compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars and applicable provisions of the SEBI Circulars, the 76th Annual General Meeting (AGM) of the Members will be held through VC/ OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.

[b] Since this General Meeting is held through VC/OAVM the physical attendance of members is dispensed with and no proxies would be accepted by the Company pursuant to the relevant MCA Circulars.

[c] No attendance slip/route map has been sent along with this Notice of the Meeting as the meeting is held through VC/OAVM.

[d] Members who are Shareholders as on Thursday, July 29, 2021 can join the AGM 30 minutes before the commencement of the AGM i.e at 03.00 P.M and till the time of the conclusion of the Meeting by following the procedure mentioned in this Notice.

[e] The attendance through VC/OAVM is restricted and hence members will be allowed on first come first serve basis. However, attendance of Members holding more than 2% of the shares of the Company, Institutional Investors as on Thursday, July 29, 2021 and Directors and Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, the Stakeholders Relationship Committee and Auditors will not be restricted on first come first serve basis.

[f] Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.

[g] In line with the MCA Circulars and the SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company at **www.larsentoubro.com**. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively and is also available on the website of NSDL at **https://evoting.nsdl.com**

[h] The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015 and the Secretarial Standards on General Meetings, regarding the Directors who are proposed to be appointed/re-appointed and the relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under items 7 to 14 set out above are annexed hereto.

[i] The Register of Members of the Company will be closed from **Friday, July 30, 2021 to Thursday, August 05, 2021 (both days inclusive)**.

[j] Members holding shares in physical form are requested to furnish bank details, email address, change of address etc. to KFin Technologies Private Limited ("KFintech"), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, who are the Company's Registrar and Share Transfer Agents so as to reach them latest by **Thursday, July 29, 2021**, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, members holding shares in demat mode should update their records at the earliest.

[k] Considering the difficulties caused due to the Covid-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of this Meeting and the Annual Reports have been sent via email to all those members who have registered their email ids with the Company or the Registrar and Transfer Agent or the Depositories or the Depository Participants as on Friday, July 02, 2021.

[l] Those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. Those Members who have not registered their email address and mobile nos. including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with Registrar and Transfer Agents, KFintech in case the shares are held in physical form.

2. Members who have already registered their email addresses are requested to get their email addresses validated with their Depository Participants / the Company's Registrar and Share Transfer Agent, KFintech, to enable servicing of notices / documents / Annual Reports electronically to their email address.

3. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be served may temporarily get their email address and mobile number registered with KFintech, by clicking the link: **https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx** for sending the same. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice. In case of any queries, Shareholders may write to **einward.ris@KFintech.com**

4. Members may also visit the website of the Company **www.larsentoubro.com** or the website of NSDL at **https://evoting.nsdl.com** for downloading the Annual Report and Notice of the AGM.

5. Members may send an e-mail request to the email id **einward.ris@KFintech.com** along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio.

[m] In terms of the MCA Circulars and in the view of the Board of Directors, all matters included in this Notice are unavoidable and hence are proposed for seeking approval at this AGM. All documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection electronically without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to **LNTGOGREEN@larsentoubro.com.**

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

Pursuant to Section 124 of the Companies Act, 2013 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Dividend No.	Date of Declaration	For the year ended	Due for Transfer on
85	22.08.2014	31.03.2014	27.09.2021
86	09.09.2015	31.03.2015	15.10.2022
87	26.08.2016	31.03.2016	02.10.2023
88	22.08.2017	31.03.2017	27.09.2024
89	23.08.2018	31.03.2018	28.09.2025
90	01.08.2019	31.03.2019	06.09.2026

Dividend No.	Date of Declaration	For the year ended	Due for Transfer on
91	18.03.2020	31.03.2020	24.04.2027
92	13.08.2020	31.03.2020	18.09.2027
93	28.10.2020	31.03.2021	02.12.2027

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

Final Dividend if approved by the Members at this Meeting will be directly credited to the bank accounts of the Shareholders as on the Book Closure Date i.e Thursday, July 29, 2021 for shares held in demat form and Thursday, August 05, 2021 for shares held in physical form, as per the details available with the Company within the prescribed timelines. In case of Shareholders who have not registered their bank details with the Company, dividend warrants/demand drafts will be sent to them.

[n] **Investor Grievance Redressal:**

The Company has designated an exclusive e-mail id viz. **IGRC@Larsentoubro.com** to enable Investors to register their complaints, if any.

[o] Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has during the financial year 2020-21 transferred to the IEPF Authority all shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to IEPF Authority are available on the website of the Company and the same can be accessed through the link: **http://investors.larsentoubro.com/resources.aspx**. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: **www.iepf.gov.in**.

[p] SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialize shares held by them in physical form.

[q] Dividend income is taxable in the hands of Shareholders and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Income Tax Act, 1961. The Shareholders are requested to update their PAN with the Company/ KFintech (in case of shares held in physical mode) and with the Depositories/ Depository Participants (in case of shares held in demat mode).

Resident Shareholders:

For Resident Shareholders, who have provided PAN, tax shall be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend.

Tax shall be deducted at source at 20% wherein–

(a) Shareholders do not have PAN / have not registered their valid PAN details in their account/ with the Company/KFintech),

(b) Shareholders are classified as specified persons under section 206AB

No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by the resident Shareholders during Financial Year 2021-22 does not exceed ₹ 5,000. In cases where the Shareholder provides Form 15G / Form 15H and meets all the required eligibility conditions, no tax will be deducted at source.

Apart from above cases, following categories of Shareholders are exempt from tax deduction at source:

(a) Life Insurance Corporation of India [clause (a) to 2nd proviso to section 194]

(b) General Insurance Corporation of India/ The New India Assurance Company Ltd / United India Insurance Company Ltd / The Oriental Insurance Company Ltd / National Insurance Company Ltd [clause (b) to 2nd proviso to section 194]

(c) Any other Insurer in respect of any shares owned by it or in which it has full beneficial interest [clause (c) to 2nd proviso to section 194]

(d) Dividend income credited/paid to a "business trust", as defined in clause (13A) of section 2, by a special purpose vehicle referred to in the Explanation to clause (23FC) of section 10; [clause (d) to 2nd proviso to section 194]

The following payees are also not subject to TDS in view of the provisions of sections 196, 197A of the Income Tax Act, 1961 and CBDT notification:

(a) Government [section 196(i)]

(b) Reserve Bank of India [section 196(ii)]

(c) a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income [section 196(iii)]

(d) Mutual Fund [section 196(iv)]

(e) any person for, or on behalf of, the New Pension System Trust referred to in section 10(44) [subsection 1E to section 197A]

(f) Category I or a Category II Alternative Investment Fund (registered with SEBI as per section 115UB) as per Notification 51/2015

Non-resident Shareholders:

For Foreign Portfolio Investor (FPI) category Shareholders, taxes shall be deducted at source under Section 196D of the Act at 20% (plus applicable surcharge and cess).

For other Non-resident Shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the Income Tax Act, 1961, at the rates in force. As per the relevant provisions of the Income tax Act, 1961, the tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them.

FPI and the non-resident Shareholder have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the Shareholder, if they are more beneficial to them.

To avail benefit of rate of deduction of tax at source under DTAA, such non-resident Shareholders/FPI will have to provide the following:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;

2. Tax residency certificate from the jurisdictional tax authorities confirming residential status for FY 2021-22

3. Declaration by the non- resident in prescribed form 10F

4. Self-declaration by the non-resident Shareholder as to:

   - Eligibility to claim tax treaty benefits based on the tax residential status of the Shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
   - No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
   - Shareholder being the beneficial owner of the dividend income to be received on the equity shares.

In case of non-resident Shareholder, having permanent establishment in India, if they are classified as “specified person” as per the provision of section 206AB, tax will be deducted at rate higher of

(a) twice the rate as per the provisions of Income Tax Act, 1961; or

(b) twice the rate in force; or

(c) 5%.

General:

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we request Resident Shareholders and Non-Resident Shareholders to upload the details and documents referred to in this Notice in the format provided by us and as applicable to you on the link **https://ris.KFintech.com/form15/**. No communication on the tax determination / deduction shall be entertained beyond **5.00 p.m on Wednesday, July 28, 2021**.

Deduction of tax at a rate lower than statutory rate or no deduction of tax shall depend upon the completeness of the documents and the satisfactory review of the forms and the documents, submitted by Resident Shareholders, to the Company/KFintech.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review of the documents submitted, by Non- Resident Shareholder/ FPI, to the Company/KFintech.

Tax deducted by the Company is final and the Company shall not refund /adjust the tax so deducted subsequently.

[r] **Instruction for attending the meeting through VC:**

Convenience of different persons positioned in different time zones has been kept in mind before scheduling the time for this Meeting.

The Company has appointed National Securities Depository Limited (NSDL), to provide VC/OAVM facility for the AGM and the attendant enablers for conducting of the e-AGM

Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the meeting by following the steps mentioned in this Notice for "**Access to NSDL e-voting system"**. After successful login, you can see the link of VC/OAVM placed under Join General Meeting menu against the Company name. You are requested to click on the VC/OAVM link placed under Join General Meeting menu.

Please note that the members who do not have the User ID and Password for e-voting or have forgotten their User ID and Password may retrieve the same by following the instructions mentioned in this notice.

Members can participate in AGM through smart phone/laptop. However, for better experience and smooth participation it is advisable to join the Meeting using Google Chrome, by Laptops connected through broadband.

Further Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.

Please note that Participants connecting from Mobile Devices or Tablets or through Laptop via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, July 29, 2021 through email on **LNTGOGREEN@larsentoubro.com**. The same will be replied by the Company suitably. Please note that members queries/ questions will be responded to only if the Shareholder continues to hold the shares as on the cut-off date i.e Thursday, July 29, 2021.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to **LNTGOGREEN@larsentoubro.com** on or before Monday, August 2, 2021. Those Members who have registered themselves as a speaker and have received a confirmation from the Company will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Members who are not able to join this Meeting over VC/OAVM will be able to view the live webcast of proceedings of AGM by logging on the e-voting website of NSDL by following remote e-voting instructions mentioned in the notice.

[s] **E-voting**

The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Standard 2 of the Secretarial Standards on General Meetings and Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means. The said facility of casting the votes by the members using electronic means will be provided by NSDL.

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of **Thursday, July 29, 2021** shall be entitled to avail the facility of remote e-voting or e-voting on the day of the Meeting. Persons who are not members as on the cut-off date should treat this notice for information purposes only.

The Notice will be displayed on the website of the Company and on the website of NSDL.

The members who have cast their vote through remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.

The remote e-voting period commences on **Monday, August 02, 2021 at 9.00 A.M.** and ends on **Wednesday, August 04, 2021 at 05.00 P.M.** During this period, members of the Company holding shares either in physical or dematerialised form, as on the cut-off date of Thursday, July 29, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

Instructions for e-voting during the AGM:

The e-voting window shall be activated upon instructions of the Chairman during the AGM proceedings.

Only those Shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Thursday, July 29, 2021**, i.e. the commencement of the book closure date, are entitled to vote on the Resolutions set forth in this Notice. Eligible members who have acquired shares after the despatch of the Annual Report and holding shares as of the cut-off date i.e. Thursday, July 29, 2021, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or to the Company at **IGRC@larsentoubro.com**. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you don’t remember your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on **https://evoting.nsdl.com** or call on toll free no. 1800 1020 990 and 1800 22 44 30.

Members are requested to follow the instructions given in this notice to cast their votes through e-voting.

The detailed steps on the process and manner on the process and manner for remote e-voting/e-voting at the AGM and to access the VC/OAVM facility at the AGM are as follows:

Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-voting system.

Details on Step 1 are mentioned below:

I. **Login method for remote e-voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-voting facility provided by Listed Companies”, e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: **https://eservices.nsdl.com/** either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the “**Beneficial Owner**” icon under “**Login**” which is available under “**IDeAS**” section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services.

Type of Shareholders	Login Method
	4. Click on "Access to e-voting" appearing on the left hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. **If you are not registered, follow the below steps:** 1. Option to register is available at **https://eservices.nsdl.com**. 2. Select "Register Online for IDeAS" Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3. Please follow steps given in points 1-5. **B. e-voting website of NSDL** 1. Open web browser by typing the following URL: **https://evoting.nsdl.com** either on a personal computer or on a mobile phone. 2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against company name or **e-voting service provider - NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest is **https://web.cdslindia.com/myeasi/home/login** or **www.cdslindia.com** and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/ Easiest, option to register is available at **https://web.cdslindia.com/myeasi/Registration/EasiRegistration**. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link in **www.cdslindia.com** home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) logging through their depository participants	1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. 2. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login type	Helpdesk details
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at 022-23058738 or 022-23058542-43

II. **Login method for e-voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.**

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: **https://evoting.nsdl.com** either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders / Member" section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at **https://eservices.nsdl.com/** with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company. For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

6. Your password details are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from **evoting@nsdl.com**. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) In case you have not registered your e-mail address with the Company/ Depository, please follow instructions mentioned below in this notice.

7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a) Click on "**Forgot User Details / Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on **https://evoting.nsdl.com**.

   b) **Click on "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on **https://evoting.nsdl.com**.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number / folio number, your PAN, your name and your registered address.

   d) Members can also use the one-time password (OTP) based login for casting the votes on the e-voting system of NSDL.

8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, home page of e-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN 116297" to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on **https://evoting.nsdl.com** to reset the password.

2. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of **https://evoting.nsdl.com** or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at **evoting@nsdl.co.in**.

3. Members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card). If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained above.

Members who need assistance before or during the AGM, can contact NSDL on **evoting@nsdl.co.in** / 1800 1020 990 and 1800 22 44 30 or contact Amit Vishal at **amitv@nsdl.co.in** or Pallavi Mhatre at **pallavid@nsdl.co.in**

The Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary, (Membership No. 4206, COP No. 1774) or failing him Mrs. Aparna Gadgil, Practicing Company Secretary, (Membership No. 14713, COP No. 8430), to act as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **scrutinizer@snaco.net**, with a copy marked to **evoting@nsdl.co.in**.

In case of any queries, please visit Help and Frequently Asked Questions (FAQs) section available at evoting website **https://evoting.nsdl.com**.

Based on the report received from the Scrutinizer, the Company will submit within 2 working days to the stock exchanges details of the voting results as required under Reg. 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Member can opt for only one mode of voting i.e. either through remote e-voting or e-voting at the Meeting. If a Member has cast his vote by remote e-voting then he will not be eligible to vote at the Meeting.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the Meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared.

Facility to cast vote through e-voting will be made available on the Video Conferencing screen and will be activated once the same is announced by the Chairman during the Meeting.

The results declared alongwith the Scrutinizer's report, will be hosted on the website of the Company **www.larsentoubro.com** and on the website of NSDL at **https://evoting.nsdl.com** and will be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office immediately after the declaration of the result by the Chairman or any person authorised by him in writing and will be communicated to the Stock Exchanges.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 7 to 14 of the accompanying Notice dated **June 18, 2021**.

Item No. 7 & 8:

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Mrs. Preetha Reddy (DIN: 00001871) as an Additional Director with effect from March 01,2021.

In terms of Section 161(1) of the Companies Act, 2013, Mrs. Reddy holds office as additional director upto the date of this Annual General Meeting. The Company has received a notice in writing from a Shareholder under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Mrs. Preetha Reddy (DIN: 00001871) as an Independent Director of the Company with effect from March 01, 2021 upto and including February 28, 2026, subject to the approval of the Shareholders in the Annual General Meeting.

In the opinion of the Board, Mrs. Reddy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Mrs. Reddy as an Independent Director setting out the terms and conditions would be available for inspection in the manner specified in the Notice up to the date of the Annual General Meeting.

Mrs. Preetha Reddy holds a Bachelor's degree in Science and a Masters' in Public Administration. She was conferred the degree of Doctor of Science (Honoris Causa) by The Tamil Nadu Dr. MGR Medical University in recognition of her outstanding work in the field of healthcare.

She is the Vice Chairperson of the Apollo Hospitals Group, Asia's foremost integrated healthcare provider. She is widely recognized for her contributions in making high quality healthcare accessible to millions across the country.

In addition, Mrs. Preetha Reddy works with industry bodies and the Government of India to advance policy decisions on healthcare. She was a Founding Member of the Quality Council of India and under her guidance, teams from Apollo Hospitals worked with the Government of India in introducing the NABH. In 2013, along with Dr. Prathap C Reddy, she had championed the establishment of NATHEALTH – Healthcare Federation of India. She was the President of NATHEALTH for the year 2020-2021.

In recognition of Apollo delivering outstanding medical care during the COVID-19 outbreak, Mrs. Preetha Reddy was awarded the Economic Times Businesswoman of the Year award. She was also conferred with the 'Healthcare Personality of the Year Award' by FICCI for her farsighted vision, exemplary work and notable contributions to the fields of healthcare and social science.

Mrs. Preetha Reddy was conferred the 'ABLF Award for Business Courage' by the Asian Business Leaders Forum (ABLF). She is also a recipient of the Lifetime Achievement award for distinguished service in the field of Social Science conferred by the Loyola Forum for Historical Research. She was awarded the NHRDN 'People CEO Awards - Women Leadership' by The National HRD Network.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Reddy as an Independent Director. Accordingly, the Board recommends the resolution set out at Item No. 7 in relation to the appointment of Mrs. Reddy as a Director, for the approval by the Shareholders of the Company. The Board also recommends the resolution set out at Item No. 8 in relation to the appointment of Mrs. Reddy as an Independent Director, for the approval by the Shareholders of the Company.

Except Mrs. Reddy, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions set out at Item No. 7 & 8.

Item No. 9

Mr. Sanjeev Aga (DIN: 00022065) was appointed as an Independent Director of the Company with effect from May 25, 2016 upto May 24, 2021. Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term of five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

The Board of Directors at its meeting held on May 14, 2021 on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Aga as an Independent Director of the Company for a second and final term of five years with effect from May 25, 2021 upto May 24, 2026 based on his skills, experience, knowledge and report of his performance evaluation. His re-appointment is subject to the approval of the Shareholders at this Annual General Meeting by way of a Special Resolution.

The Company has received a notice in writing from a Shareholder under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Aga fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and LODR Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for re-appointment of Mr. Aga as an Independent Director setting out the terms and conditions would be available for inspection in the manner specified in the Notice up to the date of the Annual General Meeting.

The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Aga as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. Aga as an Independent Director, for the approval by the Shareholders of the Company.

Except Mr. Sanjeev Aga, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 9

Item No. 10

Mr. Narayanan Kumar (DIN: 00007848) was appointed as an Independent Director of the Company with effect from May 27, 2016 upto May 26, 2021. Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term of five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

The Board of Directors at its meeting held on May 14, 2021 on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Kumar as an Independent Director of the Company for a second and final term of five years with effect from May 27, 2021 upto May 26, 2026 based on his skills, experience, knowledge and report of his performance evaluation. His re-appointment is subject to the approval of the Shareholders at this Annual General Meeting by way of a Special Resolution.

The Company has received a notice in writing from a Shareholder under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Kumar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and LODR Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for re-appointment of Mr. Kumar as an Independent Director setting out the terms and conditions would be available for inspection in the manner specified in the Notice up to the date of the Annual General Meeting.

Additionally, Regulation 17(1A) of the LODR Regulations, requires companies to obtain approval of Shareholders by passing a Special Resolution for appointment or continuation of any Non-Executive Director who has attained the age of seventy-five years. Mr. Kumar, aged 71 years, will complete 75 years during his current proposed term.

The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Kumar as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. Kumar as an Independent Director, for the approval by the Shareholders of the Company.

Except Mr. Narayanan Kumar, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 10

Item No. 11:

Mr. M. V. Satish (DIN: 06393156) was appointed as the Whole-time Director of the Company for a term of five years from January 29, 2016 upto and including January 28, 2021.

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, approved the re-appointment of Mr. M. V. Satish (DIN: 06393156) as a Whole-time Director of the Company with effect from January 29, 2021 upto and including April 7, 2024, subject to the approval of the members in the Annual General Meeting.

Mr. M.V Satish is Whole-time Director & Senior Executive Vice President and is responsible for the Buildings' Business vertical within L&T Construction. Mr. M.V Satish started his career in L&T as Junior Engineer.

He holds a degree in Civil engineering from Bangalore University and has completed a Senior Executive programme from London Business School. Mr. M.V Satish has played a vital role in establishing L&T's credentials in the GCC region, especially Oman having served as first Chief Executive of L&T Oman LLC. He is credited for having successfully executed the Duqm Airport, Oman, the Salalah greenfield airport project and the NMC Hospital in Abu Dhabi.

Mr. Satish has rich and varied experience having worked across domains like hardcore Construction, Business Development, Contracts Management and Property Development. Under his leadership, he has led several landmark projects to successful completion including the Mumbai Chhatrapati Shivaji International Airport, IGI Airport New Delhi, Mumbai's Wankhede Stadium, the Mahatma Mandir and the Statue of Unity among others. Recently, under his eminent leadership, the Company has won the mandate to build 4 international airports in India which are being executed simultaneously.

Part III of Schedule V of the Companies Act, 2013 and the Secretarial Standard – 2 on General Meetings provides that the appointment and remuneration of Managing Directors and Whole-time Directors, in accordance with Part I and Part II of the Schedule V, shall be subject to approval by resolution of the Shareholders in a General Meeting.

At the Annual General Meeting of the Company held on August 26, 2016 the Shareholders had fixed the maximum limits within which the Board was delegated authority to decide the remuneration of the Whole-time Directors of the Company. Pursuant to this, the Board has fixed the remuneration payable to Mr. M. V. Satish during his tenure as Whole-time Director.

The Company has entered into an Agreement with Mr. M. V. Satish re-appointing him as a Whole-time Director for the period from January 29, 2021 upto and including April 07, 2024. During the period of this agreement and so long as the Whole-time Director performs his services as per the terms and conditions provided by this agreement, he shall be entitled to the following:

Salary : ₹ 11,25,000 (Rupees Eleven Lakh Twenty Five Thousand only) per month in the scale of ₹ 10,25,000 - ₹ 1,00,000 - ₹ 15,25,000 with annual increment due on April 1 every year.

Commission : The commission will be paid as per the parameters fixed by the Nomination and Remuneration Committee and the Board of Directors within the overall limits approved by the Shareholders of the Company.

Perquisites : ₹ 12 lakh per annum excluding free furnished accommodation

The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, tax on which will be borne by the Company.

Others : Company's contribution to retirement funds, official use of car / driver and communication facilities for Company's business, as per rules of the Company.

Disclosures as required under Secretarial Standard 2 on General Meetings are provided as Annexure to this Notice.

The agreement entered into by the Company with Mr. M. V. Satish, in respect of his re-appointment as Whole-time Director, contains the terms and conditions of his re-appointment including remuneration.

The Agreement entered into with Mr. M. V. Satish will be open for inspection in the manner specified in the Notice up to the date of the Annual General Meeting.

The Board recommends approval of the re-appointment and remuneration of Mr. M. V. Satish, as Whole-time Director of the Company.

Except Mr. Satish, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 11.

Item No. 12

Mr. R. Shankar Raman (DIN: 00019798) was appointed as the Whole-time Director of the Company for a term of five years from October 01, 2016 upto and including September 30, 2021.

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, approved the re-appointment of Mr. R. Shankar Raman (DIN: 00019798) as a Whole-time Director of the Company with effect from October 1, 2021 upto and including September 30, 2026 subject to the approval of the members in the Annual General Meeting.

Mr. R. Shankar Raman is a Commerce graduate from the University of Madras, Chennai. He is a qualified Chartered Accountant and a Cost Accountant. Over the past 35 years of professional work experience, Mr. R. Shankar Raman has worked for leading listed corporations in varied capacities in the field of Finance.

Mr. R. Shankar Raman joined L&T Group in 1994 for setting up L&T Finance Limited, a subsidiary of Larsen & Toubro Limited (L&T). After six successful years with L&T Finance Limited, he was inducted into mainstream L&T to oversee the Finance & Accounting functions. Mr. R. Shankar Raman is on the Board of several companies within the L&T Group. He had participated and presented papers in several conventions/ seminars both in India and abroad.

Mr. Shankar Raman was the past Chairman of the CII's National Committee of CFOs in 2017-18. He was also a member of Uday Kotak's Committee on Corporate Governance constituted by SEBI.

Mr. Shankar Raman has received several awards such as Best CFO of Asia in the Industrial Sector in a survey conducted by the prestigious New York based Institutional Investor Magazine, winner of Best CFO Awards from CNBC TV18, Financial Express, Business Today and Yes Bank. He also received the lifetime achievement award at the FE CFO awards 2020.

Part III of Schedule V of the Companies Act, 2013 and the Secretarial Standard – 2 on General Meetings provides that the appointment and remuneration of Managing Directors and Whole-time Directors, in accordance with Part I and Part II of the Schedule V, shall be subject to approval by resolution of the Shareholders in a General Meeting.

At the Annual General Meeting of the Company held on August 26, 2016 the Shareholders had fixed the maximum limits within which the Board was delegated authority to decide the remuneration of the Whole-time Directors of the Company. Pursuant to this, the Board has fixed the remuneration payable to Mr. R. Shankar Raman during his tenure as Whole-time Director.

The Company will enter into an Agreement with Mr. R. Shankar Raman, re-appointing him as a Whole-time Director for the period from October 01, 2021 upto and including September 30, 2026. During the period of this agreement and so long as the Whole-time Director performs his services as per the terms and conditions provided by this agreement, he shall be entitled to the following:

Salary : ₹ 16,25,000 (Rupees Sixteen Lakh Twenty Five Thousand only) per month in the scale of ₹ 16,25,000 - ₹ 1,25,000 - ₹ 22,50,000 with annual increment due on April 1 every year.

Commission : The commission will be paid as per the parameters fixed by the Nomination and Remuneration

Committee and the Board of Directors within the overall limits approved by the Shareholders of the Company.

Perquisites : ₹ 12 lakh per annum excluding free furnished accommodation or House Rent Allowance in lieu thereof.

The above perquisites will exclude value of Stock Option benefits, if any, computed as per Income Tax Act/Rules, tax on which will be borne by the Company.

Others : Company's contribution to retirement funds, official use of car / driver and communication facilities for Company's business, as per rules of the Company.

Disclosures as required under Secretarial Standard 2 on General Meetings are provided as an Annexure to this Notice.

The draft agreement to be entered into by the Company with Mr. R. Shankar Raman, in respect of his re-appointment as Whole-time Director, contains the terms and conditions of his re-appointment including remuneration.

The draft Agreement to be entered into with Mr. R. Shankar Raman will be open for inspection in the manner specified in the Notice up to the date of the Annual General Meeting.

The Board recommends approval of the re-appointment and remuneration of Mr. R. Shankar Raman, as Whole-time Director of the Company.

Except Mr. R. Shankar Raman, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 12.

Item No. 13

The Company requires adequate capital to meet the needs of growing business. While it is expected that the internal generation of funds would partially finance the need for capital, debt raising would be another source of funds and hence it is thought prudent for the Company to have enabling approvals to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution, in Indian or international markets.

The fund raising may be through a mix of equity/ equity-linked instruments, as may be appropriate. Members' approval is sought for the issue of equity shares, securities linked to or convertible into Equity Shares or depository receipts of the Company. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also provides that the Company shall, in the first instance, offer all Securities for subscription pro-rata to the Shareholders unless the Shareholders in a general meeting decide otherwise. Members' approval is sought for issuing any such instrument as the Company may deem appropriate to parties other than the existing Shareholders. Whilst no specific instrument has been identified at this stage, in the event the Company issues any equity linked instrument, the issue will be structured in a manner such that the additional share capital that may be issued would not be more than 5% of the paid-up capital of the Company (as at the date when the Board recommended passing of the Special Resolution). The equity shares, if any, allotted on issue, conversion of securities shall rank in all respects pari passu with the existing Equity Shares of the Company.

The Company may also opt for issue of securities through Qualified Institutions Placement (QIP). A QIP of the shares of the Company would be less time consuming and more economical than other modes of raising capital.

Accordingly, the Company may issue securities by way of a QIP in terms of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI Regulations'). These securities will be allotted only to Qualified Institutional Buyers (QIBs) as per the SEBI Regulations and there will be no issue to retail individual investors and existing retail Shareholders. The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the securities will be decided by the Board based on an analysis of the specific requirements after necessary consultations. Therefore, the proposal seeks to confer upon the Board the absolute discretion to determine the terms of issue in consultation with the Lead Managers to the Issue.

As per Chapter VI of the SEBI Regulations, an issue of securities on QIP basis shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the "relevant date." The Board may, at its absolute discretion, issue equity shares at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the 'floor price' as determined in terms of the SEBI Regulations, subject to Section 53 of the Companies Act, 2013.

As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the price of shares to be issued.

However, the same would be in accordance with the provisions of the SEBI Regulations, the Companies Act, 2013, or any other guidelines / regulations / consents as may be applicable or required.

In case of issue of convertible bonds and/or equity shares through depository receipts, the price will be determined on the basis of the then current market price and other relevant guidelines.

The "relevant date" for the above purpose, shall be -

i) in case of allotment of equity shares, the date of meeting in which the Board decides to open the proposed issue

ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

The Stock Exchange for the same purpose is BSE Limited / National Stock Exchange of India Limited.

The Shareholders through a resolution passed at their meeting held on August 13, 2020 had approved issue of Securities for an aggregate sum up to US$ 600 Million (or its rupee equivalent) or INR 4500 Crore, if the value is higher. The Company has not raised any funds under the said approval. However, Shareholders' resolution for QIP issuance is valid for a period of 12 months from the date of passing of the resolution. Accordingly, the Shareholders' approval is sought for renewal of the approval.

The Directors recommend this Resolution for approval of the Shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 13.

Item No. 14:

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules") the Company is required to appoint a Cost Auditor to audit the cost records of the Company, for products and services, specified under Rules issued in pursuance to the above section. On the recommendation of the Audit Committee, the Board of Directors had approved the appointment of M/s. R. Nanabhoy & Co, Cost Accountants (Regn. No. 00010), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2021-22, at a remuneration of ₹ 13 lakhs plus applicable taxes and out of pocket expenses at actuals for travelling and boarding/ lodging.

M/s. R. Nanabhoy & Co., Cost Accountants, have furnished certificates regarding their eligibility for appointment as Cost Auditors of the Company. In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditor has to be ratified by the Shareholders of the Company.

Accordingly, consent of the Shareholders is sought for the aforesaid purpose.

The Directors recommend this resolution for approval of the Shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 14.

By Order of the Board of Directors

For **LARSEN & TOUBRO LIMITED,**

SIVARAM NAIR A
COMPANY SECRETARY
M.No – F3939

Mumbai, June 18, 2021

(ANNEXURE TO NOTICE DATED JUNE 18, 2021)
DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	**Mr. D. K. Sen**	**Mr. Hemant Bhargava**	**Mr. M. V. Satish**	**Mrs. Preetha Reddy**
Date of Birth	March 19, 1956	July 20, 1959	February 12, 1957	October 28, 1957
Date of Appointment on the Board	October 1, 2015	May 28, 2018	January 29, 2016	March 01, 2021
Qualifications	B. Tech (Hons.) in Civil Engineering from IIT, Kharagpur. 1977 and MBA (PGDBM) from XLRI, Jamshedpur. 1986	M.A (Economics)	BE (Civil)	B. Sc, Masters in Public Administration.
Expertise	Vast experience in Design and Engineering, Business Development, Tendering and construction	Vast experience in Insurance Sector	Vast experience in Construction, Business Development, Contracts Management and Property Development in India and GCC region	Vast experience in Health Care Sector
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	1. L&T Infrastructure Engineering Limited 2. L&T Aviation Services Private Limited 3. L&T Power Development Limited 4. Nabha Power Limited 5. Raykal Aluminum Company Private Limited 6. L&T Infrastructure Development Projects Limited 7. Construction Skill Development Council of India	1. ITC Limited 2. The Tata Power Company Limited 3. Voltas Limited	L&T Aviation Services Private Limited	1. Apollo Hospitals Enterprise Limited 2. Apollo Gleneagles Hospital Limited 3. Apollo CVHF Limited 4. Imperial Hospital and Research Centre Limited 5. Apollo Hospitals International Limited 6. Lifetime Wellness Rx International Limited 7. Apollo Clinical Excellence Solutions Limited 8. Indian Hospitals Corporation Limited 9. Apollo Reach Hospitals Enterprises Limited
Memberships/ Chairmanships of committees across all companies	**Member:** **Corporate Social Responsibility Committee** Larsen & Toubro Limited L&T Power Development Limited L&T Infrastructure Engineering Limited **Nomination & Remuneration Committee** Nabha Power Limited	**Member:** **Audit Committee** ITC Limited **Corporate Social Responsibility Committee** ITC Limited **Risk Management Committee** The TATA Power Company Limited **Stakeholders Committee** The TATA Power Company Limited Larsen & Toubro Limited	None	**Chairperson:** **Audit Committee** AMG Healthcare Destination Private Limited **Member:** **Stakeholders Relationship Committee** Apollo Hospitals Enterprise Limited **Corporate Social Responsibility Committee** Apollo Hospitals Enterprise Limited Apollo Gleneagles Hospitals Limited

Name of the Director	Mr. D. K. Sen	Mr. Hemant Bhargava	Mr. M. V. Satish	Mrs. Preetha Reddy
				Risk Management Committee Apollo Hospitals Enterprise Limited **Audit Committee** Apollo Gleneagles Hospitals Limited
Number of Meetings attended during the year	8 of 8	8 of 8	8 of 8	2 of 2
Shareholding of Non-Executive Directors	NA	190	NA	180
Relationships between directors inter-se	None	None	None	None

Name of the Director	Mr. Sanjeev Aga	Mr. Narayanan Kumar	Mr. R. Shankar Raman
Date of Birth	February 1, 1952	January 28, 1950	December 20, 1958
Date of Appointment on the Board	May 25, 2016	May 27, 2016	October 1, 2011
Qualifications	B. Sc (Hons. In Physics), MBA	B.E (Electronics)	B. Com, ACA and ACMA
Expertise	Vast Experience in Telecom Sector	Industrialist	Vast experience in Finance, Taxation, Risk Management, Legal and Investor Relations
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	1. Larsen & Toubro Infotech Limited 2. UFO Moviez India Limited 3. Pidilite Industries Limited 4. Mahindra Holidays & Resorts India Limited 5. Vedant Fashions Private Limited 6. Vishal Mega Mart Private Limited	1. Entertainment Network (India) Limited 2. Take Solutions Limited 3. Mphasis Limited 4. Aegon Life Insurance Company Limited 5. N K Trading and Consultancy Private Limited 6. Risk Educators Private Limited 7. Indus Towers Limited 8. Stanley Engineered Fastening India Private Limited	1. Larsen & Toubro Infotech Limited 2. L&T Infrastructure Development Projects Limited 3. L&T Realty Developers Limited 4. L&T Seawoods Limited 5. L&T Finance Holdings Limited 6. L&T Hydrocarbon Engineering Limited 7. L&T Investment Management Limited 8. L&T Metro Rail (Hyderabad) Limited 9. Mindtree Limited
Memberships/ Chairmanships of committees across all companies	**Chairman:** **Audit Committee** UFO Moviez Limited **Stakeholder Relationship Committee** Pidilite Industries Limited **Nomination and Remuneration Committee** Larsen & Toubro Infotech Limited **Risk Management Committee** Larsen & Toubro Infotech Limited	**Chairman:** **Audit Committee** Mphasis Limited Entertainment Network (India) Limited L&T Technology Services Limited **Stakeholders Relationship Committee** Take Solutions Limited Larsen & Toubro Limited	**Member:** **Audit Committee** L&T Finance Holdings Limited L&T Infrastructure Development Projects Limited L&T Metro Rail (Hyderabad) Limited Larsen & Toubro Infotech Limited Mindtree Limited

Name of the Director	Mr. Sanjeev Aga	Mr. Narayanan Kumar	Mr. R. Shankar Raman
	Member: **Audit Committee** Mahindra Holidays and Resorts India Limited Larsen & Toubro Limited Pidilite Industries Limited **Nomination and Remuneration Committee** UFO Moviez Limited Pidilite Industries Limited **Corporate Social Responsibility Committee** Pidilite Industries Limited **Risk Management Committee** Larsen & Toubro Limited Mahindra Holidays and Resorts India Limited	**Nomination and Remuneration Committee** Entertainment Network (India) Limited Indus Towers Limited **Corporate Social Responsibility Committee** Mphasis Limited Indus Towers Limited **Member:** **Audit Committee** Indus Towers Limited Aegon Life Insurance Company Limited **Nomination and Remuneration Committee** Aegon Life Insurance Company Limited Larsen & Toubro Limited L&T Technology Services Limited **Risk Management Committee** Mphasis Limited Indus Towers Limited Entertainment Network (India) Limited	**Nomination and Remuneration Committee** L&T Infrastructure Development Projects Limited L&T Finance Holdings Limited **Stakeholder Relationship Committee** L&T Finance Holdings Limited **Corporate Social Responsibility Committee** Larsen & Toubro Limited L&T Seawoods Limited L&T Realty Developers Limited L&T Finance Holdings Limited L&T Infrastructure Development Projects Limited L&T Investment Management Limited **Risk Management Committee** L&T Finance Holdings Limited
Number of Meetings attended during the year	8 of 8	8 of 8	8 of 8
Shareholding of Non-Executive Directors	100	1500	NA
Relationships between directors inter-se	None	None	None

INFORMATION AT A GLANCE:

Sr. No.	Particulars	Details
1	**Day, Date and Time of AGM**	Thursday, August 05, 2021, 3.30 P.M
2	**Mode**	Video Conference (VC) and Other Audio Visual Means(OAVM)
3	**Participation through VC/OAVM**	Members can login from 03.00 P.M (IST) on the date of the AGM at **https://evoting.nsdl.com**
4	**Helpline Number for VC/OAVM participation**	1800 1020 990/1800 22 44 30
5	**Submission of Questions/Queries before AGM**	Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, July 29, 2021 through email on **LNTGOGREEN@larsentoubro.com**. The same will be replied by the Company suitably. Please note that, members queries/ questions will be responded to only, if the Shareholder continues to hold the shares as on the cut-off date i.e Thursday, July 29, 2021.
6	**Speaker Registration before AGM**	Members may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to **LNTGOGREEN@larsentoubro.com** on or before Monday, August 2, 2021.
7	**Recorded Transcript**	Will be made available post AGM at **www.larsentoubro.com**
8	**Dividend for FY 2021 recommended by the Board**	₹ 18 per equity share of the face value of ₹ 2 each
9	**Dividend Book Closure Dates**	Friday, July 30, 2021 to Thursday, August 05, 2021 (both days inclusive).
10	**Dividend Payment Date**	On or before Saturday, August 21, 2021.
11	**Cut-off date for e-voting**	Thursday, July 29, 2021
12	**Remote e-voting start time and date**	Monday, August 02, 2021, 9.00 A.M.
13	**Remote e-voting end time and date**	Wednesday, August 04, 2021, 05.00 P.M.
14	**Remote e-voting website**	**Shares held in Demat mode with NSDL:** 1. Shareholders registered for NSDL IDeAS facility: **https://eservices.nsdl.com/** 2. Others: **https://evoting.nsdl.com** **Shares held in Demat mode with CDSL:** 1. Shareholders who have opted for Easi facility of CDSL: **https://web.cdslindia.com/myeasi/home/login** 2. Others: **www.cdslindia.com** **Logging in through Depositary Participants:** Members can also login using the login credentials of their demat account through your DP registered with NSDL /CDSL for e-voting facility.

Sr. No.	Particulars	Details
15	**Name, address and contact details of e-voting service provider and registrar and transfer agent**	**Registrar and Transfer Agent** KFin Technologies Private Limited ("KFintech") Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Tel No: 1800-425-8998/1800-345-4001 Email: **einward.ris@KFintech.com** **E-voting Service Provider** National Securities Depositories Limited ("NSDL") Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013 Tel No: 1800-1020-990/1800-22-44-30
16	**Email Registration and Contact Updation Process**	**Demat Shareholders:** Contact respective Depository Participant
		Physical Shareholders: KFintech Website: **https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx**

Board Report

Dear Members,

The Directors have pleasure in presenting their 76th Annual Report and Audited Financial Statements for the year ended 31st March 2021.

FINANCIAL RESULTS:

Particulars	2020-21 ₹ crore	*2019-20 ₹ crore*
Profit before depreciation, exceptional items and tax	8282.04	7379.43
Less: Depreciation, amortization, impairment and obsolescence	1025.62	1020.51
Profit before exceptional items and tax	7256.42	6358.92
Add: Exceptional items	(2818.65)	626.99
Profit before tax	4437.77	6985.91
Less: Provision for tax	1751.28	961.15
Profit for the year from continuing operations	2686.49	6024.76
Profit before tax from discontinued operations	11199.23	865.38
Less: Tax expense of discontinued operations	2548.75	210.93
Net profit after tax from discontinued operations	8650.48	654.45
Net profit after tax from continuing operations and discontinued operations	11336.97	6679.21
Add: Balance brought forward from the previous year	16957.17	15046.99
Less: Ind AS 116 transition adjustment	–	3.97
Less: Dividend paid for the previous year (*Including dividend distribution tax)	1123.23	*2754.94
Less: Interim dividend paid during the year	2527.66	1403.89
Less: (Profit)/loss on remeasurement of the net defined benefits plans/Equity instruments through other comprehensive income	(32.04)	512.96
Balance available for disposal (which the Directors appropriate as follows)	24675.29	17050.44
Less: Debenture Redemption Reserve	–	93.27
Balance to be carried forward	24675.29	16957.17

STATE OF COMPANY AFFAIRS:

The total income for the financial year under review was ₹ 76,751 crore as against ₹ 85,192 crore for the previous financial year, registering a decrease of 9.91%, primarily due to the disruption caused by the COVID 19 pandemic. The profit before tax from continuing operations, including exceptional items, was lower at ₹ 4,438 crore for the financial year under review as against ₹ 6,986 crore for the previous financial year. The profit after tax from continuing operations, excluding exceptional items, was ₹ 2,686 crore for the financial year under review as against ₹ 6,025 crore for the previous financial year, registering a decrease of 55%.

AMOUNT TO BE CARRIED TO RESERVES:

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

DIVIDEND:

During the Financial Year ended 31st March 2021, the Company paid a special dividend of ₹ 18/- (900%) per equity share as interim dividend amounting to ₹ 2,527.66 crore on successful divestment of Electrical and Automation business to Schneider Electric India Private Limited.

The Directors recommend payment of a final dividend of ₹ 18/- (900%) per equity share of ₹ 2/- each on the share capital amounting to ₹ 2528.20 crore.

The total dividend for FY 2021, including the special dividend, if approved by shareholders, would amount to ₹ 36/- (1800%) per equity share.

The Dividend payment is based upon the parameters mentioned in the Dividend Distribution Policy approved by the Board of Directors of the Company which is in line with regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is attached as Annexure 'F' forming a part of this Board Report and also uploaded on the Company's website at https://investors.larsentoubro.com/Listing-Compliance.aspx.

CAPITAL AND FINANCE:

During the year under review, the Company allotted 663,275 equity shares of ₹ 2/- each upon exercise of stock options by the eligible employees under the Employee Stock Option Schemes.

The Company's Authorized Capital increased to ₹ 5,025 crore, pursuant to the approval of the Scheme of Amalgamation of L&T Shipbuilding Limited with the Company. The authorised share capital of L&T Shipbuilding Limited has been added to the authorised share capital of the Company, with effect from the appointed date i.e. 1st April 2019.

The Company repaid long-term borrowings (including External Commercial Borrowings [ECB] and Non-Convertible Debentures [NCDs]), as per schedule, of ₹ 5,084 crore during the year. The Company has further raised a short-term ECB of USD 100 million for partly refinancing a maturing ECB.

The Company has issued and allotted on private placement basis, Unsecured, Rated, Listed, Redeemable NCDs aggregating to ₹ 9,000 crore during the FY 2021. The funds raised were utilized mainly for creation of liquidity reserve to tide over pandemic related uncertainty. These NCDs are listed on the Wholesale Debt Market Segment of National Stock Exchange of India Limited.

The Company has issued Commercial Papers amounting to ₹ 20,895 crore during FY 2021. As on 31st March 2021 the outstanding Commercial Paper is ₹ 2,775 crore. The Company has listed its Commercial Papers on BSE Limited.

The Company has not defaulted on any of its dues to the financial lenders.

The Company's borrowing programmes have received the highest credit ratings from CRISIL, ICRA and India Rating. The details of the same are given on page 119 in Annexure 'B' – Report on Corporate Governance forming part of this Board Report and is also available on the website of the Company.

DIVESTMENT OF ELECTRICAL AND AUTOMATION BUSINESS:

The divestment of the Electrical and Automation (E&A) business undertaking was completed on 31st August 2020 after fulfillment of necessary conditions.

CAPITAL EXPENDITURE:

As at 31st March 2021, the gross property, plant and equipment, investment property and other intangible assets including leased assets, were at ₹ 14,222.27 crore and the net property, plant and equipment, investment property and other intangible assets, including leased assets, at ₹ 8,640.71 crore. Capital Expenditure during the year amounted to ₹ 720.26 crore.

DEPOSITS:

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the rules framed thereunder during the year under review. The Company does not have any unclaimed deposits as of date.

Pursuant to the Ministry of Corporate Affairs (MCA) notification amending the Companies (Acceptance of Deposits) Rules, 2014, the Company has filed with the Registrar of Companies (ROC) the requisite returns for outstanding receipt of money/loan by the Company, which are not considered as deposits as per the Companies Act, 2013 and the rules framed thereunder.

DEPOSITORY SYSTEM:

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March 2021, 98.78% of the Company's total paid up capital representing 138,73,80,965 shares are in dematerialized form.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that transfers, except transmission and transposition, of securities are to be carried out in dematerialized form only. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. Accordingly, any investor desirous of transferring shares (which are held in physical form) can transfer only after their shares are dematerialized.

Further in adherence to SEBI's circular to enhance the due-diligence for dematerialization of the physical shares, the Company has provided the static database of the shareholders holding shares in physical form to the depositories which would augment the integrity of its existing systems and enable the depositories to validate any dematerialization request.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company has been regularly sending communications to members whose dividends are unclaimed requesting them to provide/update bank details with RTA/Company, so that dividends paid by the Company are credited to the investor's account on time. Efforts are also made by the Company in co-ordination with the RTA to locate the shareholders who have not claimed their dues.

Despite these efforts, an amount of ₹ 7,81,84,801 which was due and payable and remained unclaimed and unpaid for a period of seven years, was transferred to Investor Education and Protection Fund (IEPF) as provided in section 125 of the Companies Act, 2013 and the rules made thereunder.

In addition to the above, the Company has also transferred an amount of ₹ 23,59,657 pertaining to sale proceeds of fractional entitlement of Bonus shares issued in 2013.

Cumulatively, since the inception till 31st March 2021, the amount transferred to the said fund was ₹ 37,66,72,744.

In accordance with the provisions of the Section 124(6) of the Companies Act, 2013 and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has transferred 10,54,705 equity shares of ₹ 2 each (0.08% of total number of shares) held by 12,982 shareholders (0.95% of total shareholders) to IEPF. The said shares correspond to the dividend which had remained unclaimed for a period of seven consecutive years from the FY 2013. Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on www.iepf.gov.in and on submission of such documents as prescribed under the IEPF Rules. On receipt of the application, the Company sends an online verification report to the IEPF Authority after verifying all the necessary details which is duly certified by the Nodal Officer.

The Company sends specific advance communication to the concerned shareholders at their address registered with the Company and also publishes notice in newspapers providing the details of the shares due for transfer to enable them to take appropriate action. All corporate benefits accruing on such shares viz. bonus shares, etc. including dividend except rights shares shall be credited to IEPF.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES:

During the year under review, the Company subscribed to / acquired equity / preference shares in various subsidiary / associate / joint venture companies. The details of investments / divestments in subsidiary companies during the year are as under:

A) Shares acquired during the year:

Name of the Company	Type of Shares	No. of shares
L&T Uttaranchal Hydropower Limited	Preference	6,44,00,000
L&T Geostructure Private Limited (Note 1)	Equity	2,47,50,000
L&T Finance Holdings Limited	Equity (in Rights Issue)	29,34,84,370

Note:

1. L&T Geostructure LLP was converted into L&T Geostructure Private Limited on 25th November 2020. Pursuant to the same, 2,47,50,000 equity shares of ₹ 10 each have been allotted to the Company in lieu of the capital contribution in the LLP.

B) Preference shares redeemed during the year:

Name of the Company	Type of shares	Number of shares
L&T Hydrocarbon Engineering Limited	Preference	26,00,00,000

C) Companies Struck off:

L&T Cassidian Limited was struck off by the Registrar of Companies, vide its approval dated 28th January 2021.

Larsen & Toubro Hydrocarbon International Limited LLC was liquidated on 16th May 2020.

Kesun Iron and Steel Company Private Limited has applied to the Ministry of Corporate Affairs for strike off from Register of Companies under the provisions of Companies Act, 2013 on 11th February 2021. The approval is awaited.

D) Performance and Financial Position of subsidiary / associate and joint venture companies:

A statement containing the salient features of the financial statement of subsidiary / associate / joint venture companies and their contribution to the overall performance of the Company is provided on pages 561 to 573 of this Annual Report.

The Company has formulated a policy on identification of material subsidiaries in line with Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is placed on the website at https://investors.larsentoubro.com/Listing-Compliance.aspx. The Company does not have any material subsidiaries.

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

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided as required under Section 186 of the Companies Act, 2013, Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in Note 58 forming part of the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy, specifying the individual threshold limits for each transaction and the same has been uploaded on the Company's website https://investors.larsentoubro.com/Listing-Compliance.aspx.

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

All the Related Party Transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved the related party transactions for the FY 2021 and estimated related party transactions for FY 2022.

There were no material Related Party Transactions during the year.

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

Other than stated elsewhere in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

COMPANY'S RESPONSE TO COVID-19:

The COVID-19 crisis disrupted the operations of the Company across the country, majorly during Q1 of FY 2021. The Company resumed operations from 14th April 2020, after implementation of standard protocols in line with the guidelines prescribed. All the plants and office establishments started functioning after implementing necessary safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programmes etc in compliance with the regulations of the local authorities. All international sites also resumed work with employees and workmen working in a staggered manner, mandatory rotation on a periodic basis and in adherence to all the safety protocols as prescribed locally.

A Decision Response Team was formed by the Company which assessed the situation and took appropriate decisions with respect to issuing directives for protecting its employees including contract workers, supporting communities and also protecting the financial health of the business.

The later quarters of FY 2021 saw the economy opening up gradually resulting in the revival of demand. Our employees and associated volunteers on the ground, spread awareness about the need for social distancing, personal hygiene and need to wear mask to prevent infection and avoid the spread of the virus. The Company has taken steps to create awareness amongst the nearby communities on health and hygiene through periodical campaigns.

The Company, through various internal communication, has encouraged its employees to get themselves vaccinated and the Company has also taken several steps to facilitate the same. The Company has also setup a number of dedicated quarantine centres for all employees and their immediate family members, who are prescribed quarantine and not able to isolate at home.

The Company has rolled out various schemes for retention of workers and keeping them safe at workplace including creation of dedicated quarantine rooms in all its major labour camps.

Considering the shortage of oxygen faced by the various hospitals in India, in wake of the second wave of COVID 19, the Company has started working towards a long-term solution to meet medical grade oxygen demand in the country. It has planned to provide medium/large oxygen generators to various hospitals where the scarcity is most acute. These permanent units will serve the hospitals for the next 10-15 years. The Company is working closely with the Government and Municipal Authorities towards providing ventilators, small oxygen generators, N95 masks, sanitizers, PPE kits and other medical equipment as required and available.

As the COVID-19 scenario is still evolving, the Company is mapping the developments on a real-time basis to ensure the health and safety of all its stakeholders. The impact of the lockdown disruption is being constantly assessed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

RISK MANAGEMENT:

The Risk Management Committee comprises Mr. Adil Zainulbhai, Mr. Sanjeev Aga and Mr. Subramanian Sarma, Directors of the Company. Mr. Adil Zainulbhai is the Chairman of the Committee.

The charter of the Committee is to assist the Board in fulfilling its oversight responsibilities for review of the existing Risk Management Policy, Framework, Risk Management Structure and Risk Management Systems.

The risk assessment includes review of strategic risks at domestic and international level including sectoral developments, risks related to market competition, financial, geographical, political and reputational issues, environment, social and governance risks and cyber security risks. The Committee periodically reviews the risk status to ensure that executive management mitigates the risks by appropriate actions.

For further details on risk management please refer to pages 111 and 112 of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility Committee comprises Mr. M. M. Chitale, Mr. R. Shankar Raman and Mr. D. K. Sen as the Members. Mr. Chitale is the Chairman of the Committee.

The CSR policy framework is available on the website https://investors.larsentoubro.com/Listing-Compliance.aspx.

A brief note regarding the Company's initiatives with respect to CSR is given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Please refer to pages 110 and 111 of this Annual Report.

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

The Chief Financial Officer of the Company has certified that CSR funds so disbursed for the projects have been utilized for the purposes and in the manner as approved by the Board.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED/ RESIGNED:

Mr. Shailendra Roy ceased to be the Whole-time Director of the Company with effect from 7th July 2020 on account of superannuation from the services of the Company.

Ms. Naina Lal Kidwai ceased to be an Independent Director of the Company with effect from 28th February 2021 on completion of her term as Independent Director.

Ms. Sunita Sharma resigned as a Director of the Company with effect from 3rd May 2021 pursuant to withdrawal of her nomination by LIC.

The Board places on record its appreciation towards valuable contribution made by them during their tenure as Directors of the Company.

The Board has appointed Mr. S. V. Desai and Mr. T. Madhava Das as the Whole-time Directors of the Company for a period of five years with effect from 11th July 2020 upto and including 10th July 2025. Mr. Subramanian Sarma has been appointed as the Whole-time Director for a period of five years with effect from 19th August 2020 upto and including 18th August 2025. These appointments were approved by shareholders in the preceeding AGM.

The Board has re-appointed Mr. M. V. Satish as a Whole-time Director for a period from 29th January 2021 upto and including 7th April 2024 and Mr. R Shankar Raman as Whole-time Director for a period from 1st October 2021 upto and including 30th September 2026. Their appointments shall be subject to the approval of the shareholders at this AGM.

Mr. Sanjeev Aga was appointed as Independent Director of the Company with effect from 25th May 2016 upto and including 24th May 2021. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 14th May 2021 has approved the re-appointment of Mr. Sanjeev Aga for a second and final term of five years from 25th May 2021 upto and including 24th May 2026, subject to the approval of shareholders through special resolution at this AGM.

Mr. Narayanan Kumar was appointed as Independent Director of the Company with effect from 27th May 2016 upto and including 26th May 2021. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 14th May 2021 has approved the re-appointment of Mr. Narayanan Kumar for a second and final term of five years from 27th May 2021 to 26th May 2026, subject to the approval of shareholders through special resolution at this AGM.

Based on their skills, experience, knowledge and report of their performance evaluation, the Board was of the opinion that their association would be of immense benefit to the Company and it would be desirable to continue to avail their services as Independent Directors.

The Board has appointed Mrs. Preetha Reddy as an Independent Director for a period of five years with effect from 1st March 2021 upto and including 28th February 2026, subject to approval of shareholders.

Mr. Hemant Bhargava, Mr. D. K. Sen, Mr. M. V. Satish and Mr. R. Shankar Raman, retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

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

The terms and conditions of appointment of the Independent Directors are in compliance with the provisions of the Companies Act, 2013 and are placed on the website of the Company https://investors.larsentoubro.com/Listing-Compliance.aspx.

The Company has also disclosed on its website https://investors.larsentoubro.com/Listing-Compliance.aspx details of the familiarization programs to educate the Directors regarding their roles, rights and responsibilities in the Company and the nature of the industry in which the Company operates, the business model of the Company, etc.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

This information is given in Annexure 'B' - Report on Corporate Governance forming part of this Report. Members are requested to refer to pages 97 and 98 of this Annual Report.

AUDIT COMMITTEE:

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to pages 103 to 105 of this Annual Report.

COMPANY POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company has in place a Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in Annexure 'B' - Report on Corporate Governance forming part of this Board Report. Members are requested to refer to pages 105 to 109 of this Annual Report.

The Committee has formulated a policy on Directors' appointment and remuneration including recommendation of remuneration of the key managerial personnel and senior management personnel, composition and the criteria for determining qualifications, positive attributes and independence of a Director. Nomination and Remuneration Policy is provided as Annexure 'G' forming part of this Board Report and also disclosed on the Company's website at https://investors.larsentoubro.com/Listing-Compliance.aspx. The Committee has also formulated a separate policy on Board Diversity.

DECLARATION OF INDEPENDENCE:

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from Independent Directors confirming that he/she is not disqualified from appointing/continuing as Independent Director as laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Regulations, 2015. The same are also displayed on the website of the Company https://investors.larsentoubro.com/Listing-Compliance.aspx. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are exempted from undertaking the online proficiency self-assessment test conducted by the IICA.

ANNUAL RETURN:

As per the provisions of section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the FY 2021 is available on our website https://investors.larsentoubro.com/.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended

31st March 2021, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps could have a material effect on the Company's operations.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the Annual Accounts on a going concern basis;

e) The Directors have laid down an adequate system of internal financial controls to be followed by the Company and such internal financial controls are adequate and operating efficiently;

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES, DIRECTORS AND CHAIRMAN:

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Individual Directors and the Chairman has to be made. All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual Directors and the Chairman.

For the year under review, the questionnaire was updated suitably based on the comments and suggestions received from Independent Directors. As in the previous years, an external consultant was engaged to receive the responses of the Directors and consolidate/ analyze the responses. The consultant's IT platform was used from initiation till conclusion of the entire board evaluation process. This ensured that the process was transparent and independent of involvement of the Management or the Company's IT system. This has enabled unbiased feedback.

The Board Performance Evaluation inputs, including areas of improvement, for the Directors, Board processes and related issues for enhanced Board effectiveness were discussed in the meetings of the Nomination and Remuneration Committee and the Board of Directors held on 14th May 2021.

DISCLOSURE OF REMUNERATION:

The details of remuneration as required to be disclosed under the Companies Act, 2013 and the rules made thereunder, are given in Annexure 'D' forming part of this Board report.

The information in respect of employees of the Company required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is provided in Annexure 'H' forming part of this report. In terms of Section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

PROTECTION OF WOMEN AT WORKPLACE:

The Company believes that every employee should have the opportunity to work in an environment free from any conduct which can be considered as sexual harassment.

The Company is committed to treating every employee with dignity and respect. The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules, 2013. The policy is applicable to all L&T establishments located in India. The policy has been widely disseminated. The Company has constituted Internal Complaints Committees to ensure implementation and compliance with the provisions of the aforesaid Act and the Rules.

This Policy addresses the following objectives:

- To define Sexual Harassment;
- To lay down the guidelines for reporting acts of Sexual Harassment at the workplace; and
- To provide the procedure for the resolution and redressal of complaints of Sexual Harassment.

A detailed procedure for making a Complaint and initiating an Enquiry to the redressal process, and finally the process of preparation of a report within a stipulated timeline is well laid out in the Policy document. The Policy also covers Disciplinary Action for sexual harassment and is a part of the Company's Code of Conduct.

Training programs and workshops for employees are organised throughout the year. The orientation programs for new recruits include awareness sessions on prevention of sexual harassment and upholding the dignity of employees. Specific programs have been created on the digital platform to sensitize employees to uphold the dignity of their colleagues and prevention of sexual harassment. During FY 2021, about 13,400 employees have undergone training through the programs / workshops including the awareness sessions held on digital platform.

There were 3 complaints received during the FY 2021. All the complaints were redressed as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules, 2013.

OTHER DISCLOSURES:

- **ESOP Disclosures:** There has been no material change in the Employee Stock Option Schemes (ESOP schemes) during the current financial year. The ESOP Schemes are in compliance with Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 ("SBEB Regulations").

  The disclosures relating to ESOPs required to be made under the provisions of the Companies Act, 2013 and the rules made thereunder and the SBEB Regulations together with a certificate obtained from the Statutory Auditors, confirming compliance, is provided on the website of the Company https://investors.larsentoubro.com/Listing-Compliance.aspx.

  The certificate obtained from the Statutory Auditors, confirming compliance with the Companies Act, 2013 and the SBEB Regulations is also provided in Annexure 'B' forming part of this Report.

- **Corporate Governance:** Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming compliance, are provided in Annexure 'B' forming part of this Report.

- **Business Responsibility Reporting:** As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Business Responsibility Reporting forms a part of this Annual Report (refer to pages 28 to 53).

- **Integrated Reporting:** The Company has adopted the Integrated Reporting Framework as laid down by International Integrated Reporting Council. The Integrated Report tracks the sustainability performance of the organization and its interconnectedness with the financial performance, showcasing how the Company is adding value to its stakeholders.

  The Integrated Report encompasses areas such as Corporate Governance, the Integrated Reporting and Sustainability Structure, Sustainability Roadmap 2021, Risks and Opportunities, enhancement of Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Natural Capital and Social & Relationship Capital and alignment to sustainable development goals. It also covers strategy, business model and resource allocation.

  The Integrated Report for the FY 2020 is available on the Company's website https://www.lntsustainability.com/integrated-report/ and the report for the FY 2021 shall be published shortly.

- **Statutory Compliance:** The Company complies with all applicable laws and regulations, pays applicable taxes on time, takes care of all its stakeholders, ensures statutory CSR spend and initiates sustainable activities.

- **MSME:** The Ministry of Micro, Small and Medium Enterprises vide their Notification dated 2nd November 2018 has instructed all the Companies registered under the Companies Act, 2013, with a turnover of more than Rupees Five Hundred crore to get themselves onboarded on the Trade Receivables Discounting system platform (TReDS), set up by the Reserve Bank of India. In compliance with this requirement, the Company has registered itself on TReDS.

  The Company complies with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.

- **IBC:** There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

- **Remuneration received by Whole time Director from subsidiary company:** Mr. Subramanian Sarma, Whole-time Director of the Company is also the Managing Director of a Wholly Owned Subsidiary, L&T Hydrocarbon Engineering Limited. During the FY 2021, part of the remuneration received by Mr. Sarma was charged to L&T Hydrocarbon Engineering Limited (LTHE). Accordingly, the Company has recovered an amount of ₹ 3.17 crore from LTHE for remuneration paid to Mr. Sarma.

VIGIL MECHANISM:

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

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

The Company has disclosed information about the establishment of the Whistle Blower Policy on its website https://investors.larsentoubro.com/CorporateGovernance.aspx. During the year, no person has been declined access to the Audit Committee, wherever desired.

Also see pages 112 and 113 forming part of Annexure ‘B’ of this Board Report.

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

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

CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by the Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013.

AUDIT REPORT:

The Auditors’ report to the shareholders does not contain any qualification, observation or adverse comment.

SECRETARIAL AUDIT REPORT:

The Secretarial Audit Report issued by M/s. S. N. Ananthasubramanian & Co., Company Secretaries, is attached as Annexure ‘E’ forming part of this Board Report.

AUDITORS:

In view of the mandatory rotation of auditors’ requirement and in accordance with the provisions of Companies Act, 2013, M/s. Deloitte Haskins & Sells LLP were re-appointed as Statutory Auditors for a period of 5 continuous years from the conclusion of 75th Annual General Meeting till the conclusion of 80th Annual General Meeting of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence, their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company.

The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the Audit process.

The Auditors attend the Annual General Meeting of the Company.

Also see page no. 113 forming part of Annexure 'B' of this Board Report.

REPORTING OF FRAUD:

The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

COST AUDITORS:

The provisions of Section 148(1) of the Companies Act, 2013 are applicable to the Company and accordingly the Company has maintained cost accounts and records in respect of the applicable products for the year ended 31st March 2021.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Board, on the recommendation of the Audit Committee, at its meeting held on 14th May 2021, has approved the appointment of M/s R. Nanabhoy & Co., Cost Accountants as the Cost Auditors for the Company for the financial year ending 31st March 2022 at a remuneration of ₹ 13 lakhs.

A proposal for ratification of remuneration of the Cost Auditor for the FY 2022 is placed before the shareholders.

The Report of the Cost Auditors for the financial year ended 31st March 2021 is under finalization and shall be filed with the Ministry of Corporate Affairs within the prescribed period.

ACKNOWLEDGEMENT:

The Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory Authorities, Stock Exchanges and all the various other stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Joint Venture Partners / Associates.

For and on behalf of the Board

A.M. NAIK
Group Chairman
(DIN: 00001514)

Date : 14th May 2021
Place : Mumbai

Annexure 'A' to the Board Report

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

[A] CONSERVATION OF ENERGY:

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

- Retrofitting 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 gentry 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 Ballastlesss 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-smoothening 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.
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
Total	**126.28**
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
Total	**5,458.45**
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, interalia, 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. Subrahmanyan	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

1. None of the above Directors are related inter se.
2. None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or 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. Subrahmanyan	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. Subrahmanyan	√	√	√	√	√	√
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. Subrahmanyan	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.
- 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*
Complaints:				
SEBI / Stock Exchange	1	97	95	3
Shareholder Queries:				
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. The declaration of the

Chief Executive Officer & Managing Director is given below:

To the Shareholders of Larsen & Toubro Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and Senior Management Personnel.

S. N. Subrahmanyan
Chief Executive Officer & Managing Director

Date: 14th May 2021
Place: Mumbai

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: www.larsentoubro.com. Advertisements relating to IEPF, E-Voting, AGM related compliances, etc. are published in The Financial Express and Loksatta.
News Releases	Official news releases that carry material price sensitive information are sent to stock exchanges as well as displayed on the Company's website: www.larsentoubro.com.
Website	The Company's corporate website www.larsentoubro.com provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the stock exchanges. The entire Annual Report 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 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:

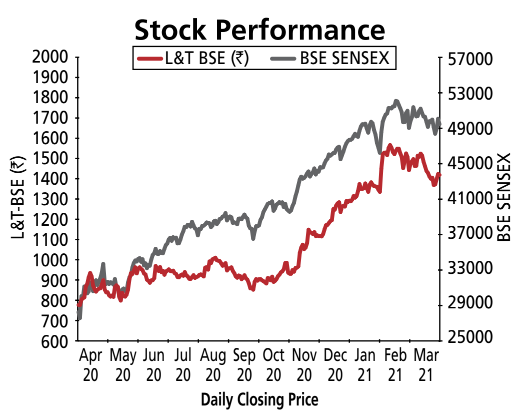
The Company's equity shares / GDRs are listed on the following Stock Exchanges and admitted for trading in London Stock Exchange:

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

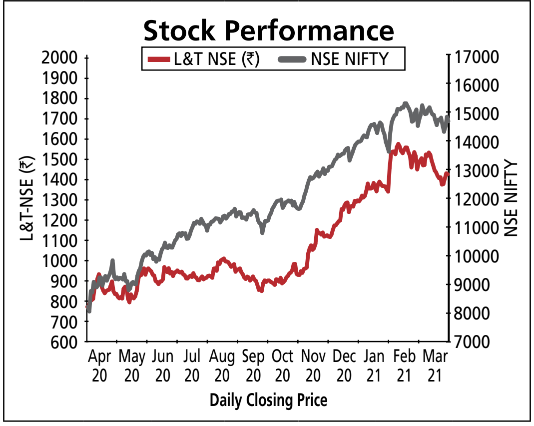
The Company's shares constitute a part of BSE 30 Index of the BSE Limited as well as NIFTY Index of the National Stock Exchange of India Limited.

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

Month	L&T BSE Price (₹)			BSE SENSEX		
2020	High	Low	Month Close	High	Low	Month Close
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
2021						
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		
2020	High	Low	Month Close	High	Low	Month Close
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
2021						
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.

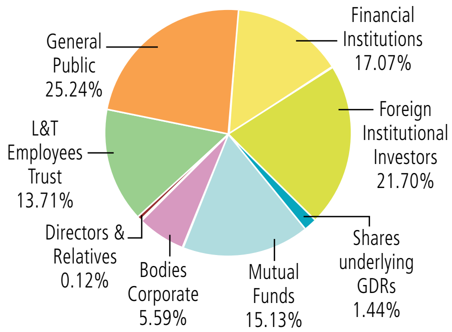
k) Distribution of Shareholding as on 31st March 2021:

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
TOTAL:	**13,71,535**	**100.00**	**140,45,55,297**	**100.00**

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
TOTAL	**140,45,55,297**	**100.00**	**140,38,92,022**	**100.00**

Categories of Shareholders as on March 31, 2021



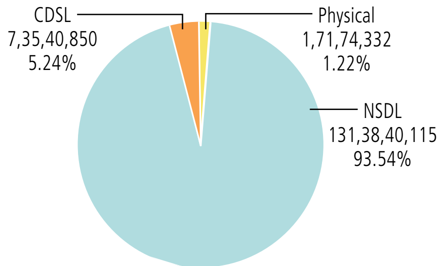
m) Dematerialization of shares and Liquidity:

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
Total	**140,45,55,297**	**100.00**

Shares held in Demat / Physical Form as on March 31, 2021



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, Telengana - 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), 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 Subrahmanyan	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	–

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
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	**S. N. Subrahmanyan**
Whole-time Director and Chief Financial Officer	*Chief Executive Officer and Managing Director*
DIN: 00019798	*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, heath, 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
	TOTAL	**53.23 crore**	**NIL**

*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. Subrahmanyan
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.

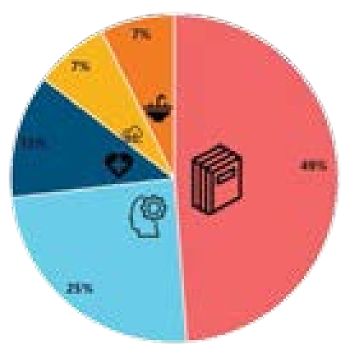


Figure 1: Sample distribution of projects by cause area

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.

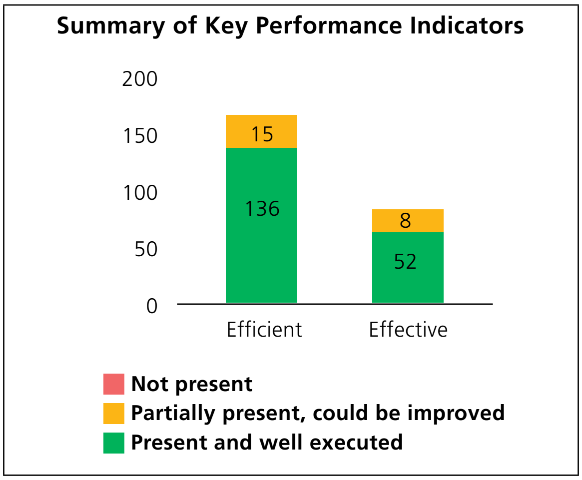


Figure 2: Summary of key performance indicators across all audited projects

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

Deeper understanding of the sector
Local teams' capacity, understanding of and involvement with the social sector has deepened

Robust database of project stakeholders

- The remote methodology entailed dependency on L&T local teams for contact details.
- MIS for almost all of the projects was maintained well to extract the required information

Responding to emerging needs of the community

- Local teams have consistently incorporated the views of the community members they are serving
- Needs assessment was carried out by L&T directly or with the help of the partner organization before finalizing the projects.

Holistic project implementation

- Projects have been focusing on holistic development through integrated efforts (multi-year) rather then one-time, short term interventions.

Digital interface and blended approach

- CSR projects have been intgegrating digital interface wherever feasible to improve the robustness of the project and to ensure maintenance of digital records
- This has been helpful during the pandemic time when digital engagement gained traction

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
				State	District			Name
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 Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State	District			Name
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 Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State	District			Name
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
				State	District			Name
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
				State	District			Name
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 Peopole 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 Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State	District			Name
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 Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State	District			Name
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 Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State	District			Name
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	
	TOTAL					**14,405.61**		

* 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. Subrahmanyan	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 31ST 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 **31st 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 **31st 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

The year 2020-21 has been an unprecedented one. The Covid-19 pandemic is the severest global health crisis of this century, endangering the whole of humanity and resulting in a substantial weakening of most economies.

The Indian economy witnessed its first ever technical recession in the year FY 2020-21, with gross domestic product (GDP) growth remaining in the negative territory for two consecutive quarters. Lockdowns and travel restrictions imposed significant supply-side constraints on the economy, drastically reducing output and employment.

The Government announced multiple financial measures and structural reforms at different stages of the pandemic towards calibrated fiscal support during lockdown and to boost demand during the unlock phase.

With an aim to speed up the economic normalisation, the Government accelerated the public investment in the key infrastructure sector. The wheels of India's capex cycle were set in motion with a strong revival in investment-led growth supported by the 'Atmanirbhar Bharat Mission' and a massive boost to infrastructure and capital expenditure provided for in the Union Budget 2021.

Apart from economic reforms, the government also implemented various structural reforms in the country covering sectors like Agriculture, MSMEs, Labour, Power and Industry. The agricultural sector remains the bright spot of the Indian economy. However, the surge in commodity prices is expected to create some cost pressures.

With the economic activity gaining momentum post the Covid-19 lockdown, the measures announced by the government and rollout of coronavirus vaccines resulted in an uptick in economic sentiments, but the resurgent Covid-19 second wave has put a dampener on India's growth trajectory. Hopefully, the country should be in a position to control this second wave of Covid-19 infections and, with progress in vaccination and strict implementation of prevention and detection protocols, the country should be on the growth track for the larger part of FY 2021-22.

Global Economy

The onset of the Covid-19 pandemic led the entire global economy into a recession that is unprecedented. Growth suffered broad-based deterioration with a decline in global trade and marked slowing down in the manufacturing and services sectors across the globe. Contact-based services were majorly affected and, with travel restrictions imposed to contain the spread of the virus, service sectors like airlines, tourism, hospitality, etc. were the worst hit.

On a positive note, the accelerated progress in vaccination efforts and generous fiscal support is ensuring that many of the developed nations regain ground and bring the economy back on the growth track.

Digital @ L&T

The hallmark of digital transformation at L&T is in its business benefits, widescale adaptation and innovation. The seeds which were sown for digitisation have started showing results, as was clearly evident during the Covid-19-led lockdown. With the help of digital technologies, L&T not only continued its activities, but also made rapid strides into multiple areas and created superior experience, internally and for external customers. These transformations have positively impacted all areas of the value chain, including core business areas such as tendering, engineering, procurement, construction, manufacturing, operations & maintenance, safety, quality, customer experience and enabling functions such as human resources, finance and administration.

While the digital solutions deal with several cutting-edge complex technologies, they have been encapsulated into easily adoptable ways. This has resulted in larger deployment of various solutions. More than 75% of the workforce across all levels use these digital solutions.

As several solutions that were deployed have matured well, a new plan is in place to productise these solutions and make them useful to a wider client base. The industry is moving towards integrated solutions to realize higher benefits than the traditional siloed solution. The digital solutions are imbued with several years of domain knowledge that L&T has gained while executing multiple projects. New innovative experiences are added to these solutions using new-age tools like Artificial Intelligence, Machine Learning, Computer Vision, etc.

The IoT-based **Asset Insights** solution, which continuously monitors more than 11000 nos. of site / construction equipment, machines and devices, is enhanced with predictive analytics algorithms which provides alerts of any failures in advance. This helps in reducing the downtime of the equipment and achieving higher operational efficiencies. The solution is also enhanced to cater to different uses, from basic monitoring to more advanced edge analytics solutions where multiple parameters of the equipment are monitored at a very high fidelity rate.

The AI-powered **Unmanned Weigh Bridge (UWB)** solution is enabling conventional weigh bridges to be operated in a completely automated mode without requiring a human operator. This is achieved by leveraging computer vision for Automatic Number Plate Recognition (ANPR) and AI-based object detection and retrofitting this on conventional weighbridges. It is an end-to-end solution that also integrates with the Material Inward System and multiple weigh bridges within a plant to consolidate all weighment transactions. This enables quick deployment and helps provide a real-time view of material flow – right from entry till the point of material unloading. Unmanned weigh bridges are being rolled out into plants, construction sites, etc. The integration of this solution with the ERP has reduced the possibility of pilferage, erroneous entries, etc.

Quest, a solution based on Conversational Artificial Intelligence (AI) & Natural Language Processing (NLP) sits on many field personnel's mobile devices. The solution uses Natural Language Processing to understand a question asked in plain English and to find the most relevant answer. This has eased the work of the site personnel by providing correct information without any delays.

Lexis, an Image Processing and Natural Language Processing platform has been helping employees comprehend and process the information in multiple bulky documents in a quick manner. Business units are using Lexis to compare lengthy spec sheets for equipment from multiple suppliers and identify gaps from customer requirements, while yet others are using its image processing capabilities to comprehend and auto-identify BoQs from P&ID (Piping and Instrumentation Diagrams).

AR-based remote assistance: Augmented Reality (AR) has significantly improved the organisation's capabilities with respect to real-time support and assistance. AR-based remote assistance uses AR and video streaming to enable experts to guide and assist field personnel in real time. This allows experts to remotely solve challenging issues on complex equipment thereby seamlessly bridging the physical and digital worlds. This has worked out very well during the current pandemic situation. Some of the businesses use cases that are addressed by the solution are commissioning assistance using pre-defined SOPs, assisted maintenance operations and routine inspection support for complex machinery.

Design Optimisation is the process of finding the best design among the set of all feasible designs that would work for a given set of constraints. The chosen Differential Evolution (DE) Algorithm is based on bio-inspired computing and is an evolutionary optimisation algorithm which iterates through generations of feasible solutions. It uses the 'Survival of the Fittest' theory to find the most optimal solution. The solution is deployed to create the most optimised design for various construction use cases – especially foundation design of substation and transmission lines as well as structure, and foundation of solar farms. It encompasses the design norms not only for domestic standards but also for American, British, and European standards.

The solution has produced up to 15% savings in cost and close to 25% reduction in design time. In addition to this, the solution has enhanced the consistency and accuracy (quality) in the design approach, as it removes human errors in the design process.

Geospatial Technology has been a powerful tool to deal with this pandemic by ensuring frictionless business continuity. It helps to create a Map to Plan solution, designed to help project teams to identify sites in pandemic green zones for resumption of work while also helping the HR teams to map employees around red zones to ensure workplace safety. Among the operational initiatives, the open-yard management solution helps in end-to-end material management in an open place including material receipt, individual tagging, storage, location tagging with a high accuracy external GNSS (Global Navigational Satellite System), internal transfer and delivery of the material. Digital solutions also cater to Structural Health Monitoring and distress mapping using LiDAR scanning, providing 3D models for an area of more than 3.5 lakh square kilometres, with more than 8000 scans and 6000 as-built design drawings for release.

In addition to the above areas, L&T also achieved an exciting milestone by implementing Aerial LiDAR survey and sub-surface investigation for the first-ever bullet train project in India. The geospatial team won the FICCI award for Geospatial Excellence for Business Applications. Further work is happening on automated drone operations for remote surveillance and inspection purposes.

The Path Forward

Digital technologies have been gradually infused into the operational processes in L&T and have become a way of life. Every L&T facility – be it a factory, a project site or an office

– uses multiple digital solutions that have been seamlessly integrated into their day-to-day operations.

The solutions are being transformed into an integrated platform which combines man, machine and processes together to reduce the downtime of the equipment, increase worker productivity, automate workflows and provide more insights for informed decisions. Digital transformation at L&T is at a stage where opportunities are continuously being identified and innovation deployed. New benchmarks are set with the integrated approach through all these digital technologies.

Information Technology

The pandemic has upended all traditional business models and has thrown up a new set of challenges. In the changed landscape, the IT function across L&T rose to the challenge, supporting the business during this critical time.

WFH (Work from Home) was the norm during FY 2020-21 where IT supported the businesses by ensuring secure and continuous access to the workplace from anywhere and anytime. Adequate training to employees was provided to deal with this new situation. The result was a very high level of employee communication and collaboration through the digital mode. This culture shift has had the positive impact of improved productivity.

Today, technologies are on the cusp of a Digital 'Perfect Storm'. These events force entities to re-think how IT is consumed at the enterprise and elsewhere; the previous such 'Perfect-Storm' was when all systems started getting connected 20 years ago on private and public networks and the information scarcity suddenly turned into an information deluge for everyone.

The second such storm has begun, which is the digital transformation of the business. This has already led to new applications that are being created rapidly using digitally disruptive technologies such as Artificial Intelligence, Machine Learning, Robotic Process Automation, Process Mining, Data analytics, IoT, etc. to empower real-time information in order to make informed decisions, thereby lowering the cost of doing business, improving customer experiences and improving employee productivity.

Thus, it is imperative that IT is on top of new and evolving technologies to ensure they can be leveraged ahead of the curve to provide the competitive edge to the business.

While adapting the new technologies, it is important that it is done in a safe and secure manner. The Chief Information Security Officer (CISO) organisation has been strengthened, scanning old and new landscapes for new cyber threats and constantly working with stakeholders to reduce and mitigate the risk. The enterprise is working steadfastly on a multi-year cyber security assurance framework to uniformly ramp up cyber security controls across all businesses.

While the digital transformation permeates across L&T, IT stands ready to collaborate with its businesses to enable them to retain their competitiveness and stay ahead of the curve.

Human Resources

Talent is the biggest anchor and differentiator for the business success of the organisation. The Company was able to face the challenges arising out of the Covid-19 situation primarily due to its committed workforce, a leadership that inspires and gets the best out of talent and the Company's people-led philosophy and practices. This enviable combination of talent, commitment, leadership and culture continues to give L&T a competitive edge and helps exceed performance expectations. L&T's ability to surpass expectations in a diverse business landscape that includes engineering, projects, manufacturing, and services is a shining example of managing a truly diverse talent pool.

This improved performance has been achieved through a core belief in attracting young talent and grooming them in-house. Further, L&T's best-in-class and award-winning people practices give life to this core belief and philosophy. L&T's talent management framework comprises the core building blocks of attraction, development and engagement.

L&T continues to attract the best engineering talent from top-tier engineering campuses across the country, on-boarding them as Graduate Engineer Trainees (GETs) and putting them through a rigorous 12-month process of acclimatisation and training. L&T's Performance Management System, aptly named FAIR (Framework for Linking Appraisals with Incentives and Rewards), ensures that top-class talent gets visibility and contributes to a meritocratic environment.

The Leadership Development Centres, pivotal to the Company's core philosophy of grooming internal talent, ensures that the right leadership talent is identified through an intense and objective process. The structure, content and methodology of such Centres are periodically revisited to ensure that they are contemporary and aligned with the growth aspirations of the Company. The deployment of these Centres is now through a digital platform, ensuring an expanded reach, cost savings and flexibility to seamlessly induct external expertise. The Centres provide a developmental experience to the participating employees and reinforce the collaborative approach to talent enrichment. HR interventions such as these are used for talent management, succession planning, training and leadership development.

The Company's signature Seven-Step Leadership Development Programme is an established best practice in talent development. It continues to identify, train and nurture young managers to develop broader business perspectives, appreciate new business opportunities and accomplish challenging tasks. This flagship programme provides young employees with high potential access to curated learning experiences delivered by reputed thought leaders from Indian and international business education institutes. The Action Learning Projects that participants undertake offer immediate opportunity to apply learnings in live business improvement projects and be part of breakthrough and high-impact outcomes. They bring participants in close working engagement with senior business leaders and help assimilate the finer points of business strategies and leadership attributes. The emerging leaders who move up the Seven-Step Leadership Programme are mentored by senior executives including the Group Chairman, CEO & MD and other Directors and Business Heads. This ensures a robustness in the continuity of leadership thought process and value systems among promising talent.

L&T's world-class Leadership Development Academy (LDA) at Lonavala is a sought-after facility for employees to hone their supervisory and managerial skills. Many of the marquee residential leadership development programmes are offered in this sprawling campus that boasts of an unmatched learning ambience. The LDA delivers business-centric skills and capability-building programmes that impact the quality and innovation evident in L&T's business deliverables.

The Corporate Technology & Engineering Academy (CTEA) at Madh and Mysore, perform a critical role in bridging the domain skill gap of young engineers. The custom-built training programmes focus on developing technical competence by providing practical hands-on training in contemporary technologies and make the employees task-ready.

L&T Institute of Project Management (L&T IPM) at Vadodara leverages L&T's wealth of knowledge in conceiving, planning and executing mega-scale projects. IPM seamlessly disseminates its best practices repository on Project Management with practising and budding project managers in L&T. This has created a cadre of well-trained and certified project managers equipped to take up challenging projects and deliver them with excellence. IPM has now established the Knowledge@Work platform tailored to provide project execution related knowledge assets in digital form.

The Company has a matured Safety Education Programme that is designed to build and strengthen a culture of safety at workplace. Ensuring safety for its employees and workmen is a critical objective. The Corporate Learning & Development team offers specialised programmes to train employees on Safety and instructs them on how to integrate safety into every aspect of work. The Company has partnered with the National Examination Board in Occupational Safety & Health (NEBOSH) and The Institution of Occupational Safety & Health (IOSH) to develop internal training capabilities in EHS and is an accredited course provider for its employees on diverse aspects of industrial and project safety.

L&T has established a scalable, multi-featured and externally integrated Digital Learning Platform called ATLNext. This has emerged as the bulwark of remote and real-time learning in the organisation. The platform makes use of Artificial Intelligence and Machine Learning-driven learning algorithms. It has access to curated course content from global learning publishers and has been successful in inducing the culture of learning among L&T's employees. This platform has seen continuous enhancement and wide acceptability, winning many prestigious industry awards in the segment of digital learning.

The journey of HR Digitalisation has made substantial progress this year, and the cloud-based platform implemented in earlier years has become a single source of employee data and a robust anchor for current and future talent modules. This digital platform has become a go-to forum for employees for life-cycle transactions, performance management, development plans and employee-connect initiatives, including during the remote working mode. The Company is in a position to derive real-time talent dashboards for the corporate leadership team.

The tenacious focus on developing talent for business excellence was balanced with care and concern for its people. The HR function in the Company played a pivotal role in designing and executing its response to the Covid-19 pandemic. Multiple initiatives were crafted and implemented to continuously communicate pandemic specifics to the employees and their families, extend medical services and support, action SOPs on work resumption, create quarantine centres equipped with medical care, provide support for hospitalisation and ensure additional insurance coverage for pandemic-related medical expenses. Huge efforts were invested in motivating workmen at project sites to stay back at the sites, with all amenities and medical care being provided by the Company. This contributed towards business continuity and minimum work disruption, apart from enabling the Company to continuously live its values and its commitment to its people.

All the above practices have been recognised by prestigious and premier industry bodies through countless accolades. The Company won the SHRM Excellence Awards for 'Developing Leaders of Tomorrow' and 'Learning & Development'. CTEA, Mysore, was conferred the Special Jury Award in `Technical Skill Development Aligned to Business needs' by CII Mysore's HR & IR Panel. L&T's Leadership Development Academy (LDA) won 1st Prize in the 15th State Level Award for Excellence in Energy Conservation and Management. L&T also won the OLX People HR Excellence Award, in association with ETHRWorld, for 'Innovation in Onboarding Category', and the Excellence in Learning & Development Award from Business World. L&T has been ranked **4th in LinkedIn's top 25 workplaces in India List (2021)** considering LinkedIn data, and other parameters like ability to advance, skills growth, company stability, external opportunity, company affinity, gender diversity, and educational background. This recognition once again reinforces L&T's philosophy of putting its employees first. L&T is the only infrastructure company to feature in the top 10.

Cable-stayed bridge across Durgam Cheruvu Lake, Telangana

INFRASTRUCTURE BUSINESS

Sector Performance in FY 2020-21

The Infrastructure sector is a key driver of the Indian economy and contributes to India's overall development. The sector, accordingly, receives focused attention and resource allocation from both Central and State Governments.

FY 2020-21 started with the nationwide lockdown due to the Covid-19 pandemic which had stalled all economic activities during the first quarter of the year. The lockdown took a heavy toll on the economy, with up to two-thirds of activity either shut or working at reduced capacity. Post the lockdown, businesses took various steps to bring back labour and materials to site. Gradually, the operations at sites picked up, and by the second quarter of the year, there was improved labour presence at sites and work progress. Adequate precautions were taken to curtail the spread of the virus by following the social distancing norms, proper sanitisation and by restricting physical movement.

Despite the Covid-19 pandemic, in FY 2020-21, both contract awards and construction activities were robust. Tenders of ~₹ 7.8 lakh crore were floated in FY 2020-21, higher by ~50% Y-o-Y. The FY 2020-21 saw cumulative awards of ~₹ 3.5 lakh crore. Several large-ticket projects were tendered, some of which were also awarded, viz. expressways, metro and defence.

The slew of other relief measures undertaken by the Central Government – including relaxation on EMD (Earnest Money Deposit) and performance security, relaxation of bidding eligibility criterion and increased frequency of payments for on-going contracts, relief for contractors/developers under the Atmanirbhar Bharat Scheme – has aided the growth of construction players.

MoRTH constructed a record total length of 13,394 km of national highway, translating into 37kms/day of highway construction, whereas in FY 2019-20 it had constructed a total length of 10,236 km. The NHAI awarded/opened bids for projects worth ~₹ 1.4 lakh crore and spanning ~4,800 km during FY 2020-21.

The Government has extended its ₹ 111 lakh crore National Infrastructure Pipeline (NIP) to cover more projects by 2025, in an effort to kick-start the economy. The NIP, which was launched with 6,835 projects, has now expanded to 7,400 projects.

The 1.6-km Medigadda Barrage, Telangana

The National Bank for Financing Infrastructure and Development Bill has already been passed by both Houses of the Parliament, paving the way for the creation of a development finance institution (DFI). The proposed DFI is expected to raise low-cost funds for long-term infrastructure financing to the tune of ₹ 5 lakh crore over the next three years, leveraging with an initial equity capital of ₹ 20,000 crore.

The Union Budget 2021 has an unprecedented increase in capital expenditure allocation for FY 2021-22 by 34.5% to ₹ 5.5 lakh crore to push growth through infrastructure investment. Key growth areas like Railways, Highways, Metros, Transmission & Distribution and Water (Jal Jeevan Mission) have witnessed a significant rise in allocations.

The public transportation system has received a lot of focus in the budget, with increased allocation to major ongoing metro projects and proposed plans of deploying two new technologies, i.e. 'MetroLite' and 'MetroNeo' in Tier-2 cities and the peripheral areas of Tier-1 cities.

The Union Budget 2021 allocated ₹ 3.05 lakh crore for a revamped reform scheme for cash- starved power Discoms, to be released over five years. The increase in allocation for infrastructure will boost the power sector overall. It will help in upgrading the country's Transmission & Distribution network and build on grid connectivity to ensure efficient evacuation of solar energy, particularly the ambitious Green Energy Corridor scheme.

For the renewables power sector, the budgetary measures support the ambitious energy transition announced by the Prime Minister, including the renewable energy target of 450 GW by 2030.

Furthermore, the asset monetisation programme was one of the other highlights of the Budget. A National Monetisation Pipeline is proposed to be set up for brownfield infra investment and monetising public infrastructure investments. Several measures have been rolled out in the direction of monetisation. It has been proposed that NHAI and PGCIL sponsor InvIT to attract foreign and domestic investors. There are proposed plans of monetisation of the Dedicated Freight Corridor and other infrastructure assets of the Railways. The privatisation of airports, oil and gas pipelines, warehousing assets under CPSE shall further contribute to the monetisation plan. SPVs shall be set up to monetise the land assets of various PSUs and CPSEs.

International

The construction industry in the MENA region struggled in 2020, leading to a contraction of about 4.5%, with the challenges presented by the outbreak of Covid-19, low oil prices and the impact of sovereign credit rating downgrades. The construction sector is expected to witness a slow recovery in 2021, but the pace of recovery will be uneven across the countries in the region. However, large-scale projects in the oil, gas, power and water sectors have gained traction against the downturn in market conditions this year, and this is likely to continue. A lot of contract awards are expected as the region pushes its renewable energy programme, particularly solar photovoltaic and

Hero Factory, Chittor, Andhra Pradesh

wind power. Overall, the construction sector is expected to recover with growth of 1.9% in 2021 and 4.1% in 2022 in the MENA region as the region ramps up vaccination programmes.

The African construction market is expected to register a CAGR of 6.4% (2019-2024), aided by the availability of huge natural resources, cheap labour, significant investment opportunities in energy and infrastructure, and a fast-growing consumer market. Improvement in the business environment, including favourable economic development policies, rising commodity prices and stable governments, should support the growth of the construction sector. The transport sector, followed by power and energy projects, constitute half of the total ongoing projects. However, the constant rise of project costs due to rise in the prices of steel, cement and oil further accentuated by the weakening of local currencies against the dollar, may act as headwinds to the overall construction sector.

The construction sector suffered a contraction in the ASEAN region as well, due to lockdown measures implemented to stem the spread of the pandemic. Public spending is expected to be increased to accelerate recovery in 2021. Increasing population, rapid urbanisation and increasing investments in infrastructure development shall remain the key factors to stimulate market growth in the region.

With execution efficiencies largely back from the initial Covid-19 wave and a large active Order Book awaiting execution, the infrastructure business is set for good growth ahead. However, the second wave of Covid-19 infections, if not disrupt, could delay the scale-up. Nevertheless, the disruption, owing to the efforts underway, is unlikely to be of the magnitude of the last time.

Change in Segment Reporting

Effective April 1, 2020, the Smart World and Communication business, which was reported under the Infrastructure Segment, has been reclassified to the 'Others' Segment.

BUILDINGS AND FACTORIES

Overview:

L&T's Buildings & Factories business is an industry leader in Design & Engineering, Procurement and Construction (EPC) of projects ranging from airports, hospitals, stadiums, retail spaces, educational institutions, IT parks, office buildings, data centres to high-rise structures, mass housing complexes, cement plants, industrial warehouses, test tracks and other factory structures. The business offers total solutions, including in-house design expertise using advanced systems like BIM 4D, 5D and BIM 360 field, an efficient supply chain management and extraordinary project management expertise.

Artist's Impression

India International Convention Centre, New Delhi

The business has a track record of building tall, large and complex structures across India and overseas. The business is a forerunner in offering modular, mechanised processes for fast-track construction.

The business comprises six Business Units (BUs) – Airports, Health, Public Spaces, IT & Office Space (ITOS) and Datacentres, Residential Buildings and Factories.

Airports: The BU offers design-and-build solutions for passenger terminal buildings and allied service buildings, and cargo terminal buildings, with integrated airport system solutions such as baggage-handling systems, passenger-flow monitoring system, passenger boarding bridges, visual docking guidance systems and other facilities.

Health: The BU handles the design and execution of hospitals, medical and nursing colleges. Healthcare infrastructure is delivered with end-to-end healthcare facilities, including medical equipment, right from concept to commissioning.

Factories: The BU is a one-stop solution for the EPC requirements of factories such as cement plants, automobile plants, glass & paint manufacturing, warehouses, automobile test tracks and food processing plants.

Public Spaces: The BU provides design and execution of special structures such as tall statues, metro stations, convention centres, secretariat buildings, hotels, malls, integrated development, and educational institutions.

ITOS and Datacentres: The BU focuses on providing turnkey office space solutions for IT and office spaces. Leveraging the strong mechanical, electrical and plumbing (MEP) competencies of the business, it also offers concept-to-commissioning services for setting up data centres.

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

A new vertical, **B&F Fast**, is identified to explore and create value from advanced construction technologies such as Prefabricated Prefinished Volumetric Construction, Offsite Manufacturing, Structural Steel Construction, and 3D printing that will fast track project delivery.

Dedicated engineering design centres, competency cells, advanced formwork systems, mechanised project execution, a wide network of consultants and vendors, digitised project control and a talented pool of employees help the business sustain leadership position. The construction excellence, technology and expertise gained over several decades gives the business a competitive advantage in the construction industry.

Patna Medical College and Hospital

Business Environment

In a move to give a boost to the infrastructure segment, the Government has kick-started the National Highspeed Rail Project. There is significant allocation for building premier educational institutions across the country. However, private investments in buildings such as hotels and malls were insignificant.

The Government's Atmanirbhar Bharat scheme, the PLI scheme and the logistics policy have helped in the growth of the manufacturing and warehousing segments. The Factories business has bagged orders from various private sector manufacturing and logistics companies.

With tourism and travel coming to a griding halt, prospects in the Airports segment have been deferred.

With the Government's focus on improving healthcare facilities within the country, this sector has seen increased tendering activity.

The challenge in the IT and Office Spaces business continues as there were no major investments from IT majors for capacity expansion. With the Work from Home concept catching on in the IT industry, the need for new facilities is being reviewed.

The need for data centres and the private investment in these buildings have increased multi-fold in recent years. The market looks quite positive for this business.

The huge inventory level of unsold houses has reduced investment in the elite housing sector. The 'housing for all' concept for affordable mass housing is yet to pick up significantly.

In the international arena, though there were no major prospects seen in any segment, a breakthrough order was bagged by the Factories BU in Saudi Arabia during the year for warehouse construction.

Major Achievements

Major Orders secured

- Warehouse project at KSA
- Government Hospital and Medical College in Haryana and Odisha respectively
- High Speed Rail projects – building-related works in C4 & C6 packages
- Factories for various private clients in cement manufacturing, warehouses and painting industry

Key projects completed

- Narendra Modi Stadium, Motera, Gujarat
- Al Rayyan Stadium, Qatar
- IKEA Showroom, Navi Mumbai

CIDCO Housing Project, Navi Mumbai, Maharashtra

- Government Medical College, Madhepura
- Medical Colleges in Coochbehar, West Bengal and Patna
- Prestige Leela Residences, Bengaluru
- RAMCO Cement plant, Odisha

Other Key Achievements

In first-of-its-kind accomplishments, the business achieved the following in the execution of major landmark projects:

- 3-dimensional in-situ folded roof slab with huge span varying from 42-56 m was cast in the IIT Hyderabad project
- Erection of roof truss modules weighing 1000 MT using the new innovative hybrid methodology was executed in 5 stages – 4 modules each weighing 200 MT in IICC, Dwarka project
- First to build a parabolic asphalt high-speed test track with a unique 44-degree curvature, at Mahindra test track project, Tamil Nadu

The business erected a 425 MT roof truss at the Hyderabad International Airport Limited project. The erection, which was part of a total of 1075 MT of roof erection (650 MT erection was done earlier this year) using a strand jack was equipped with digital control with an automatic lifting system. The whole erection was carried out without the use of any heavy cranes.

Awards

During the year, the business won the following awards:

- ICI Award for Innovative Concrete Structure and Outstanding Concrete - Ford GTBC, Chennai and Narendra Modi Stadium respectively
- The Best MEP Contractor Award in Oman from Dossier Construction's Infrastructure Awards & Summit 2020

Significant Initiatives

Under **B&F Fast**, a business initiative was undertaken that aims to cut down the time taken for construction, using the latest technologies such as DfMA (Design for manufacturing and assembly) and PPVC (Prefabricated, Prefinished Volumetric Construction). This business promotes factory-based, off-site construction that reduces the overall timeline of the project and ensures high quality of the end product. As a trial, a modular set-up for setting up quick hospital buildings has already been established.

In the quest of using advanced technologies in construction, the business also tried 3D printing in FY 2020-21 and built a single-storey building as a pilot project. Further research on the same subject enabled the business to complete India's first 3D printing of a G+1 building with reinforcement.

Both the modular facility for hospitals and the 3D printed structure were done at L&T's Kancheepuram facility.

DLF Cyber Park, New Delhi

The business has developed "L&T Buildings Occupational Standards" (LTBOS) in line with National Occupation Standards (N.O.S) by NSDC. These standards will help to screen workmen for their designated trade and skill before deployment.

Environment, Health and Safety

The business has been continuously improving safety standards by introducing various training programmes, digital / VR training and awareness sessions. To better manage the EHS training of workmen and supervisors, an integrated training module has been rolled out as part of the WISA (Workforce Induction and Skills Application) digital app. This online training module enables the project teams to identify the training needs for specific trades of workmen, effect better scheduling of the training, build the worker profile, track individual worker competence levels and maintain training records, etc.

The business was conferred several prestigious awards during the year:

- L&T is the only construction Company in India to bag Eight British Sword of Honour awards for eight project sites. The business also received five-star certification from the British Safety Council
- Fifteen Projects won Gold Awards conferred by The Royal Society for Prevention of Accidents (RoSPA).

Human Resources

To nurture the psychological well-being of staff during the Covid-19 crisis, an Online Behavioural Intervention, encompassing anxiety and fear management, the importance of positive thinking and managing change during turbulence, was designed. Employees were also encouraged to attend VILT (virtual instructor led training) sessions to maintain the pace of learning. Around 430 virtual training sessions were conducted during the year. Through these initiatives, 4 training man-days per staffer were achieved, with coverage of 79% of staff.

Diagnostically Evolved Site Intervention (DESI) was implemented through Training Need Analysis at the Project Site Level and a tailor-made training session was designed in 18 Project Sites pan- India.

The learning edge platform (LEDGE) was made to improve the engagement of the engineering trainees that are inducted every year by providing them with a structured learning plan and hands-on experience of the various functions involved in a project.

Buildings and Factories digital skill inventory comprises employee's knowledge, experience and skills. A database of profiles of 6000 staff was built through a digital solution which structures, categorises and stores up-to-date skill information under 40 major skills and 540 sub-skills with proficiency levels from Basic to Role Model.


Ahmed Bin Ali Stadium, Doha, Qatar, built for the FIFA World Cup 2022

Risks and Concerns

The recent surge in the prices of commodities triggered by a pent-up demand may impact input costs, most of which are managed contractually through price variation clauses.

With the second wave of Covid-19 infections, there is a concern about workmen returning to their native places due to the surge in cases. As most projects are labour-intensive, any such situation may impact execution/progress.

Private investments may recede further if the pandemic continues for a longer period. In the case of prospects from Central / State Governments, although they show promise for the business in terms of opportunities, there is the risk of delay / deferment in tendering of new projects.

The ongoing pandemic may adversely impact the supply-chain. In order to mitigate this, the business is creating awareness among its supply chain partners regarding the transport / import restrictions and they are advised to avoid sourcing from locations that may be impacted due to the lockdown.

Outlook

The Health sector has garnered significant attention from the Government after the pandemic. The Government has allocated about ₹ 65,000 crore for healthcare infrastructure over the next 6 years. Ayushman Bharat aimed at affordable healthcare, the Medical Tourism Hub in the North East and the establishment of Critical Care Hospitals in 602 districts and 12 Central Institutions are the visible opportunities.

With more manufacturing leaders trying to set up their hubs in India, it is expected that the factories sector will have a significant boost. Cement manufacturing units are expanding their production capacities. The new National Logistics Policy and increased FDI Inflow for the warehouse sector have been introduced with an expected 20% CAGR. New manufacturing units are planned to cater to domestic and export demand with expected CAGR of 25%. Automotive Mission Plan 2026, NEMMP 2020 and promotion of E-vehicles manufacturing have been introduced with expected CAGR of 5%. Warehousing and logistics are picking up pace and many retail businesses are coming up with warehouse projects across India. The uptrend will lead to the increase in new manufacturing and warehousing establishments across the country.

The State and the Central Governments and a few public sector units are coming up with development projects of public buildings such as the state secretariat, public offices, directorate complex, museums, educational institutions, and mixed-use development. The high-speed rail projects for depots and stations are showing good momentum. Upcoming campuses and the expansion of existing campus for IITs/IIMs are also expected. Budget allocation for sports stadia through NITI Aayog will also lead to further opportunities.

A section of the 13-km Phase 1 of the Mauritius Metro project

The data centre market is quite promising, with India's data localisation polices and investors seeing it as a lucrative investment option.

Travel and tourism will take more time to rebound to the pre-Covid levels. This may impact the airport business and related transit facilities. AAI is looking at investing in new markets and opportunities for tie-ups. Prospects are also being explored in foreign markets such as SAARC, South East Asia and Africa. However, with 100% FDI allowance for greenfield airports, it is anticipated that India is set to become the 3rd largest aviation market by 2025.

The inventory levels of residential houses are still very high despite the revival that is being attempted and hence launch of new projects is very limited in the metros, especially in Mumbai. However, affordable housing is set to get a boost from the extension of the tax holiday till March 31, 2022.

The business will also pursue select prospects like design & build – EPC hospitals, stadiums, and airports in geographies like Bangladesh, Africa and Sri Lanka.

The prospects in Saudi Arabia under Vision 2030 – including Amaala, NEOM, the Red Sea Project, and Qiddiya projects – are yet to pick up and may show movement in the upcoming year. In Oman with divergence of focus from the oil sector, thrust is expected on tourism and hospitality development.

Overall, with increased focus of government spending on infrastructure projects, the outlook for the upcoming year looks quite promising.

TRANSPORTATION INFRASTRUCTURE

Overview:

L&T's Transportation Infrastructure business is one of the oldest and largest reputed contractors in India for Engineering, Procurement & Construction of infrastructure projects in the Road, Railway & Airport sectors. The business is broadly divided into two Strategic Business Groups (SBG), namely, Railways Business Group (RBG) and Roads Runways & Elevated Corridors (RREC).

The Railways Business Group is further subdivided into Mainline Business Unit (MLBU) and the Metro Business Units (MTBU). MLBU is in the domain of civil & trackwork, electrification, system integration for all mainline railway projects, Western & Eastern Dedicated Freight Corridors, and Rail Links for Port, Mining and Power Plant facilities, etc. MTBU business involves ballastless trackwork, electrification (rigid and flexible OHE) and system integration for all Mass Rapid Transit System (MRTS) projects and Regional Rapid Transit System (RRTS), both in India and abroad. This BU also

Dhaka Metro MRT Line 6

addresses end-to-end Integrated Transit Systems, complete with civil and systems works.

The Road, Runways & Elevated Corridor Business Group is divided into Roads & Runways (R&R) and Elevated Corridor and Dedicated Freight Corridor (EC&DFCC). R&R provides EPC Design & Build Construction services for all types of roads (asphalt and concrete) including all associated structures, cross-drainage, toll booths, wayside amenities, etc. to NHAI, MoRTH, State Government and certain private clients. In the airport sector, the R&R BU is involved in the construction of complete airside infrastructure, viz. runways, taxiways, aprons, airfield ground lighting, fuel hydrant systems, etc. complete for international airports, both greenfield & brownfield. The R&R BU is also a pioneer in providing complete civil infrastructure for greenfield city infrastructure projects such as smart cities. The EC&DFCC Segment provides design & build construction services for all types of urban flyover projects and civil works (earthwork, blanket, earth-retaining structures, drain) in dedicated freight corridor projects.

The business leverages its vast experience in Project Management, Engineering, Design & Construction Management to achieve international standards of safety, quality and operational efficiency. It has Engineering Design Centres located at Mumbai, Faridabad and Chennai. It also has a competency development centre at Kancheepuram for RBG and a workmen training centre at Ahmedabad for RREC.

Business Environment

a) Railway Business Unit

The Railway sector has been on a high growth trajectory since the past few years. The Indian Railway (IR) has set a target of 100% electrification by the year 2023. This will make IR the first major railway in the world to have a fully electrified broad-gauge railway network of such a size. To achieve this target, IR has planned to electrify an average of 9500 route km annually in the next 3 years. The Central Organization for Railway Electrification (CORE) / Zonal Railways have also been actively floating and finalising large-scale tenders for electrification works.

This year, the business saw significant progress in the construction works for ongoing Eastern and Western Freight Corridors, the commissioning of which are expected by June 2022.

Another major development this year has been the kick-start of award of the High-Speed Rail Project.

b) Roads, Runways & Elevated Corridor SBG

Over the last 5 years, the budgetary support for Road and Highways sector has seen a steady increase of more than 5.5 times. The Government announced the National Infrastructure Pipeline with total outlay of ₹ 111 lakh crore for FY20-FY25, out of which 18% of capital expenditure is earmarked for roads which is expected to give a further boost to the sector.

Mumbai-Nagpur Expressway

Over the last 7 years, the length of National Highways has gone up by 50% - from 91,287 km (as of April 2014) to 1,37,625 km (as on 20 March 2021). Construction of highways has increased to 37 km/day in 2020-21 with respect to 27 km/day in 2019-20, with an increased focus on delivery of projects.

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

Airports as well as the smart/industrial city sector has not seen any major development in FY 2020-21. However, few opportunities, such as Jewar and Dholera in Airports and Krishnapatnam and Tumakuru in City Infrastructure, are in advanced stages, and would be awarded in the next financial year. Although the Covid-19 pandemic has severely affected construction activities due to lockdown restrictions and the reverse migration of workmen that followed, the business remained active in terms of new tenders and project awards, which helped maintain a healthy order book.

Further to Covid-19, there has been a significant change in client attitude, owing to which project milestones have become more realistic and closely intertwined with site progress, which has eased working capital pressure.

Major Orders

- Mumbai – Ahmedabad High Speed Rail Project, Package C6 from NHSRC
- Delhi – Vadodara Expressway, Packages 11 and 22 from NHAI
- EPC overhead electrification projects, EPC-6 and EPC-15A (1630 Tkm), from CORE
- Delhi – Meerut RRTS Track Package (80 Tkm) from NCRTC
- Ballastless track package for Kanpur and Agra Metro (125 Tkm) from UPMRCL
- Overseas – Order received for 3.5 km extension in Mauritius LRT

Projects Completed

The business has completed the following projects:

- Civil, Trackwork in WDFC CTP 1 & 2 sections of Rewari to Madar (306 rkm) and electrification in the same section (EMP 4 Project). The section is among the first in the world that allows plying of heavy haul rakes, 1.5-km-long, to transport double- stacked freight containers from the major ports to the hinterland.
- First EPC electrification project from Delhi Sarai Rohilla – Jaipur – Ajmer

Mumbai-Vadodara Expressway

- 4-Lane Rewa – Katni – Jabalapur – Lakhnadon Road Project, Packages 1, 2 & JL
- 4-Lane Yadgiri – Warangal Road Project
- 4-Lane Chandigarh – Kharar Elevated Corridor

Significant Initiatives

Further to full range railway system integration projects such as the Dhaka and Mauritius LRTs, the Railway business is gearing up to assimilate newer technology skills to address some of recent projects, such as the RRTS Slab Track and Mumbai Metro LVT Track.

Digitalisation

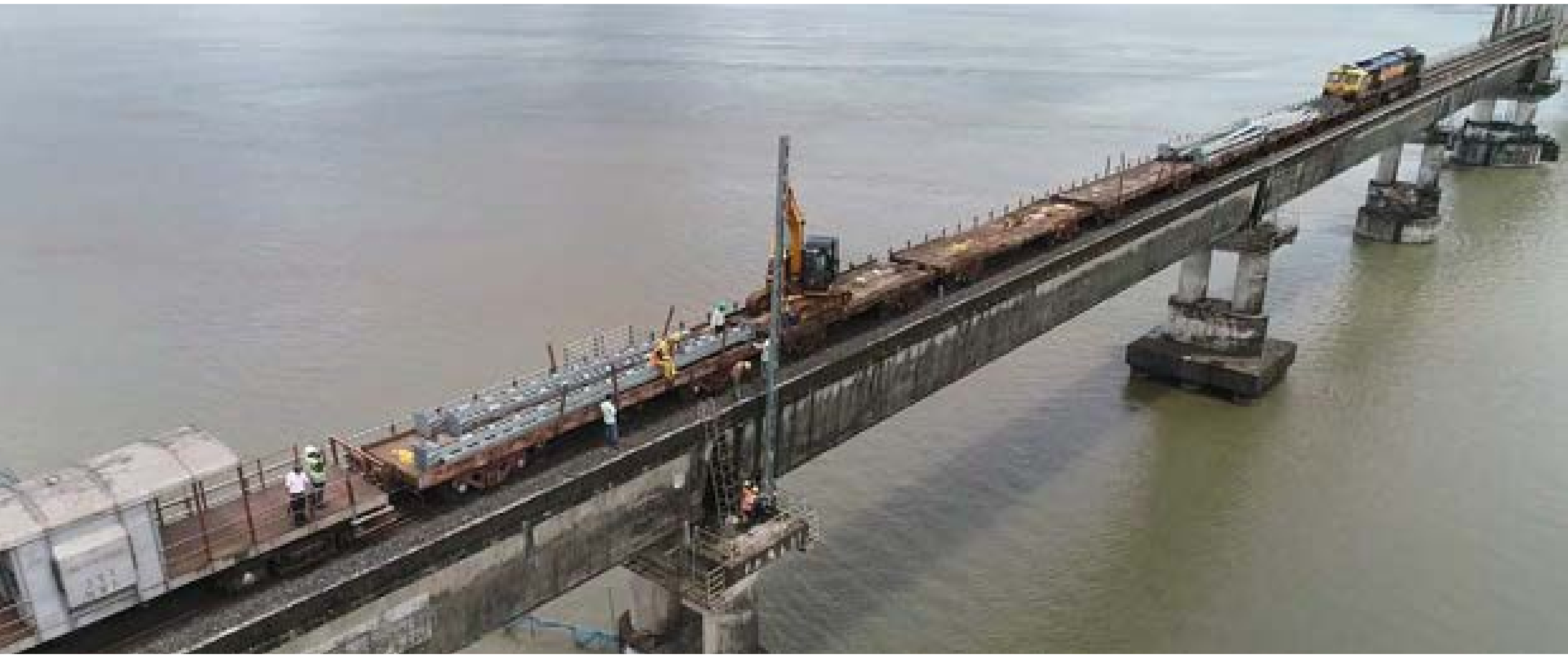
The Covid-19 pandemic has reinforced the importance of digitalisation. One such initiative, Workmen Induction and Skills Application (WISA), has helped the business immensely in identifying and approaching workmen with specific skill-sets during the remobilisation planning. Connected Assets & Geospatial are another crucial initiative that helped the business capture and monitor site data remotely. This tracking and monitoring of P&M assets via digital chipset and LiDAR and drone-based project surveys is becoming the 'new normal'.

Environment, Health and Safety

Transportation Infrastructure projects are typically spread across hundreds of kilometres, with a multitude of discrete safety risks that are both location and task-specific, and oversight of adherence to safety norms at each and every work-front simultaneously itself poses a major challenge. To overcome this, various initiatives were undertaken to enforce and monitor EHS protocols across all work-fronts.

- Periodic virtual training by means of SPARSH (Standard Precautions using Augmented Reality for Safety and Health) and Virtual Reality devices at various work locations for workmen have been introduced in addition to the basic induction training. In FY 2020-21, 27,587 trainings, corresponding to 0.27 million man-hours, were conducted across all sites.
- Inspection and verification are done online through a Digital App – RtR (Reverse the Risk) and Dome 360 Degree that allows safety officers to remotely inspect and monitor safety measures and ground conditions before giving the go-ahead for execution.
- The Green Card System is implemented across the business for fitness verification of P&M equipment before deployment through the IB4U digital app.

The Environment Management System (EMS) has been implemented in the business and various control measures to reduce environmental impact are being followed across project sites. Good practices are being followed, such as use of fog cannons, water sprinklers for dust suppression, proper disposal of C&G and hazardous wastes and use of renewable energy (solar power).



Roha-Verna Konkan Railway Electrification Project

During FY 2020-21, the business was conferred 17 international awards, 7 of which were from RoSPA (Royal Society for the Prevention of Accidents) and 10 from the BSC (British Safety Council). The business has also won 3 prestigious safety awards from NSC (National Safety Council), India.

Human Resources

During the pandemic and the resultant nationwide lockdown that followed, the HR team proactively started various initiatives to keep the staff motivated and engaged at their homes by conducting various awareness programmes, training programmes, webinars and personal connect to check on their well-being and offer any help required. To keep the staff motivated, the business introduced Hi5 – an online portal for recognising staff members who have done extraordinary work amidst the lockdown.

The business has taken a significant step to enhance the safety culture by instituting the LIFE (Loss and Injury Free Environment) Awards to recognise and reward project teams that demonstrated excellence in safety practices.

Also, to ensure Learning & Development of the staff, two comprehensive Competency Developmental Programmes were designed and initiated this year – 'NPL – Nurturing Potential Leaders' for senior potential leaders and 'PEDP – Planning Engineers' Development Programme' for Planning staff in junior cadres.

Risks and Concerns

Land acquisition remains one of the critical concerns for the business, as most of the projects are predominantly 'linear' in nature. Indefinite delays in handing over of an encumbrance-free work-front not only impacts the progress but also costs dearly in terms of under-utilisation of resources and increase in overheads and prolonged project duration. Moreover, delays in environmental clearance, mining approvals, and variation approvals further lead to a drop in the execution momentum.

Besides the above, extreme environmental events such as unprecedented rainfall, cyclones, and air pollution leading to National Green Tribunal Act bans on construction activities also pose an adverse risk to project timelines.

Following Covid-19, global supply chain disruption and reverse migration of workmen also pose a major risk. Sourcing from China, EU and UK continue to affect the supply of critical items, especially for the Railway business. Reverse migration of workmen continues to be a concern due to the second wave.

To address and mitigate these risks, risk management teams have been formed, and primarily tasked with the identification of the risks and the development of a risk map categorising these risks on the basis of probability and severity. This acts as an early warning system to assess, mitigate or minimise the impact of risks on the key parameters of schedule, cost, quality and safety.

The 1-km bridge over River Teesta, Ghoshpukur-Salsalabari Road Project

Outlook

a) RREC Business

The Government has planned to expand the National Highway network by ~ 60,000 km by 2025 in major economic corridors, strategic areas, and Elevated Corridor & Flyovers network in major cities such as Delhi, Chennai, Kolkata, Mumbai and Bengaluru, with an investment outlay of ₹ 20.33 lakh crore under the National Infrastructure Pipeline (NIP). While a daily average of constructing 37 km of road per day has been achieved in March 2021, the Government aims to step up to its ambitious target of building 45 km of road per day in FY 2021-22.

In the airport sector, the Government has envisaged an investment of more than ₹ 1.43 lakh crore under NIP, over a period of 5 years. The Ministry of Civil Aviation (MoCA) envisages 100 new airports to be built in the country over the next 10 to 15 years. The MoCA is also working on the cargo policy, which will provide a boost to the nation's logistics capacity.

b) Railway Business

The Union Budget 2021 has allocated a 'record' budgetary allocation of ₹ 1.10 lakh crore for the Railways, with total capital expenditure outlay of ₹ 1.07 lakh crore. In specific, the thrust will be on the development of New DFC, RRTS, HSR Corridors and upcoming metro sections in Tier 1 and Tier 2 cities.

In the Mainline Segment, a significant amount of capacity augmentation is planned in the next 3 years, and to achieve 100% electrification by 2023, the electrification projects are being floated on an EPC basis. Also, the upgradation of Signalling System projects worth ~ ₹ 16,000 crore is expected to pick up from FY 2021-22.

The Intercity Segment is a new emerging area of opportunities and the business is shifting focus towards RRTS. NCRTC is implementing its first RRTS in three elevated corridors on priority, of which Delhi – Meerut corridor has already been awarded in FY 2020-21 and tenders for the Delhi – Alwar and Delhi – Panipat RRTS corridors are expected in the next 1 to 2 years.

On the High-Speed Rail (HSR) front, Indian Railways has announced plans to develop 7 more HSR corridors, feasibility studies and environmental assessment for which have already been initiated. Apart from the HSR, Railways is also pursuing select semi-HSR corridor projects like Thiruvananthapuram – Kasaragod, Ahmedabad – Rajkot and Pune – Nashik sections in which tracks and systems projects worth ₹ 19,000 crore are expected to be finalised in next 2-3 years.

Rapid commissioning in the Western and Eastern Dedicated Freight Corridors will catalyse development of three new freight corridors, i.e., East Coast, East-West and North-South. The feasibility reports for these corridors have been

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

completed and projects worth ₹ 58,500 crore are expected to be finalised over the next 5 years.

On the international front, the focus will be on neighbouring countries like Bangladesh, Sri Lanka and also on ASEAN, North and East Africa where the projects are funded through secured sources like GoI lines of credit or through bilateral / multilateral agencies such as JICA, EBRD, ADB, etc.

HEAVY CIVIL INFRASTRUCTURE

Overview:

L&T's Heavy Civil Infrastructure business is a market leader in Engineering, Procurement, and Construction (EPC) projects in core civil infrastructure segments that are crucial to the economy viz. metros, nuclear, special bridges, hydel and tunnels, ports and harbours and defence.

As an industry leader in augmenting capabilities for urban mass rail transit systems, the business is involved in the construction of metro rail systems and has projects in almost all the major Indian cities. It provides extensive end-to-end engineering and construction services for both elevated and underground metro systems.

In the Nuclear segment, the business provides EPC solutions in civil, mechanical, electrical and instrumentation, including seismic qualification and modular construction technology. Its expertise extends to both Pressurised Heavy Water Reactor (PHWR) and Light Water Reactor (LWR) technologies.

The Special Bridges segment has extensive experience in executing a wide range of bridges – such as cable-stayed, precast, pre-stressed concrete, steel and concrete composite construction – using ingenious cutting-edge construction techniques, viz. incremental launching, segmental construction, balance cantilever construction and span-by-span construction.

The Hydel and Tunnel segment offers EPC solutions for complete hydroelectric power projects, large-diameter transport / water tunnels and complex irrigation projects. The business also provides expertise for road and railway tunnelling projects which cater to nation-building.

The Ports & Harbours vertical has extensive experience in greenfield ports, shipyard structures and seawater intake systems in all the coastal states of India. It provides EPC solutions for breakwaters, berths, jetties and wharfs, dry docks and shore protection structures. It has unique expertise in providing design and construction solutions for state-of-the-art ship-lift structures.

Backed by the expertise and experience gained from managing mega projects, the business has established a position of pre-eminence in shoring up the country's

Artist's Impression

When completed, the 19.28-km Dhubri-Phulbari bridge over River Brahmaputra will be India's longest road bridge

defences. The business offers single-point EPC solutions in the form of infrastructure facilities for defence bases, underground facilities and surveillance.

The business has a strong presence in India, the Middle East, Bhutan and Bangladesh. The ability to provide tailor-made design-&-build and EPC solutions to suit the specific requirements of customers for complex infrastructure projects has made the business market leader in India. Dedicated design and technical centres, competency cells, specialised training centres, digital project management, and a talented pool of employees help the business sustain a leading role, attract key clients, penetrate new geographies and secure major orders.

L&T GeoStructure is a unique entity which focuses on foundation and ground improvement related projects. It has a strong and professional foundation specialist team with the knowledge of design, equipment and methods to execute and supervise sophisticated foundation works. It has expertise in deep piling and diaphragm walls, multi-cellular intake wells for river-linking, marine terminals with berths and jetties and deep cut-off walls.

Business Environment

Rapid urbanisation in India is driving demand for better urban mobility in Tier 1 and Tier 2 cities. Also, the existing metro cities are expanding their metro network to accommodate the growing urban commute requirements and connectivity to the neighbouring cities.

India's National High-Speed Rail Corporation Limited (NHSRCL) has initiated work on 2,365 km of new high-speed rail lines with bids being invited for conducting survey work for preparation of Detailed Project Reports (DPRs) for high-speed rail corridors connecting Mumbai – Hyderabad (711 km), Delhi – Amritsar (459 km), Chennai – Mysore (435 km) and Varanasi – Howrah (760 km). The Kerala State Government has cleared the Thiruvananthapuram – Kasaragod semi high-speed rail corridor involving an investment of ₹ 63,941 crore. The Maharashtra State Government approved the ₹ 16,039 crore Pune – Nashik semi-high-speed rail corridor project.

In the Hydel & Tunnels segment, NHPC signed an MoU with JKSPDCL for the execution of hydro projects in J&K. To shore up road infrastructure along the border with China, the Union Transport Minister has announced the construction of six new tunnels in Jammu and Kashmir and Ladakh that would help in ensuring quicker movement of troops and machines to the area during any border crisis. The DPRs of the tunnel projects are in progress.

The Bridges segment experienced a challenging first half of the year, and not many projects were awarded. India has committed to fund the Greater Male Connectivity Project at Maldives through an Indian line of credit and grant. The package consists of a 6.7 km bridge connecting Male with

The High Speed Rail -- India's first Bullet Train project and the largest EPC order awarded in India till date

Gulhifalhu Port and Thilafushi industrial zone to revitalise and transform the Maldivian economy.

The Ministry of Ports, Shipping, and Waterways (MoPSW) has created a compendium of 400 investable projects with an investment potential of ₹ 2.24 lakh crore. Increased investments from the private sector is expected by the Ministry. More than 574 projects at a cost ₹ 6 lakh crore have been identified under the Sagarmala project for investment. The Bangladesh Government has approved the enhancement of the Mongla Port Capacity. India has extended a line of credit for the expansion of the Mongla Port capacity.

The Defence capital outlay in the recent Union Budget 2021 has increased compared to last year to ₹ 1.4 lakh crore, leading to the creation of various defence infrastructure including maintenance, upgrade and repair. There is a definitive thrust to accelerate the naval infrastructure at Naval Base Seabird in Karwar and Project Varsha in Vizag.

Major Achievements

Orders Won

- Mega contract from the National High-Speed Rail Corporation Limited (NHSRCL) to construct the 237 km C4 section of the Mumbai – Ahmedabad High Speed Rail (MAHSR) project from Zaroli Village – Maharashtra – Gujarat Border to Vadodara
- Construction of tunnels and construction shafts and ancillary works between Rishikesh and Karanprayag in Uttarakhand by Rail Vikas Nigam Limited (RVNL)
- Construction of Sitamma Sagar Multipurpose Bund from the Government of Telangana
- Construction of reactor, auxiliary, turbine and diesel generator building and other safety related structures for Kudankulam Nuclear Power Plant (KKNPP) 5&6 awarded by Nuclear Power Corporation of India Limited (NPCIL)
- Contract to construct India's longest road bridge of 19 km across river Brahmaputra connecting Dhubri in Assam to Phulbari in Meghalaya from National Highway & Infrastructure Development Corporation Limited
- Delhi – Meerut Regional Rapid Transit System (RRTS) elevated Package-7
- 2nd Vikramshila Bridge across the Ganges, Bihar

Projects completed

- Kakrapar Atomic Power plant (MPCW), Gujarat – criticality achieved on 22nd July 2020
- Durgam Cheruvu project, Hyderabad the world's longest extradosed cable-stayed concrete bridge was inaugurated on 25th September 2020

L&T is constructing 13 km of the 21-km Mumbai Trans Harbour Link – which will be India's longest sea bridge

Other Key Achievements

- India's largest barge (110m x 64m x 6m), which is equal to one football ground, started functioning at Mumbai Trans Harbour Link Package 1
- India's largest TBM of 12.19 m dia. assembled and launched by in-house expertise at Mumbai Coastal Road Package 4
- Ahmedabad Metro tunneling activity completed
- WDFC CTP-14 project successfully achieved first-of-its-kind tunnel with the largest cross-section and electrified double tracks

Significant Initiatives

Digitalisation has become a way of life and integrated into project delivery process. The business digitally monitors, in real-time, productivity of the 3M – Men, Material and Machinery – factors critical to project success. For effective project delivery, the business leverages contemporary digital technologies and drone-based project monitoring, 5D BIM and innovative digital platforms such as WISA (Workmen Induction and Skills Application) for workmen mobilisation and induction and Virtual Reality (VR) based training of workforce in EHS (Environment Health and Safety) aspects.

Environment, Health and Safety

Committed to the mission of 'Zero Harm' the business clocked 343 million safe man-hours in the year, and 16 thousand man-hours were invested in EHS awareness and training. The EHS app was launched to ensure compliance with corporate SOPs on restarting projects. The supervisor EHS checklist was developed to ensure activity risk control by the Supervisor. The Artificial Intelligence platform was implemented which improves construction safety through hazard- spotting at construction stages and suggests the applicable requirements for the hazards identified.

British Safety Council (BSC)-accredited 1-day BBS (Behaviour Based Safety) awareness certification courses were organised for projects. A total of 8 training programmes were conducted during the year.

The business provides control measures for emission control, wastewater treatment and waste management at construction sites in line with regulatory requirements and ISO 14001 EMS requirement. Wastewater from the labour colonies and site offices is being treated by STP. Bio-toilets are also being used for sewage treatment at project sites.

Various projects across the business have received EHS awards:

- Gold Award from RoSPA (The Royal Society for the Prevention of Accidents) – UK, has been conferred upon KKNPP 3 & 4 MPCW projects
- The Prestigious Golden Peacock Environment Management Award for 2020
- In October 2020, Kakrapar Atomic Power Project won the 'Sarvashreshtha Suraksha Puraskar Award' (Gold Trophy) from National Safety Council of India (NSCI)

Bangalore Metro – an underground section

Rishikesh-Karnaprayag Rail Link Package 2

- Kakrapar Atomic Power Project 3 & 4 bagged the 'Best Safe Contractor Award (Winner) – 2020-21' from NPCIL (Nuclear Power Corporation of India Limited)

Human Resources

The business has always been focusing on employees and innovative initiatives towards employee development. Leadership interventions such as Global Leadership Development Programme (GLDP), Frontline Leadership Programme (FLLP), and Project Leaders Assessment and development (PLDP) are held regularly.

The initiative of Trainee Engagement and Development Center (TEDC) for Graduate Engineer Trainees (GETs) is well institutionalised.

A 360-degree feedback has been introduced for Project Directors, followed by rigorous coaching based on the 'GROW' (Goal, Current Reality, Options & Way Forward) model.

During the lockdown and thereafter, various employee engagement and well-being programmes such as awareness on Covid-19, mental health, on-line cultural programmes Rock Off and Rave On, talent shows and various competitions were organised, with continuous employee reach-out initiatives.

The HR Talent Acquisition function has been accredited with ISO 30405 : 2016, endorsing its transparent recruitment process.

Further, the business has been conferred prestigious awards such as the Golden Peacock HR Excellence Award and ATD Best Award for Talent Development from the internationally acclaimed Association of Talent Development body of USA.

Risks and Concerns

The major risk faced by the business during this financial year was the outcome of the Covid-19 pandemic, viz. stoppage of work at project sites due to the lockdown and reverse migration of labour. This further accentuated the other challenges faced in the business, viz. delay in obtaining right of way, statutory clearance delays, claim management and payment delays.

To address the risks emanating from the changed business environment, the business assessed the impact of Covid-19 and a collective representation by the industry was made to the Government at various forums. The additional cost impact emanating from the lockdown is under discussion with the clients.

Further, the business has a strong risk management system and process in place. Various measures to mitigate the risk include enhanced contracts administration and risk management at sites, deployment of Contracts Administration & Claim Management (CACM), war rooms on priority jobs to realise variation and claims and close follow-up with the client for pending payments.

400 kV Kamudhi-Ottapidaram Transmission Line, Tamil Nadu

Outlook

Continued thrust on infrastructure investment by the Government will provide a thrust and the infrastructure business is expected to return to its growth path in FY 2021-22. The Government has also expanded the National Infrastructure Pipeline (NIP) during the Budget to 7,400 projects from 6,835 projects and announced plans for the National Monetisation Pipeline and Development Finance Institution (DFI) to improve the financing of infrastructure projects.

With the Union Budget 2021 promoting metro rail as public transport for sustainability reasons, cost-efficient technologies such as Metro-Lite and Light Rail Transit systems are expected to gain traction, especially in Tier 2 cities.

With hydel power evolving as a source of flexibility and grid stability, multiple large hydro power projects are being planned in J&K and the North East states. The Union Government is also focusing on developing road infrastructure in border areas and has announced multiple major tunnel projects to ensure border connectivity.

India's installed nuclear capacity is expected to reach 15 GW by 2027 from the present 6780 MW and contribute to 56.5% non-fossil sources such as nuclear, hydro and renewables. Along with continued thrust on 10 pressurised heavy water reactor (PHWR) projects, civil nuclear business is expected to continue its growth.

As India aims to emerge as a leading Blue Economy of the world, the Ministry of Ports, Shipping, and Waterways (MoPSW) has created a compendium of 400 investable projects with an investment potential of ₹ 2.24 lakh crore.

The Government is focusing on building new capacities and upgrading the existing defence infrastructure with increase in Defence capital outlay in budget from last year to ₹ 1.4 lakh crore.

Bridge construction in India is expected to grow with new funding mechanisms by NHAI, such as ToT (Toll Operate Transfer) and InvIT (Infrastructure Investment Trust) and interest from international funding agencies such as JICA, the World Bank, ADB.

The above initiatives by the GoI continue to provide a positive outlook for the business in the coming years.

POWER TRANSMISSION & DISTRIBUTION

Overview:

L&T's Power Transmission and Distribution business vertical is a leading EPC player in the field of power transmission & distribution and renewable energy. It offers integrated solutions and end-to-end services, ranging from design, manufacture, supply, installation and commissioning of transmission lines, substations,

400 kV GIS Substation, Chennai, Tamil Nadu

400/220 kV Mylsandra GIS, Bengaluru, Karnataka

underground cable networks, distribution networks, power quality improvement projects, infrastructure electrification, fibre optic backbone infrastructure, solar PV plants including floating solar, battery energy storage systems, mini / micro grid projects and related digital solutions. Besides being a dominant player in the Indian subcontinent, the business enjoys a significant share and a strong reputation in the Middle East, Africa and ASEAN markets.

The business comprises several business units:

Substation business unit provides turnkey solutions for Extra High Voltage (EHV) air insulated / gas insulated substations, Flexible AC Transmission Systems (FACTS) and digital substation related solutions, EHV cable systems and complete electrical and instrumentation solutions for various utilities, plants and infrastructure projects, such as metros, airports, etc.

Power Distribution business unit provides a range of EPC services related to urban / rural electrification including last-mile connectivity, augmenting, reforming and strengthening of high voltage and low voltage distribution networks, power quality improvement works and advanced distribution management solutions.

Transmission Line business unit offers turnkey EPC solutions for overhead lines for power evacuation and transmission up to 800 kV. The digitally-driven, green tower manufacturing units at Puducherry, Pithampur and Kancheepuram have a combined capacity to produce more than 1.5 lakh tonnes of tower components per annum. The Tower Testing and Research station at Kancheepuram is amongst the most renowned testing centres in the world. The clientele for this testing facility includes utilities from 30 different countries.

The Optic Fibre Cabling (OFC) projects segment provides turnkey solutions for deploying gigabit scale optical fibre backbone for both Government agencies and private telecos by establishing a state-of-the-art network infrastructure typically involving a vast geographic spread. The business also provides operation & maintenance support to ensure healthiness of the Optic Fibre Cable by maintaining Mean Time Between Failure (MTBF) and Mean Time To Repair (MTTR) figures as per agreed Service Level Agreements (SLAs).

These business units cater to the Indian market including the neighbouring countries of Bangladesh and Nepal.

Renewables business unit provides single-point EPC turnkey solutions for Solar Photo Voltaic (PV) related projects including energy storage solutions and microgrids, in India and abroad. With more than a decade of experience in solar, the business has a strong track record of ground-mounted and floating solar projects with different module technologies, module mounting structures and storage types. It has accumulated vast engineering and construction know-how to execute Gigawatt (GW) scale solar projects, be it

400/220/132/11 kV Mawana Substation, Botswana

hybrid, floating or linear, with best suited technologies for terrain type and tracking. The in-house Battery Energy Storage System containerisation facility augments the capabilities to offer large-scale renewable integration solutions as grid stability and power conditioning requirements gain significance.

The international units of the business in the Middle East, Africa and the ASEAN region offer complete solutions in the field of power transmission and distribution up to 500 kV level. These include substations, power transmission lines, EHV cabling, distribution networks, solar plants and Electrical, Instrumentation and Controls (EI&C) works for infrastructure projects such as airports, oil & gas industries, etc.

The Middle East business unit that caters to the countries of the UAE, Saudi Arabia, Qatar, Oman, Kuwait and Bahrain has garnered a coveted place in the GCC region. With about three decades of presence in the region, it enjoys an enviable track record having achieved many milestones.

Having commissioned several landmark projects, the Africa business unit has established itself in 12 countries across the continent. The four regional offices located in Egypt, Kenya, South Africa and Ghana cater to the different regions of the vast continent. With a sizeable market share in the addressable segment and projects from all the business lines within the spectrum, the business is now poised to make further inroads in southern and western parts of Africa.

In the ASEAN region, buoyed by the proven track record of successful project execution in Malaysia and Thailand, the business is consolidating its gains in Myanmar and Philippines as well, besides achieving deeper penetration in existing regions.

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

Business Environment

In the domestic transmission & distribution space, projects from the centrally sponsored schemes were scarce, as the priority of Government spend shifted to healthcare in the pandemic year. The majority of the multi-lateral funding projects have been deferred to the next financial year. After a lull, the order finalisation in Green Energy Corridor related Tariff Based Competitive Bidding (TBCB) packages commenced.

Certain state distribution companies finalised underground cabling and High Voltage Distribution System (HVDS) packages that are aimed at grid modernisation and improving reliability and availability of power supply. The pace of finalisation of tunnel electrification packages for a project of national importance was noteworthy.

500 kV HVDC Transmission Line, Kenya

On the domestic Renewables front, solar capacity addition remained below 3 GW in the face of the pandemic and the uncertainty in module prices. However, the traditional power generation companies are seen adding renewable capacities in their portfolio, which lead to finalisation of solar Engineering, Procurement and Construction (EPC) packages especially in Gujarat.

Being a fast-growing economy in the region, Bangladesh has embarked on the alleviation of infrastructure deficiencies and upgradation of its power system to sustain growth. To cater to the power demand in emerging load centres and the Greater Dhaka region, several projects are planned to include construction of the country's first nuclear power plant. This provided a slew of Transmission Line opportunities in Bangladesh. Nepal also augmented its power transmission network with gas and air insulated substations.

Already constrained by lower oil prices, the Middle East economies had limited avenues for growth in the face of the pandemic. Travel restrictions, quarantine requirements, supply chain disruptions, etc. affected the initial months of the financial year. However, Saudi Arabia's ambitious National Renewable Energy Programme provided impetus for international solar orders. In Qatar, due to the expansion of the 400 kV electricity network, grid elements such as series reactors were necessitated to improve grid stability.

Vital substation and transmission line packages were finalised in other countries as well.

Several countries in Africa opted for the Debt Service Suspension Initiative of G20 countries facilitated by the World Bank Group. The finalisation of bilateral / multilateral funded projects remained muted. In view of the renewable generation capacity being added, Morocco has launched a slew of projects to expand its power transmission network. The business is well poised to achieve a breakthrough in West Africa and quickly expand its presence in the region. In the ASEAN region, Thailand remained comparatively unaffected especially with regard to execution progress.

FY 2020-21 was a challenging year for Supply Chain Management. The Covid-19 pandemic brought in a global disruption of supplies and logistics, to begin with, and moved on to a high volatility and scarcity of raw material, restriction of imports and delayed award of contracts by clients. At the same time, the business quickly adapted to the 'new normal' through various mitigative actions to re-stabilise the chain and achieve significant savings through re-negotiation of existing contracts.

Several orders materialised in the last quarter of an otherwise difficult financial year that witnessed Covid-19 related lockdowns, adverse commodity price movements and customer-end delays in order finalisation.

500 kV Bang Saphan 2 to Surat Thani 2 Transmission Line, Thailand

Major Achievements

Key Orders Won

- 4 major transmission line packages in Bangladesh
- Substation order in Nepal
- 1.5 GW solar PV project in Saudi Arabia – the largest overseas order for the business
- 380 kV Transmission lines in Saudi Arabia
- Unique series reactor package in Qatar
- 132 kV Substations in Dubai
- 400 kV Transmission line in Oman
- 500 kV Transmission line in Peninsular Malaysia
- 400 kV SS & TL for Telangana TRANSCO
- Tunnel electrification packages for Udhampur Sri Nagar Baramulla Railway Link
- High voltage distribution system and cabling packages in West Bengal
- 400+MW Solar EPC orders in Gujarat

Projects completed and commissioned

- 400 kV Gas insulated substations at Lahal, Guindy, Mylasandra and Papankalan
- 230 kV Substations at Ranchi, Chennai and Ratangarh
- 132 kV Receiving substation & 132 kV cabling for Dhaka Metro
- Power distribution packages in Uttar Pradesh, West Bengal and New Delhi
- Packages associated with 800 kV Raigarh – Pugalur HVDC transmission line
- 765 kV Ghatampur Agra – Greater Noida transmission line
- 765 kV Ranchi – Medinipur transmission line
- 23 substations and 72 km of overhead / underground transmission corridor in the Middle East
- One of the biggest 400 kV substations and one of the longest 400 kV transmission lines in Botswana
- Substations and transmission lines in Egypt, Ethiopia and Morocco
- 500 kV Surat Thani – Bang Saphan transmission line in Thailand

Awards and Recognitions

The business won laurels for its technological and execution prowess. The power transmission & distribution projects in KSA and UAE bagged four Middle East Economic Digest

India's first large-scale solar PV project of 2 x 10 MW with 16 MW / 8 MWh battery energy storage system in the Andamans

(MEED) awards in different categories. The 400/132 kV Al Qabel project earned L&T the Dossier Award for the Best Contractor for Infrastructure Projects.

The transmission line tower manufacturing facility at Kancheepuram won the DL Shah Quality Award, the Quality System Excellence Award from FICCI and the EHS Excellence Award from CII Southern Region. The transmission line tower factory at Pithampur won the Golden Peacock Award for Occupational Health & Safety performance.

Also, 11 projects emerged as winners, each for National Safety Council of India Awards 2020 and British Safety Council International Awards 2021. Several overseas projects won awards from American Society of Safety Professionals (ASSP) and Royal Society for the Prevention of Accidents (RoSPA) under various categories.

Significant Initiatives

As the electricity system gets increasingly decentralised, decarbonised and digitalised, a specialised team of top-notch experts has been created to develop and deliver smart digital solutions worldwide, leveraging the engineering know-how and integration abilities.

The first international battery energy storage system order secured in Thailand has achieved substantial progress. The 52 MWh system is meant to provide grid stability in a region with a large, inherently intermittent renewable generation.

A special thrust was given on Stakeholder Connect, a drive through which the supply chain team reached out to different levels of vendors to deliberate on challenges and mitigation measures.

Digitalisation

A digitally integrated project management ecosystem has been created to enable timely completion of projects. It encompasses, integrates and enables sophisticated analytics of all the processes in the project lifecycle, right from prospecting to post-completion obligations. The predictive abilities of the platform equip the team with the requisite tools and analytics to create optimised plans initially and during the course of the project.

Significant process changes and digital initiatives were adopted in the supply chain front to reduce process time and to improve price discovery.

The experience gained in applying Building Information Modelling (BIM) for substation projects to advanced refinement Levels of Development (LOD) has provided an edge to the engineering capabilities. Aerial LiDAR survey techniques, usage of drones, user-friendly incident-reporting systems and deployment of smart glasses, mobility devices, etc. have yielded tangible benefits. Virtual collaboration tools came in handy during remote design review, inspection, installation supervision and testing processes and have now become the norm.

110 MWp NLC Project, Tamil Nadu

Environment, Health and Safety

The implementation of 'Vision Zero Harm' related initiatives and enforcing of appropriate SOPs were pursued with vigour and enthusiastic participation. Helmets with in-built Bluetooth devices were deployed to improve communication amongst workmen engaged in height work. The analytics generated through the improvised SHEiLD application were helpful in identifying root causes and associated behaviours, thereby enabling implementation of suitable interventions. Various digital and technical initiatives such as One Time Password-based approval for shutdown works, deployment of safety kiosks and biometric access for forklift operation in factories were implemented. More than 2.75 lakh manhours of training were provided to staff and workmen to enable them to imbibe the safety culture. These helped the business earn many awards, as described in a preceding section, and appreciation certificates from customers.

Human Resources

HR played a key part in keeping employees engaged to overcome the emotional challenges during the pandemic. It included creating awareness among employees for preventive health care. The constant interaction and the leadership communication forums ensured that there was absolute clarity and connect across the organisation. The well laid-down set of safety and health protocols ensured the well-being of employees and their families and earned the employees' trust in adapting to the dynamic work conditions.

A major step in this direction of engagement was a range of virtual learning activities and digitally collaborated tools. Several learning opportunities and knowledge-sharing sessions were provided for upgradation of skills.

While the business continued to explore new geographies and new businesses for growth, the workforce was shaped to fit the new roles that were emerging through robust processes of performance management, succession planning and internal career movement efforts. As part of employee development and talent build-up, the business continues to create a talent pipeline across the levels through bespoke development programmes and coaching.

A framework named 'REACH' has been rolled out, with year-long activities that are designed to elevate the employee engagement experience.

Risks and Concerns

Mature stage gate and escalation mechanisms were helpful in treading through the challenging times. Advocacy efforts were made to obtain contractual relief from customers for pandemic- induced delays in terms of time and cost, reduction of bank guarantee exposure to ease liquidity, etc. Being countries with considerable business prospects, the volatile political environment in Myanmar and parts of Ethiopia are under watch.

A number of physical and virtual workshops were conducted across the business to promote a strong risk awareness-led entrepreneurial culture.


Al Daayen 2 GIS, Qatar


Haliba, Containerised Substation

Outlook

After a year that witnessed shrinkage of substation prospects as projects got deferred, the next fiscal year looks promising, with grid strengthening by key states, specific GEC-II related substations, metro receiving stations and multilateral-funded gas insulated substations in neighbouring countries.

Transmission line construction is expected to see continued levels of substantial activity with finalisation of orders pertaining to already-approved schemes, grid expansion by states and neighbouring countries.

As the priority of central funding shifted to other sectors, the distribution sector has not been so upbeat in the recent months with DISCOMs relying on multilateral funding for the projects. The reforms-based result-linked distribution scheme announced in the Budget should give the much-needed impetus, and election-bound states may augment infrastructure with UG cabling, feeder segregation, HVDS, etc., in addition to metering. The fallout of proposed privatisation of DISCOMs and the preference for OPEX models are the factors to watch for. The focus will shift from electricity access and connectivity to power quality and reliability.

With the renewed thrust on broadband access to villages and digital communications, FY 2021-22 may see finalisation of delayed Bharatnet tenders and increased fiberisation.

Despite the longer durations taken for bid evaluation, several substation and transmission line opportunities are expected to fructify in Malaysia, Thailand and Philippines. With the strengthening of the local team, Indonesian breakthrough is expected to help significant scaling up of activities in the ASEAN region.

Though the pandemic has reduced the borrowing capacities of low-income African countries, a substantial amount of funding has been already committed in the region, and several projects are under various stages of bidding. Despite heavy competition, the business has been able to garner a significant share in the countries in which it is present and has opened up in a few more countries. In the post-pandemic scenario, the multilateral funding is expected to surge, which bodes well with the growth ambition.

As vaccination levels increase and further prospects of oil prices going lower diminish, the situation in the Middle East is expected to ease. Massive developmental projects in KSA, residential projects in Kuwait, transmission network expansion in Oman, the end of the blockade in Qatar, etc. may harbour positive developments while budget deficits and preference for locals may pose some challenges.

8-15 GW of solar capacity may get added in the next year in India with a perceivable shift towards hybrid projects. The evacuation infrastructure seems to be commensurate with capacity-addition plans, which is a positive factor. The volatility in module prices, insistence on domestically manufactured content and the imposition of BCD (Basic Customs Duty) etc., may pose challenges.

Bansujara Irrigation Scheme, Madhya Pradesh

The renewable capacity addition plans in the Middle East, led by KSA, will receive a further boost with growing interests in green hydrogen. African countries, such as Egypt, Morocco and Ethiopia, have plans for large utility-scale solar plants. Coupled with visible prospects in SAARC countries and the ASEAN region, the overseas Renewables business is set to gain significant momentum in the budget year.

The nebulous nature of localised lockdowns due to the recurring Covid-19 waves has now become the 'new normal'.

With the business outlook remaining largely favourable, the business expects an accelerated recovery to pre-pandemic levels of growth aspirations. The business continues to enable the highest standards of reliability, availability and efficiency of power transmission and distribution networks and provides a green technology path to clean energy transition in India and abroad.

WATER & EFFLUENT TREATMENT

Overview:

L&T's Water & Effluent Treatment business is engaged in building comprehensive water management infrastructure with capabilities covering engineering and design, procurement, construction, operation & maintenance, and caters to the entire business value chain. The business has a proven track record of executing a multitude of projects in the areas of water supply, water transmission and distribution, water treatment, desalination, municipal and industrial wastewater network, wastewater treatment, integrated urban utilities, irrigation, canal rehabilitation, riverfront development, etc.

Recently, the Water & Effluent Treatment business re-organised its business lines to reflect the changing trends and be more agile towards future opportunities. The business has been verticalised into three units – (i) Water & Wastewater; (ii) Industrial, Irrigation & Infrastructure; (iii) Water International.

The Water & Wastewater vertical comprises Rural Water Supply, Urban Water Supply, Water Management and Wastewater Treatment. Thus, it deals with the complete value chain of water & wastewater solutions for domestic consumers.

The Irrigation, Industrial & Infrastructure vertical constitutes Mega & Micro Irrigation, Industrial Water Systems & Effluent Treatment, Desalination and Smart Water Infrastructure, helping to focus and increase its business footprint in the domestic market.

The Water International vertical focuses on the international markets and will continue to tap business opportunities in the regions of Middle East, East Africa, ASEAN and SAARC.

Mukkombu Upper Anaicut Project, Tamil Nadu

Business Environment

The water infrastructure market in India is on an upward trajectory with a sustained focus on bridging the demand-supply mismatch in rural and urban areas. Urban agglomerations necessitate the establishment of smart and future-ready water and wastewater infrastructure to boost the overall quality of life. Rapid population growth and erratic and unpredictable monsoons have necessitated manifold irrigation schemes to expand the total area under cultivation in the country. There is also a considerable thrust on industrial treatment and desalination projects, which bodes well for the business.

The UN Sustainable Development Goal to provide clean water and sanitation is driving investments in Africa and ASEAN Markets. The water demand in the Middle East is expected to grow significantly and the business foresees significant spending in the areas of wastewater treatment and desalination.

The Water sector is seeing increasing thrust from the government and new competitors are emerging to capture this market. The business sees a wide variety of competition from global technology giants, India-based EPC players and local state-specific contractors as well. The business, through its cost leadership, excellent track record and financial capabilities has been able to thrive against this stiff competition. Further, the business remains a market leader in India, with a presence across all the major states and enjoys a market share of more than 30%. The business also has a strong presence in the international market, with projects in Qatar, Oman, UAE, Tanzania and Sri Lanka.

The Covid-19 pandemic has impacted the Government finances, with diversion of spending towards Covid-19 related relief work as well as social support. This had a serious impact on capex spending for new projects and led to delays in order finalisation. On the execution front, though some disruptions were experienced in initial phase, the activities picked up at sites as normalcy returned. The business ensured uninterrupted operations of projects under O&M even during lockdown by continuously supplying potable water, treating wastewater, and irrigating farmlands, thereby benefitting 30 million people.

Major Achievements

Major Orders Secured

- Multi-village water supply schemes to various districts in Madhya Pradesh
- Piped water supply schemes to various districts in Uttar Pradesh
- Upgradation of sewerage treatment plant for Chandigarh Smart City
- 24 x 7 Drinking water supply project at Patiala, Punjab
- Slurry pipeline project, Chhattisgarh

Water carrier system, Kanpur, Uttar Pradesh

- Sauni Yojana Irrigation Scheme, Gujarat
- Bargarh Canal Project, Odisha
- Integrated project for development of Maharajbada, Gwalior, Madhya Pradesh
- Industrial area effluent treatment plant, Qatar

Projects Commissioned

In the year FY 2020-21, 30+ projects were completed. Some of the key projects commissioned are:

- Lift canal system of Upper Indravati Irrigation Project, Odisha
- Erode water supply scheme, Tamil Nadu
- Kadana and Kakrapar Irrigation Schemes, Gujarat
- 40 MLD STP at Rourkerla, Odisha
- Tabora Water Supply Scheme, Tanzania

Awards

During the year, the business bagged a slew of prestigious awards from industrial forums across the world. Key awards and accolades received include:

- The coveted AEC Excellence Award from Autodesk for an advanced water treatment plant at Chandrawal, Delhi
- 15 Awards from Construction Industry Development Council under the categories of Corona Warriors and EHS Implementation
- 12 Awards from British Safety Council and 11 CII Awards for Safety, Health and Environment
- 10 Water Digest Awards including Best Water Company and Best Complete Domestic Water Solutions provider

Patents

In a constant endeavour towards achieving self-sufficiency in treatment processes and transforming into a 'Technology Driven EPC', the business has developed, incubated and patented a new technology for domestic wastewater treatment with a competitive edge over other existing technologies.

Significant Initiatives

Digitalisation & Productivity Improvement

The business has been a forerunner in digitalisation and digital interventions have been implemented across the entire business value chain. Some of the key solutions are:

- ViewEHS, a patented app for centralised reporting, documentation, and performance measurement system for EHS Management System
- Quality Incident Reporting (QIR), a mobile application to raise observations for quality defects and to escalate the observation, when required

Moga Water Supply Scheme Project, Punjab

- Smart glass to visually monitor real-time progress of projects
- Advanced data analytics for labour productivity benchmarking and improvement

In addition, the business is also working on developing new digital solutions based on the latest technologies, such as artificial intelligence and machine learning for cognitive search, image analytics, robotics, etc.

Environment, Health and Safety

Some of the key EHS highlights for the business are:

- Achieved 117 million safe man-hours for the year
- 600+ Virtual EHS audits conducted to monitor EHS implementation across project sites
- Proactive risk mitigation through patented ViewEHS app for centralised reporting, documentation and EHS performance measurement
- 0.56 million man-hours spent on training staff and workmen at project sites. Training modules are tailor-made project-wise for identified hazards that could lead to major incidents
- Development of ATL (Any Time Learning) Modules on ISO 45001:2018 and ISO 14001:2015 Standards for designing and implementing safe, healthy and environmentally friendly workplaces across offices and sites
- EHS Climate Survey to evaluate the maturity level of the EHS culture in the organisation

Sustainability Initiatives

- The business works with local communities, NGOs, schools and colleges to increase green cover and spread awareness about the environment. Over 7 Lakh saplings were planted across the country during the year
- Go Green campaign conducted across project sites to encourage reuse and recycle of waste materials. 12,000 MT of waste was recycled so far
- 'Ulta Chatha' initiative was curated to facilitate ground water recharge by rainwater harvesting in all project sites
- Solar panels were installed across project sites to reduce dependence on non-renewable energy sources

Human Resources

Catering to employee needs, aspirations and their well-being is a philosophy deeply enshrined in the business. Learning & Development, employee engagement, excellence through innovation and continuous improvement have been the major areas of focus. The key initiatives undertaken during the financial year are:

Dedicated Water Supply Project for Erode Corporation, Tamil Nadu

- Thrust on leadership development, competency development and succession planning with focused competency development programmes, coaching programmes and capability building courses
- Employee Recognition Programmes, such as PRAISE and RAVE, to spark the innovative spirit of our employees and ensure continued excellence at work
- Development Week 2020: A unique learning initiative to create awareness about the training and development offerings available for all the employees to upskill themselves
- Learner's Corner: An internal website which serves as an easy-to-access and user-friendly platform to host Learning & Development offerings
- 'WET IC Radio': A new medium of internal communication with employees using podcasts

Risks and Concerns

The business has a robust risk management process where upcoming tenders and ongoing projects are analysed periodically by the Risk Management Committee to ascertain the various risks and appropriate mitigation measures.

- The business is focused on increasing the share of projects from multi-lateral funding agencies.
- The constrained finances led to delays in payment for ongoing projects. To mitigate this, client-wise project exposure is monitored periodically, and project activities are carried out based on the client's fund availability to avoid increasing the working capital.
- As water projects are labour-intensive, the availability of workmen plays a major role in the progress of the projects. The Covid-19 crisis saw a large-scale workmen exodus leading to a shortage of manpower and an increase in labour costs. New ways of working with social distancing norms also impacted labour productivity. The business is focusing on attracting and retaining high-skilled workmen. Initiatives like automation and mechanisation are being implemented to enhance productivity and reduce dependency on labour.
- Projects of the business are linear in nature and they involve extensive approval for ROW/ROU as well as land acquisition. The business engages a strong IR/Admin team to ensure all approvals are taken well in advance. Any delays on account of external factors are also properly documented and appropriate EOTs/cost claims are filed with the clients.
- Raw materials like pipes, valves, fittings, etc. form a major portion of the project costs and volatility in commodity prices has an impact on the margins. To hedge this risk, the business also enters into strategic tie-ups with vendors.

Blast furnace, JSW, Dolvi, Maharashtra

Outlook

The water sector possesses tremendous potential on the back of a large unserved population, rapid urbanisation, industrialisation, and climate change. There is a growing shortage of freshwater resources, and recycle and reuse, water management, desalination, efficient irrigation technologies are gaining traction as means of addressing this shortage.

The Government of India, under the Jal Jeevan Mission, has set a target to provide piped water supply to every rural household by 2024. The Government has allocated ₹ 50,000 crore in the union budget of FY 2021-22 with an expected outlay of ₹ 3,60,000 crore till 2024. Under the Jal Jeevan Mission (Urban), the government plans to treat 100% sewage in 500 cities and meet 20% of the total water demand and 40% of industrial non-potable demand through recycle and reuse of wastewater. The National Infrastructure Pipeline (NIP) expects to create an additional irrigation potential of 170 Lakh hectares. The Government is also focussing on desalination as an alternative source of water supply for domestic and industrial use. The Government's focus on building India as an alternative manufacturing hub leads to opportunities in the areas of industrial effluent treatment and smart water infrastructure businesses. In addition, the Government is also focusing on the creation of new smart cities, industrial parks, defence corridors, bulk drug parks, textile parks etc., which augurs well for the business.

METALLURGICAL AND MATERIAL HANDLING

Overview:

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

The business also has a Product Business Unit offering comprehensive product solutions, including customised mineral crushing equipment for the cement and coal sectors, surface miners for blast-free eco- friendly open cast mining, advanced sand manufacturing plants which can replace usage of river sand, material handling equipment (stackers, reclaimers, ship unloaders, multipurpose cranes and other mining equipment), steel plant machinery and other custom-made equipment and critical fabricated structures (such as bridges, reformer modules & complex assemblies involving heavy fabrication, precision machining and critical assembly & testing) catering to core industrial sectors, including cement plants, the mining sector, power plants, the construction industry, steel plants, fertilisers and chemical plants, etc.

Coke dry quenching plant at JSW, Dolvi, Maharashtra

The complete range of product solutions is backed by 5 decades of experience and knowledge, in-house design resources, state-of-the-art manufacturing capabilities and providing cost- effective and value-added after-sales product support. The manufacturing centres of the Product BU are in Kansbahal, Odisha and Kancheepuram, Tamil Nadu.

Business Environment

Domestic Projects – M&M BU

As the pandemic-related restrictions were gradually withdrawn from Q2 FY2020-21 onwards, both metal demand and production picked up in the domestic market. Buoyed by global demand (more specifically from China) metal prices started improving from Q2 FY2020-21 onwards and continued in Q4 FY2020-21. Post the consolidation in the steel industry, capacity addition of 34 million tonnes is expected in the next 4 years. With the committed investments by the GoI in infrastructure development coupled with the rally in the prices of steel, major steel manufacturers have announced expansion plans. Backed by more than 2 decades of experience in providing large EPC packages in steel plants, the business is poised to capture the market opportunities.

The non-ferrous industries are in expansion mode with the sustainable rally in base metal prices due to increased consumption by the downstream industries, and have planned additions of 0.4 MTPA in copper, 3 MTPA in alumina refinery, 1.5 MTPA in aluminium and 0.3 MTPA in zinc and lead manufacturing in India.

International Projects – MENA BU

The Mining and Metallurgical sector is emerging as a frontrunner in the economic diversification of the GCC from oil dependency. All GCC countries are boosting their mining sectors with strategic long-term plans to exploit the untapped mineral deposits.

The Kingdom of Saudi Arabia (KSA), in particular, has been aggressively pursuing reforms and changes in legislature to facilitate foreign and private investments in the mining sector. The mining sector has been earmarked to become the third pillar of the Saudi Arabian industry after oil and petrochemicals, with the establishment of a Mining Fund to provide sustainable finance for the sector.

The aluminium, copper and gold industries are likely to present new investment opportunities, especially in the KSA and UAE.

The GCC member countries' vision to be net exporter of value-added products by 2030 is expected to provide opportunities in the development of the downstream metal industry.

Product BU

The core products (such as crushers, surface miners, sand plants and bulk material handling equipment) growth are primarily driven by the following industrial sectors:

Stacker-Reclaimer

Cement Sector: Cement production witnessed a negative growth and had a steep fall during first 2 quarters of FY 2020-21, mainly due to the Covid-19 pandemic. In the first 3 quarters of FY 2020-21, cement production reported 209 MTPA, and recovered on a positive note in the last quarter and expected to reach 353 MTPA.

Major cement producers embarked on their expansion plans. Being fast-track expansions, some of the finalisations for crushing plants were completed favourably in March 2021 itself and more are expected to follow. L&T's 'Limestone, Coal and Additive/Corrective Crushing Solutions' supplied by the Metallurgical and Material Handling Product BU continue to be the preferred choice for the Indian cement industry and has a market share of more than 90%.

Mining Sector: The continued augmentation of capacities in coal and iron ore has increased business potential for mineral beneficiation and processing industries, coupled with mechanised evacuation systems from mine to rail to plant, offers business opportunities for the business to provide EPC solutions and has also increased requirements for its equipment range covering surface miners and skid-mounted coal-crushers, stacker-reclaimers, wagon tipplers, plough feeders, etc.

Construction: The sand plant business largely depends upon the real estate and infrastructure market, which is showing revival from Q3 FY2020-21 onwards. Further, traction is also seen in Tier III cities, especially for advanced sand manufacturing plants.

The Government has announced various road projects across India in Q4 FY2020-21 to boost the infrastructure economy. A surge in demand for sand air classifiers is expected in FY 2021-22.

Major Achievements

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

- 5 MTPA blast furnace and steel melt shop projects for JSW Steel, Bellary
- 3 MTPA Alumina Refinery project for Vedanta at Lanjigarh
- In-house design, development and manufacturing of launching girder for high-speed railway project

Marquee projects commissioned / at an advanced stage of completion in FY 2020-21 are:

- Slab caster, Bokaro Steel Plant – first slab casted
- Coke oven project, JSW Steel, Dolvi – Completion of first coke push of Battery D
- Blast furnace, JSW Steel, Dolvi – Commencement of stove heating up

Coal-handling plant at Khargone, Madhya Pradesh

- SK Mines PH III – Commissioning of Phase III graphite package
- 12 Surface miners commissioned across India for various clients

Significant Initiatives

The business has formed strategic alliances with leading global technologists to offer comprehensive EPC solutions across various sectors of mineral beneficiation, steel processing units and various by-product plants of mega size. Technical collaboration has been strengthened with Kemco, Japan for the addition of new products for the construction industry.

The business has embarked on significant modularised and mechanised construction approaches to improve efficiency and the speed of delivery.

Digitalisation

The systemic implementation of the EPC 4.0 initiative for digitising and integrating all processes across the spectrum was undertaken. Increased 3D engineering capability, coupled with Building Information Modelling (BIM) implementation, Smart EDMS for effective project, communication and document management, construction automation / mechanisation are being implemented across major projects. In addition, ongoing digital solutions are stabilised, such as IoT, WISA, AR/VR for EHS, Image Analytics, Rigging App, etc.

The business has implemented Design Automation and the AI-enabled engineering approach with continuous improvement on various processes in its domain area.

Environment, Health and Safety

There is continued commitment from leadership and management at all locations and levels for improvement in the EHS processes and their implementation. EHS roadmaps were launched based on organisation-wide policies. To combat the Covid-19 pandemic at sites and offices, proactive initiatives were taken, such as strict implementation of SOPs, adequate quarantine / isolation rooms, recording attendance through facial recognition, and webinars/training programmes for resumption of work post-lockdown.

Increased implementation of digital technologies helps to regulate safe working conditions. Various digital tools include Virtual Reality (VR) based training modules for 'Safe Material Handling' and the IB4U app for tracking the inspection of various equipment and PPE, EHS Training integrated through the WISA app and Chatbot for health monitoring.

3700+ EHS Training Programmes were conducted during the year, covering 0.43 million training man-hours. Various projects and factories received 7 RoSPA Health & Safety awards during the year.

Raw Water Storage Tank for MENA, Maaden Gold Project, Kingdom of Saudi Arabia

Environmental initiatives undertaken are as under:

- Recycled plastic plywood extensively deployed along with plastic formwork to reduce the dependence on natural hardwood or treated plywood
- Dust-suppression through bio-based solution implemented at a project site
- Occupancy sensors at office buildings (EWL facility) to optimise power consumption
- Usage of spillage tray implemented at several project sites

Human Resources

Focus was laid on creating a robust talent pipeline by identifying future and potential leaders. The impetus was on all-round development of business leaders by providing challenging opportunities, job rotation, active handholding, and mentoring / grooming by senior leaders. Across the cadres, key high-potential talent is identified right from 'Talent in Cradle' for staff in S&E Band to 'Leaders on the Go' for senior Tier 3 staff. Leaders for senior key positions are identified as part of succession planning. A host of specific competency-based programmes are organised to shape and fine-tune their leadership skills.

During the lockdown period, the business continued with talent acquisition activities through virtual mode, right from interviewing until onboarding. For the first time, onboarding and orientation of GET/PGETs was successfully executed using the digital platform. Learning & Development went totally virtual during the lockdown, in view of all SOPs / Covid protocols.

A wide range of technical and behavioural programmes were conducted, ranging from Data Analytics, Construction 4.0, Smart EDMS system, Primavera, Aveva, Building Agile Teams, Creativity & Innovation, Analytical Thinking and Situational Leadership. ATL Next has also played an important role in meeting the training needs of staff members, being an effective virtual mode of imparting training.

During the lockdown, initiatives focused around 'Wellness' of the staff as well as their availability for business through 'Work from Home'. Flexi-time was introduced to make it easy for staff to attend office. Dedicated medical support, doctor on call, counselling sessions through TISS and Covid-19 SPOC across the locations were key interventions to maintain staff health and morale. At sites, as per the SOP, arrangements were made for stay, food and site commute to ensure staff availability and wellness.

A series of Town Hall Leadership Speak sessions for the business, Call to Staff and Joy @ WFH established effective communication channels for clarity amongst staff on the way forward during such challenging times.

KSM-304C Surface Miner

Risks and Concerns

With the resurgence of Covid-19, uncertainty of availability of the work force and disruptions in the supply chain may have adverse effects on the projects under execution. However, strategies to overcome these difficulties are being put in place to minimise the impact, and customers are taken into confidence.

Outlook

Market sentiments remaining positive with strong demand, commodity price forecasts remaining bullish in the near term and metal producers recording unprecedented margins are solid impetus towards the new capex cycle.

The GCC economy is returning to pre-Covid levels, with massive vaccination drives by local Governments, enabling quicker recovery.

With the resumption of normalcy post the Covid-19 outbreak and with expected growth pick-up in the infrastructure, coal and cement sectors, all core products are expected to grow in the next year.

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

POWER BUSINESS

Overview:

L&T has established itself as one of the leading EPC players in the thermal Power Plant business in India and is known to deliver complete turnkey business solutions from concept to commissioning. The business has expertise which encompasses every aspect of design, engineering, manufacture, construction and project management.

The business has developed its own capabilities for executing large and complex power projects, which include in-house engineering, state-of-the-art manufacturing facilities, competent manpower and decades of experience earned in executing large and complex projects within and outside India. It has a proven track record of delivering complete power plant solutions with the scale and sophistication to meet India's growing energy needs.

The business executes combined cycle gas-based power projects on a turnkey basis. It has an excellent track-record in implementing projects in India and overseas.

The business has built on its core competencies and capabilities and has emerged as a major player in new emission-control technologies, such as Flue Gas Desulphurisation (FGD) in the thermal power plant industry. It now has a sizeable presence in the FGD business.

The business has project management offices at Vadodara, Faridabad, Dhaka and various project sites.

The business also manages the following JVs:

L&T-MHI Power Boilers Private Limited, a joint venture with Mitsubishi Power Limited, Japan, for the engineering, design, manufacture, erection and commissioning of ultra-supercritical / supercritical boilers in India up to a single unit of 1000 MW.

L&T-MHI Power Turbine Generators Private Limited, a joint venture with Mitsubishi Power Limited, Japan and Mitsubishi Electric Corp. (MELCO), for manufacture of Steam Turbine Generator (STG) equipment of capacity ranging from 500 MW to 1000 MW. The Company is engaged in the engineering, design, manufacture, erection and commissioning of ultra-supercritical / supercritical turbines and generators in India.

2x660 MW Shree Singaji Thermal Power Plant (Stage-II), Madhya Pradesh

L&T Howden Private Limited, a joint venture with Howden Holdings B.V. L&T Howden, is in the business of regenerative air-preheaters and variable pitch axial fans (equipment, after-market spares and services) for power plants.

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

Business Environment

The Covid-19 pandemic has led to the acceleration of the shift to renewable energy, thus leading to subdued tendering activity in the thermal power sector and postponement of tenders. Tenders for FGD Units were also delayed due to changes made by the Government in procurement policies with respect to sourcing from countries sharing a land border with India, which form the major source of raw material supplies for FGD units. The industry is now gearing up to attain self-sufficiency under 'Atmanirbhar Bharat' initiative of the Government of India to reduce its dependency on imports.

The gas availability in India for power generation projects continues to remain subdued, with a large part of installed gas-based power generation capacity being idle. While the LNG prices in international markets had softened due to the pandemic, the landed cost of LNG in India still remains unviable. This, along with low tariffs discovered for renewable energy, makes it extremely difficult for new gas-based power generation projects to take off.

In international markets, the business continued with the execution of projects in Bangladesh. Other markets, such as the GCC and South East Asia, also remained subdued due to reduced demand growth in the wake of the pandemic and the focus on renewable energy.

While utility-scale gas-based power generation projects are a good and viable solution for grid balancing with renewable energy, in the near term, the sector will continue to face challenges such as the inclination of countries towards the installation of more renewable energy projects, stiff competition for tariffs and muted power demand growth. The limited availability of projects and the over-capacity of manufacturing capabilities across the sector continue to put pressure on prices.

Major Achievements

Major achievements by the business during the year include:

- Completion of facilities of India's first ultra supercritical power project for Central Utility in Madhya Pradesh
- Final take-over of 2nd Unit by State Utility for a project in Rajasthan
- Received provisional acceptance for a gas project in Bangladesh

Ultra-supercritical / supercritical turbine manufacturing facility at Hazira, Gujarat

- Performance guarantee test of a gas project in Bangladesh
- Commercial operation of a central utility project in Uttar Pradesh where the supercritical boilers are supplied by boiler JV
- A dominant player in the FGD market, with over 20% of the market share

Significant Initiatives

The business is strategically focusing on new energy areas having significant potential such as energy storage, carbon capture, etc. It is working on a business plan for technology selection and finalisation of Go-To Market strategy.

The business continues to focus on initiatives to reduce cost in areas such as procurement, manufacturing, logistics, value engineering, overheads, etc. to improve its competitiveness, and intends to continue its cost-saving journey in the coming years. The business also enhanced its focus on initiatives to achieve quality and EHS excellence and expand its global footprint.

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

Digitalisation

The digital adoption in the business is progressing at a rapid pace. The business had implemented multiple digital technologies, such as IoT, AR/VR and mobility, in multiple areas of project execution and manufacturing. The business benefits of these implementations are being monitored and measured closely. The next phase of digital has begun, where the focus is on developing new solutions using AI, ML, RPA and Analytics to get insights, achieve automation in most aspects of project execution. Solutions such as connected machines and vehicles to improve productivity and utilisation by predictive analytics, various Bots and mobility apps for efficient business operations and Artificial Intelligence (AI) & Machine Learning (ML) for Video / image analytics are helping project sites in maintaining compliance related to Covid-19 protocols and safety.

Environment, Health and Safety

The business has always laid great emphasis on Environment, Health & Safety of all stakeholders. With the pandemic, challenges were faced at project sites, which were addressed by:

- Liaison / tie-ups with nearby Covid-19 treatment hospitals / facilities
- Augmenting medical facilities and resources to take care of the employees
- Regular sanitisation of all facilities and vehicles

400 MW Bibiyana South Combined Cycle Power Plant, Bangladesh

- Provision of isolation facilities and conducting of regular inspections of labour colony and bachelor accommodation
- Continuous health monitoring (temperature as well as SpO2) of all employees
- Regular training / counselling of all employees regarding precautions to be taken viz. maintaining immunity, wearing a mask, maintaining hygiene, social distancing, etc. Provided essential supplies in labour colony during lockdown.

The business continues to focus on safety awareness through weekly theme-based Safety Toolbox Talks, monthly theme-based safety skits based on monthly Life Saver programme campaigns and activity-based skill orientation programmes for workmen. Specialised external trainings were conducted in welding and gas cutting operations, safe usage of PPEs and a demo on work-at- height rescue, fire safety and fire-fighting techniques at all project sites. An external virtual training programme was conducted on 'Scaffolding and Lifting & Rigging' for various sites for frontline engineers, contractor supervisors, foreman and scaffolders and riggers. Detailed sessions regarding implementation of the EHS Council's 'Mission Zero Harm' roll-out plan for each site were organised.

Use of digital technologies to regulate safe working conditions:

- Developed and implemented Online App STARRT (Safety Task Analysis Risk Reduction Talk) card for multiple or simultaneous or multi-level activities
- Cameras installed in sites / facilities for real-time monitoring and capturing of unsafe acts / conditions and communicating the same to site safety personnel for immediate and long-term corrective action
- Conducted six monthly online Internal EHS audits on the Teams platform with a virtual tour of site operations and interviewing of contractor and operations' employees

Risks and Concerns

With the increased emphasis on renewable energy, the business continues to face headwinds as regards the opportunities available for thermal power. Further, excess manufacturing capacity continues to drive prices downwards and would reflect in the financials of EPC players.

The pandemic has set in some uncertainty on project execution timelines, for which the business has initiated the required steps, considering *force majeure* conditions.

Ultra-supercritical / supercritical boiler manufacturing facility at Hazira, Gujarat

Outlook

While the projections of 267 GW thermal power capacity by FY 2030 as per CEA projections and retirals of old, inefficient, and polluting power plants indicate that thermal power is still going to be the mainstay in country's power generation mix, the business is gearing up for the shift towards new energy opportunities in the near future.

It is estimated that the total installed capacity of power plants for which FGDs are to be installed is around 167 GW, involving 440 FGD units. About 73 GW of FGDs have been ordered till date, while the balance units are expected to gain momentum in next couple of years in order to meet the revised deadlines stipulated by MoEFCC.

The Government has an ambitious plan to increase the nuclear power production to 23 GW by 2031 from the current level of 7 GW. The business sees large-value opportunities in this segment and has tied up with world-class OEMs.

The business is also focusing on international markets for opportunities. The inherent advantages of gas-based power projects, i.e. fuel flexibility and fast ramp up and ramp down capabilities, make it most suitable for grid balancing along with renewable energy projects. New developments for the usage of hydrogen and ammonia as fuel for green power generation are likely to present meaningful opportunities in medium-term future.

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

ARDS Reactor for ADNOC, UAE

HEAVY ENGINEERING BUSINESS

Overview:

L&T Heavy Engineering is amongst the top 3 global fabricators. The business has achieved international recognition through an impeccable track record of executing large complex projects and constantly creating international benchmarks. Capabilities include state-of-the-art, fully integrated globally benchmarked manufacturing facilities, an experienced skilled talent pool and fully equipped technology centres. The safety standards at its manufacturing facilities located in Mumbai, Hazira and Vadodara are on par with international standards.

The business is organised into Product Business Units (PBU) based on their specialisation.

- **Reactor & Pressure Vessels** (RPV) PBU specialises in fabrication of hydro-processing reactors, tubular reactors, gasifiers, ammonia converters, urea reactors, coke drums, FCC reactor – regenerator system, LNG / gas processing pressure vessels and heavy columns
- **Heat Transfer Equipment** (HTE) PBU specialises in ammonia & urea plant exchangers, hydrocracker BLE high pressure heat exchangers, methanol converters, PO reactors, VAM reactors and fired-tube waste heat boiler packages
- **Process Plant Internals** (PPI) PBU specialises in reactor and proprietary process plant internals
- **Modification, Revamp & Upgrade** (MRU) PBU offers value-added end-to-end solutions for FCC reactor, CDU / VDU revamps, urea reactor life extension, coke drum repairs, heat exchanger revamp, urea energy saving projects and emergency repairs
- **Nuclear** PBU specialises in core nuclear island equipment such as steam generators, reactor components (end shield assembly, end fittings), pressurisers, safety heat exchanger, spent fuel storage cask / canister, fusion reactor (ITER assemblies), fast breeder reactor critical for nuclear power sector and critical equipment for ATVP / BARC programmes
- The **Piping center** fabricates critical piping spools for power plants and other process industries

L&T Special Steels and Heavy Forgings Private Limited (LTSSHF) is a JV with Nuclear Power Corporation India Limited (NPCIL) and caters to the demand for

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

critical forgings required for the Indian Nuclear Power programme and for other critical sectors, such as Defence, Hydrocarbon and Oil & Gas. The JV has set up a fully integrated forging facility (from steel scrap to finished forgings of alloy steels, carbon steel & stainless steels) with the capacity to produce a single piece ingot up to 200 MT and finished forgings up to 120 MT.

Business Environment

The business was impacted due to the challenges posed by the unprecedented Covid-19 pandemic. Oil prices touched historic lows and are now seen settling in the price band of $55-65 per barrel. This led to many projects in the refinery sector being shelved or deferred. In the USA and the EU, enforcement of clean fuel standards – Renewable Energy Directive (RED) II, Renewable Fuel Standard (RFS) & Low Carbon Fuel Standard (LCFS) – and Government subsidies have attracted investments to convert old refineries to produce 'Green Diesel / Biofuel'. The business has been successful in making inroads into these new areas and has booked a few orders recently from customers in the USA and the EU. The business also expects growth in the Petrochemical sector due to higher demand of pet-chem products and less volatility in the product prices. Good impetus is expected for integrated petrochemical plants, especially in Asia led by China and the Middle East. The Government has approved mega projects as a part of economic stimulus to revive the pandemic-affected economy. The 'Atmanirbhar Bharat' initiative to drive self-sufficiency is helping local industry. As a commitment to the 21st Conference of the Parties (COP 21) environment regulation, the Government has launched an initiative to gasify Indian coal (100 million tonnes) to methanol. These initiatives have improved the prospects for the business.

The MRU business is identified as a growth initiative, since clients increasingly opt for revamps and defer investments in new greenfield projects. There are good revamp and upgrade opportunities expected in the coming years.

The Indian Nuclear programme entered fleet mode procurement for 700 MWe PHWR. NPCIL has introduced a tender clause to recognise good performance of suppliers by their commitment to award repeat orders. The business stands to gain on this based on the good delivery performance in recent orders.

Major Achievements

In the **domestic market**, the business secured breakthrough orders of acrylic acid reactors for Indian refineries, breaking the monopoly of European manufacturers, and received an order for supply of titanium heat exchangers for IOCL's PTA plant.

During the year, the world's heaviest LC-MAX reactor, weighing 2313 MT, was dispatched to HPCL's Vizag Refinery.

In the **international market**, the business secured orders for the supply of 11 hydro processing reactors for renewable diesel projects in the EU and the USA. In the Petrochemical sector, the business secured orders for new products: four

The world's heaviest LC MAX Reactors, weighing 2313 MT, on the way to HPCL, Vizag

PO reactors from Thyssenkrupp Industrial Solutions, a VAM reactor from Sheng Hong, China and an ethylene oxide reactor from Sibur, Russia.

The business ensured uninterrupted customer supplies throughout the pandemic year by dispatch of four ARDS reactors to Takreer, Abu Dhabi; four coke drums to DUQM, Oman; two EO reactors to Lianyungang, China and the ITER top lid assemblies to France.

In the Nuclear business, good performance in the execution of the ITER cryostat was rewarded with a contract for assembly integration work of the vacuum vessel at Cadarache, France. The business team flagged off the most complex and final assembly of the cryostat, the world's largest stainless-steel, high-vacuum pressure chamber. This was an important milestone in the global nuclear fusion arena as well as a moment of pride for the Make in India initiative. The business has secured an order for 12 Steam Generators (SGs) from NPCIL for the prestigious 3 x 700 MWe Pressurised Heavy Water Reactor (PHWR), strengthening its position as a key nuclear power equipment supplier for the Government of India's fleet-mode procurement programme. The business also created a new global benchmark in nuclear manufacturing by delivering the first out of four 700 MWe steam generators for the Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP) 1 & 2 project in 36 months (12 months in advance) and also dispatched three Ti steam generators for ATVP (3 months in advance of the schedule).

In the Nuclear sector, the LTSSHF JV has received orders for the supply of steam generator forgings for 6 units, end shield plates for 4 units and forgings for pressuriser and bleed cooler for 4 units, to be set up in fleet mode. In the Defence sector, the JV has been certified as the only indigenous producer of large and heavy forgings and thick plates for the prestigious submarine programmes.

Significant Initiatives

The business weathered the challenges posed by the pandemic by adopting safe working practices, encouraging work from home, increasing virtual meetings, virtual audits and inspections, online approvals, etc.

The business launched the 'Knowledge Management' initiative with the aim of being a 'one stop solution' for young engineers seeking information on core product, process and functional knowledge. The Mentoring Wave III initiative was launched, wherein senior colleagues help in competency development of young colleagues through their guidance and support.

The Quality at Root initiative was embarked upon by the business to reduce the cycle time of manufacturing by eliminating duplicate activities. This initiative requires high levels of sensitivity towards quality, and casts responsibility for quality on the same set of employees who are responsible for manufacturing – ensuring 'First time right'.

Digitalisation has become way of life. The business was named the 'Most Digitally Enabled Manufacturing Plant

Forged Hydro Shaft, weighing 36 MT, for BHEL

in L&T' amongst non-construction businesses. Notable digitalisation initiatives include IOT-enabled smart welding stations in welding and overlay operations. Digitalisation in office areas includes automation of design & procurement, supply chain management and estimation system. Many other digital initiatives have been taken, such as virtual 3D layout simulation and Digi-Eye – for real-time project progress monitoring.

In the MRU area, the digital initiatives include coke drum life cycle management using IOT stations, remote safety surveillance using IOT cameras, remote welding monitoring, manpower tracking in confined spaces, detection of hazardous gases in confined spaces, VR bases execution and safety training. All these initiatives have helped in reducing costs, improving productivity and enhancing competitiveness.

Environment, Health and Safety

The business has developed and implemented SOPs complying with Covid-19 protocols for social distancing, PPEs and hygiene.

As a part of the energy conservation drive, installation of magnetic resonators in all furnaces was carried out. Magnetic resonators maximise the specific contact area between fuel molecules and inlet air for complete combustion, which results in less consumption of input gas.

Safety is monitored with both 'proactive' indicators – Reported Safety Concerns (RSCs), Near Miss reporting – and 'reactive' indicators – dangerous occurrences, lost-time injuries and fatalities. The business launched a major initiative, the Behavior Based Safety programme (BBS) to internalise the concept of a safe workplace as a core value.

The business team achieved 0.32 million safe man hours in last year. During the year, 49 webinars on various safety modules were organised by the Safety Innovation School, Hazira.

Human Resources

The business was quick in adopting digital platforms for use during the lockdown period to upskill the talent pool. It effectively utilised Facebook at Workplace to keep employees engaged during lockdowns and reduce pandemic fatigue. 'Baatcheet' sessions were organised to strengthen connect and communication with female employees. The topics discussed included women's development, work from home experiences, retaining women employees, etc. Digitalisation of the entire talent acquisition processes – from sourcing to hiring and onboarding to placement – was implemented, resulting in process efficiencies, and realising virtual hiring. Cultural transformation programmes, designed with the help of internal and external experts, focus on driving the culture of Seven Core Values, i.e. Safety, Quality, Customer-centricity, Trust, Transparency, Action Orientation and Boundaryless Team. The 'Abhivyakti' platform is used for regular interaction with young engineers.

End Shield for the 700 MWe Nuclear Power Plant – GHAVP

HMEL Bhatinda Multi-unit Turnaround by Modification Revamp and Upgrade

Risks and Concerns

The significant demand destruction arising from the pandemic has weakened the financial performance of the global refining industry. Deferment of projects / holds on current projects / customers' facing financial difficulties are some of the key challenges faced by the business. However, the business was quick to identify new opportunities in renewable diesel projects and expand the product offering.

The resurgence of Covid-19 and its impact remains a challenge. The business is closely monitoring this development and is geared to take appropriate steps, in case needed.

The business continues to face foreign competition in domestic projects. To have a level playing field, it is proactively working through industry associates with the ministries to mitigate the gaps. The anomalies in the implementation of public procurement and 'Atmanirbhar Bharat', Bureau of Indian Standards (BIS) and GST by Public Sector Unit (PSU) procurement are being addressed.

Further, the business has launched many improvement initiatives, viz. optimisation of plant layouts, cycle time reduction, implementation of 'Quality at root', upgradation of facilities at Hazira (West) to international standards and extensive use of digital technology. These initiatives have helped the business to meet customer expectations on shorter delivery commitments and retain its leadership position in the market.

Outlook

FY 2021-22 is expected to provide higher growth in view of global economy recovery and lower base effect. It is expected that the investment in renewables / biofuels may increase further due to the legislations. A good number of petrochemical and refinery projects are expected in China, the USA, Europe, South East Asia and Middle East. LNG Projects in the USA, Qatar, Australia, Nigeria and Canada are expected to move forward in FY22.

Domestically, the business expects new projects in the coal gasification, petrochemical and specialty chemicals industries. The MRU business is expected to have an increased demand due to deferred investment which is driving revamp and modifications of existing projects.

Nuclear projects ordering is likely to pick up in FY22 on account of the fleet programme of NPCIL and the foreign technology programme with technology providers such as EDF, Westinghouse and Rosatom. However, Government needs to expedite the pace of tendering process for timely procurement action.

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

K9 Vajra-T self-propelled howitzer at Republic Day Parade rehearsal in New Delhi

DEFENCE ENGINEERING BUSINESS

Overview:

L&T has been active in the Defence sector since the mid-80s, well ahead of the opening up of the sector for private industry participation, by associating with the Defence Research & Development Organisation (DRDO) and naval indigenisation programmes. Having built a portfolio of technologies, products, systems, platforms and solutions, the business provides design-to-delivery solutions across chosen defence segments with a focus on indigenous design, development and production of naval (submarines and warships) and land platforms (armoured systems, howitzers), weapon systems, engineering systems, missile & space launch vehicle subsystems, sensors, radar systems and avionics. These are complemented by R&D and Design & Engineering Centres for targeted platforms, systems and solutions development.

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

- Submarine hull-building facility and an armoured systems manufacturing, integration & testing facility at L&T's Hazira Complex (near Surat)
- Strategic Systems Complex for weapon and engineering systems and sensors at Talegaon near Pune
- Aerospace manufacturing shops for India's space launch vehicle subsystems at Powai (Mumbai) and Coimbatore
- Aerospace and missile subsystems manufacturing at the Precision Manufacturing & Systems Complex and Centre of Excellence for Advanced Composites at Coimbatore
- Strategic Electronics Centre at Bengaluru
- Modern shipyard at Kattupalli (near Chennai)

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

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

1. Defence & Aerospace
2. Defence Shipbuilding

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

Defence & Aerospace

Over the years, the Defence and Aerospace (D&A) business has built a wide range of indigenous products, systems, solutions, platforms and technologies through in-house efforts as well as by teaming up with the DRDO, and has participated in the Indian Navy's indigenisation programme for the development of a range of engineering systems and weapon systems within the country. To date, the SBG has indigenously developed more than 250 defence products, and more than 50 of them have been delivered in serial production mode. The business model is uniquely differentiated through its focus on in-house technology and product development, innovation for serial production, mature and equated partnerships with global majors and through-life support offerings. These enable the business to maintain its market leadership position (in the private sector) in an environment where the Government is aggressively pursuing the indigenisation agenda through 'Atmanirbhar Bharat Abhiyan'.

The SBG also has a Joint Venture (JV) with MBDA, is well positioned to indigenously offer advanced missile systems to the Indian Armed Forces.

Defence Shipbuilding

L&T's Shipbuilding business offers end-to-end solutions for design, construction of defence ships and refit services. The business owns and operates a greenfield mega defence shipyard at Kattupalli, near Chennai, located across a sprawling 980-acre complex. The Kattupalli Shipyard is India's largest shipyard, considering just the first phase spread across 150 acres that has been operational for nearly a decade. The design and construction of the yard is modelled to adapt global best practices, such as modular construction, construction under covered shops, use of a ship-lift with dry and wet berths, etc., to enable simultaneous construction of different classes of vessels until near completion on land, and then launching them through the ship-lift. It is the only Indian shipyard with Industry 4.0 practices embedded, enhancing construction efficiency, cycle time and build quality.

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

The Kattupalli Shipyard has been largely engaged in new builds and refits / repairs of defence ships of the Indian Navy and Indian Coast Guard. Since 2010, the Shipbuilding business has designed and constructed 62 defence vessels and delivered 61 of them, which include a floating dock for Indian Navy, interceptor boats and offshore patrol vessels for the Coast Guard in record time. The unique capability of the business to achieve on-time or ahead of contractual delivery performance in all the contracts for defence vessels is a benchmark in the Indian shipbuilding industry. The shipyard has a

Modular Bridging System

track record of delivering first-of-class vessels on / ahead of schedule and with design and construction maturity and in-built quality. A global benchmark was attained by the Yard in the sea acceptance trials of a 2130 MT class offshore patrol vessel by completing the entire acceptance trials in the maiden sea sortie of the vessel to affirm its design and build quality.

The business does not manufacture any explosives or ammunition of any kind, including cluster munitions or anti-personnel landmines or nuclear weapons or components for such munitions. The business also does not customise any delivery systems for such munitions.

Business Environment

FY 2020-21 started on a challenging note, with Covid-19 pandemic triggering a series of nation-wide lockdowns. The Government's focus on health care and social spending coupled with complete / partial closure of customer offices / operations resulted in disruption in business during the early part of the year. However, in order to minimise the Covid-19 impact on the defence sector, the MoD took several proactive steps, such as provision for contract extension under the *force majeure* clause, additional time for submission of responses to EoI / RFI / RFP, relaxation in performance BGs, etc. The macro picture has been a mixed bag over the recent years. On the one hand, the Government of India is taking substantive steps to promote indigenous production by building a robust acquisition pipeline with preferential categorisation in favour of indigenous procurement of defence systems and accelerating it from the grant of AoNs to RFPs, while, on the other hand, budget constraints have seen order deferments. While there is a significant increase (~10% YoY) in the Defence Services Capital budget in past two years and the same has been enhanced by 19% for FY 2021-22, there is still a substantial gap between the Capital budget demanded by the Armed Forces and the amount allocated. To bridge this gap, a non-lapsable Modernisation Fund for Defence and Internal Security (MFDIS) has been given *prima facie* approval by the MoF. Also, the MoD has started to demarcate funds for domestic capital procurement from FY 2020-21 onwards (₹ 52,000 crore in FY 2020-21 going up to ₹ 71,000 crore in FY 2021-22).

Major Achievements

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

- New benchmarks set up by work centres in terms of deliveries of OPVs, K9 Vajra-T, Combat Engineering Systems, to name few, and maintenance of safety operations aided by digitalisation and automation.
- Delivery of 45 Nos. K9 Vajra-T self-propelled howitzers during the year and completing the contract for 100 Nos. All the howitzers were delivered ahead of schedule with zero non-conformities.

Offshore Patrol Vessel for Indian Coast Guard

- Successful delivery of multiple land and naval weapon launch systems, engineering systems and missile systems to the Indian Armed forces
- Delivery of 3 interceptor boats to the Indian Coast Guard, all ahead of contracted schedule, completing the contract of 54 Nos. Delivered OPV-6 to the Indian Coast Guard. With this, L&T-built Coast Guard Vessels account for ~40% of Indian Coast Guard's operational fleet.
- The R&D and Design & Engineering teams have developed a range of new technologies, products and solutions with a focus on emerging technologies, such as unmanned systems across domains, Augmented Reality (AR) and Virtual Reality (VR), emphasising on the uniqueness of offerings, innovation and presence across the value chain.

Significant Initiatives

The business has identified and signed MoUs / agreements with strategic partners to enhance business opportunities both in domestic and international markets. R&D and innovation have been the backbone of the defence business since its inception, and the business continues to invest in R&D to develop new-age technologies and products such as unmanned systems (all four domains), robotics, additive manufacturing and Artificial Intelligence.

The business has been building a strong position in digital design since the mid-90s and has attained proficiency in the elements of Industry 4.0 in its multiple R&D, Design & Engineering Centres and Production work centres that extend from equipment and systems to the building of complete platforms, such as warships and submarines.

The major disruption caused due to the Covid-19 pandemic-imposed restrictions was the movement of customer and third-party inspectors at factory premises. This challenge was overcome by resorting to digital inspection for the first time and institutionalising the same in the Indian defence industry. To achieve business continuity and meet key deadlines, innovative digital technologies and processes were adopted to provide through life support, training, digital Quality Assurance, trial evaluation and acceptance.

Environment, Health and Safety

The safety track record across work centres, customer locations, and business partners' premises continued to be exemplary. The business has also implemented digital workmen safety systems, such as RFID-based tracking especially in confined spaces e.g. submarines and warships, as well as tagging of assets for online tracking.

The business continues to focus on the triple bottom line and green initiatives. It has achieved significant y-o-y reduction in water and energy consumption, in line with L&T's sustainability focus.

The Shipbuilding team has received the prestigious Award of Honour 2021 from National Safety Council of India, Tamil Nadu Chapter. The Coimbatore facility excelled in very high percentage usage (>80%) of green energy in operations.

Anti-Submarine Rocket-launcher

Lightweight Torpedo-launcher

Human Resources

HR initiatives have been aligned to the overall business strategy by focussing on identifying and grooming high-potential talent, critical for maintaining a competitive advantage, through various management and technology leadership programmes. The business has implemented unique initiatives, such as Lead Next & D-mentors, for the young talent at the middle management level. Attention to leadership and talent development continues as a business imperative.

The business has also received the HR SCORE Award 2021 conferred by FICCI in association with IIM, Trichy. Further, with renewed emphasis, the business has embarked upon employee engagement initiatives to retain and grow talent and continue to be an employer of choice.

Risks and Concerns

The cyclical nature of the business affects the entire defence sector. To mitigate this risk, L&T has developed a bouquet of products across the segment through in-house efforts.

The primarily risk for the business is ordering delays / deferment of orders due to complex MoD processes.

The second wave of Covid-19, which seems to be rapidly affecting the major industrialised states, may once again disrupt operations. To mitigate this business risk, the business has chalked out strategies such as concurrent execution at multiple work-centres, in-house manufacturing of critical sub-systems and vendor consolidation into dedicated feeder shops to address supply chain disruptions, etc.

Outlook

While the Covid-19 pandemic could impact business in the short term, the disruption it created in the global supply chain has further reinforced the importance of self-reliance in a strategic sector like defence. The Government's series of reforms in the defence sector to enhance indigenisation has been given a further fillip through the 'Atmanirbhar Bharat' initiative. A separate budget for domestic procurement and a time-bound Positive Indigenisation Initiative (import ban) for weapons / platforms is expected to open up huge opportunities to the competent Indian industry in the medium term. The prevailing situation at the Line of Control has catalysed the innovative adaption of existing weapons / platforms for high-altitude operations as well as development of indigenous weapons / platforms and has brought renewed focus on completion of trials and accelerated induction into service. The MoD has also announced an outlay of @ 15% or ~₹ 10,500 crore (minimum) for capital purchases directly from the private sector in FY 2021-22 with an assurance of YoY increase.

The MoD has announced significant reforms at different levels as a part of the 'Atmanirbhar Bharat' and Make-in-India visions. At the strategic level, the Draft Defence Production & Export Promotion Policy (DPEPP) has been

Floating Dock for Indian Navy

published, which clearly outlines the vision and roadmap towards achieving significant self-reliance in the defence sector by 2025. Defence Acquisition Procedure 2020 (DAP 2020) was released by the Indian MoD on 30th Sep. 2020. The DAP 2020 aims to accomplish industry friendly, simplified acquisition procedures to maximise indigenisation within the acquisition timelines. Also, the MoD will grant a level playing field in naval shipbuilding and grant escalation on long-term contracts of tenure beyond 5 years.

Strengthening the vision of 'Atmanirbhar Bharat', the Indian MoD has notified a Positive Indigenisation List of 101 weapons / platforms that are banned from being imported. The embargo on import of the listed weapons / platforms will come into effect gradually between December 2020 and December 2025.

Contracts worth ₹ 4,00,000 crore are expected to be placed on Indian industry within the next five to seven years for the procurement of such systems / platforms covered in the first Indigenisation list. A second Indigenisation list of 101 platforms / equipment and systems has been drafted and put up for Government clearance to be issued in the near future.

The Government has announced several reforms towards commercial exploitation of opportunities in the space sector. An autonomous regulatory body, IN-SPACe (Indian National Space Promotion and Authorisation), has been created to hand-hold and promote private industry in the space sector.

The role of NSIL (New Space India Limited), a PSU under the Department of Space (DoS), has been redefined and empowered to offload the operational activities of ISRO in the areas of launch vehicles and satellite production as well as services through private consortiums.

L&T has been a trusted industry partner to ISRO and the Indian space sector for nearly five decades and has been involved in the production of a range of hardware for all the launch systems of ISRO, besides partnering it to develop a host of test / simulation facilities, instrument grade sensors, as well as strategic raw material independence. The reforms announced in the space sector will enable private sector companies – like L&T, which has built, and enhanced their capabilities over the last few decades – to take on the complete manufacture and integration of launch vehicles as well as satellite bus manufacturing and associated services.

Overall, with increased focus of Government on indigenisation and impetus provided to 'Atmanirbhar Bharat' initiative, business opportunities are likely to enhance in the coming years.

Change in Segment Reporting

The Military Communication Business of Defence Engineering Segment has been transferred with effect from April 1, 2020 to Smart World and Communication business and reclassified to the 'Others Segment'.

HM platform built and installed as part of ONGC's Heera Phase III Development Project

HYDROCARBON BUSINESS

Overview:

L&T Hydrocarbon Engineering Limited (LTHE), a wholly owned subsidiary of L&T, provides integrated 'design and build' turnkey solutions for the hydrocarbon industry globally. The business executes projects for oil and gas extraction and processing, petroleum refining, chemicals and petrochemicals, fertilisers, cross-country pipelines and terminals. In-house capabilities range from front-end design through detailed engineering, procurement, fabrication, project management, construction, and installation including commissioning services.

LTHE has a fully integrated capability chain across the value chain, accentuated with in-house engineering and an R&D centre, world-class modular fabrication facilities, as well as onshore and offshore construction and installation capabilities. Major facilities in India include Engineering & Project Management Centres at Mumbai, Vadodara, and Chennai, and Fabrication Yards at Hazira (near Surat) and Kattupalli (near Chennai). The business has an overseas presence in the Middle East, i.e., in the UAE (Sharjah), Saudi Arabia (Al-Khobar), Kuwait and Oman (Muscat) as well as Algeria. International business is served through state-of-the-art Modular Fabrication facilities at Sohar in Oman and an integrated manufacturing facility at Jubail in Saudi Arabia.

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

Offshore

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

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

One of three gas PDMs installed in Hasbah and Arabia Offshore, Saudi Arabia

Delivered and installed two oil PDMs and associated facilities in Zuluf Fields, Saudi Arabia

Projects in the Middle East are being pursued by the vertical with significant thrust to localisation for In-Country Value benefits in the UAE, in addition to the already commenced In-Kingdom Total Value Add (IKTVA) programme in Saudi Arabia. This trend can multiply opportunities in the region, going forward.

Onshore

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

Construction Services

This business vertical renders turnkey construction services for refineries, petrochemicals, chemical plants, fertilisers, gas-gathering stations, crude oil & gas terminals, and underground cavern storage systems for LPG (leveraged for gas & new development such as hydrogen storage) and cross-country oil & gas pipelines.

Its major capabilities include heavy-lift equipment erection competency, application of advanced welding technologies, high levels of automation, management of manpower and material in large volumes at construction sites and Quality / HSE systems conforming to international practices. The business has also invested in strategic construction equipment, a range of pipeline-spread equipment, automatic welding machines and other plant and machinery for electro-mechanical construction works.

Modular Fabrication Services

This vertical specialises in modular fabrication and supply of offshore structures and process modules, including free-standing static equipment for oil & gas fields, refineries, petrochemical plants and fertiliser complexes. Leveraging its modular capability, much of the on-site work for mega jobs – such as Residue upgradation facility (RUF) for HPCL Vizag Refinery and for Sonatrach South West Gas project in Algeria – are being executed at the fabrication yard.

World-class modular fabrication facilities are strategically located in India at Hazira (India's west coast) and Kattupalli (India's east coast). International projects are served through a state-of-the-art fabrication facility at Sohar (Oman). The combined annual capacity is more than 200,000 MT (depending on the product mix). An integrated manufacturing facility at Jubail in Saudi Arabia caters to the local market and works towards developing local skills and supporting the In- Kingdom Value Added programme of Saudi Arabia. The business is also equipped to supply foundations and other modules for offshore wind-farm projects and e-houses. The all-weather waterfront facilities provide easy access to clients across the globe, and have load-out jetties

LNG Tanks under construction for Adani's Dhamra LNG Terminal

suitable for the dispatch of large and heavy modules via ocean-going vessels and barges.

Advanced Value Engineering & Technology Services (AdVENT)

AdVENT vertical fosters new business lines and technologies to make LTHE future-ready. It provides all the in-house support required for new areas of green energy, modular solutions, cutting-edge hydrocarbon technologies and smart differentiated solutions in the hydrocarbon industry. Leveraging its domain knowledge and expertise in high-end engineering based on experience gained from the execution of large-scale, technologically complex EPC projects for the business coupled with collaborations with well-organised R&D centres, renowned institutions, hi-tech and core-tech start-ups, AdVENT delivers comprehensive customer-centric solutions. AdVENT will also focus on new energy areas, such as grey to blue hydrogen in existing refineries to reduce the carbon footprint.

Business Environment

The global oil & gas industry has faced periodic downturns in the past. However, the industry witnessed a double whammy – supply glut and diminished demand caused by the Covid-19 pandemic and the resultant lowering of oil prices to unprecedented levels. Even before the outbreak of the Covid-19 pandemic, the industry was reeling under very low crude oil price caused by over-supplies. During 2020-21, the oil & gas industry witnessed CAPEX cuts and deferral of tendering and awards. Further, excess capacity pursuing limited prospects, the competition intensified.

Further, with the pandemic-led lockdowns, the eventual new norms resulted in operational challenges due to supply chain disruptions and workforce migration that prolonged the project cycles.

LTHE quickly adapted to the new norms by reprioritising critical activities and leveraged digital tools effectively to manage remote operations. The business implemented safety protocols across all facilities and sites by formation of several small camps to minimise the spread of Covid-19, Work from Home for office employees, incentives for labour to stay back at sites, quality checks through video and new production / construction process / methods.

Relaxation of lockdown restrictions, curtailment of production by OPEC and its allies from the second quarter of the financial year resulted in the gradual recovery of oil demand leading to a more favorable crude oil price between USD 55 and USD 65 per barrel, which stabilised the capital investment climate for ongoing projects – albeit at a slower pace. With the rebound in oil price and increased focus by Governments to develop gas assets, E&P activity is expected to slowly gain momentum.

Despite the above challenges, LTHE maintained a healthy order backlog and remained focussed on executing ongoing projects resulting in better financial performance as compared with its global peers.

Major Achievements

Major orders won during the year

- EPCIC contract for new Living Quarters (LQ) and revamp at 'NQ Complex' (NLRNC-RT2) involving a new living quarters platform

n-Paraffin & Derivative Complex for Farabi Petrochemical Company at Yanbu, KSA

- EPCC contract from HPCL Rajasthan Refinery Limited (HRRL) for setting up a Petrochemical Fluidised Catalytic Cracking (PFCC)
- Biggest EPCC contract awarded in the country in the refinery & petrochemical sector from HRRL for setting up a Dual Feed Cracker Unit (DFCU), EPCC-07 Package (capacity: 890 KTPA) for Rajasthan Refinery Project at Barmer, Rajasthan
- Contracts for CMIE (Civil, Mechanical, Instrumentation, Electrical) works for Raba and Hanya Phase 2 Field Development Project as well as Mabrouk North East Field Development Project for Petroleum Development Oman
- Fabrication Contract for supply of offshore jackets from an international customer to be executed from LTHE's modular fabrication facility
- CMIE works at ethane facility upgrade at Juaymah NGLF plant for Saudi Aramco

Projects Completed

- Linear Alkyl Benzene, Normal Paraffin and Speciality Oils Unit are commissioned and under normal operation at Yanbu, Saudi Arabia for Farabi Petrochemicals Company. Performance guarantee test runs are completed.
- Achieved full production (40K BOPD) at Haliba field for Al Dhafra Petroleum. 72 hours plant performance guarantee test run demonstrated.
- INDMAX Fluid Catalytic Cracking Unit (FCCU) Project for IOCL's Bongaigaon Refinery in Assam successfully commissioned and handed over to the customer and accolades were received from IOCL Chairman on the implementation.
- Adani LNG – Dhamra – Critical milestone of 'roof air raising' of 2 tanks was successfully achieved.
- Completed offshore installation of all the 3 gas Production Deck Modules (PDM) completed in Arbiya and Hasbah fields off KSA and 2 oil PDMs in Zuluf field.
- Construction is completed for Cairn–Vedanta Mangala field upgradation at Barmer and final stages of commissioning are in progress.
- IOCL's Paradip Hyderabad Pipeline Project substantially completed.

Awards and Accolades

- The Company was ranked second among the top 30 EPC Contractors by the Oil & Gas Middle East magazine for securing many huge contracts from Saudi Aramco as part of its 'long-term agreement'.
- The Company was presented the 'EPC-Company of the Year' award by Federation of Indian Petroleum Industry (FIPI).

Significant Initiatives

LTHE has taken a three-pronged approach to better handle the situation brought about by the onslaught of the Covid-19 pandemic together with many business challenges, such as oil price volatility, reduced investment cycle, energy transition, etc. Christened the **PIO**

118-km crude transit line from North Kuwait to CMM for KOC

(**P**rotect-**I**nnovate-**O**pportunise) programmes – there are three pillars to sustain long-term growth initiatives and identified as 'SHIELD', 'DREAMS' and 'DHOW'.

Programme 'SHIELD' is aimed at protecting the existing business, prioritising its products and services currently on offer and identifying products and services that can be quickly developed and scaled to satisfy the transforming market. It aims to attract new customers and geographies with innovative ideas and deep focus on stepping-up the business development activities, and develop localisation plans in the countries which are core to LTHE's growth agenda by offering smart solutions.

Programme 'DREAMS' focuses on efficiency and speed in operations. The most significant action under DREAMS is the initiative called SESA (Simplify, Eliminate, Standardise and Automate) which drives digital solutions, productivity enhancement measures at fabrication yards and construction sites and knowledge management and capability development.

As a part of Digital Transformation, LTHE continues to focus on the areas of Smart Collaboration & Augmented Reality, Industrial Internet of Things, Enterprise-wide Project Lifecycle Management programme (EPSILON) and Predictive Analytics to enhance efficiency in operations.

LTHE has embraced the culture of productivity and quality enhancement at yards as well as construction sites. These include automated welding, extensive use of jigs & fixtures as well as assembly line concept, full kitting, and serial production technique for fabricating multiple jackets concurrently, which helped in the fabrication of a jacket in a record time of just 98 days at the Sohar Fabrication Facility. As part of improving safety and productivity, LTHE is maximising work on the ground rather than at a height for the fabrication of modules. To address construction challenges for onshore projects that are at remote locations or at congested plants, LTHE is maximising the modularisation at yards.

Programme 'DHOW' focuses on transforming the organisation to attract clients to support their efforts in the upcoming energy transition in areas such as green hydrogen, decarbonisation, biofuels and the circular economy. Digitally-enabled O&M is also identified as an adjacency to its existing business capability to be one of the future growth engines.

LTHE is also actively engaging with various R&D Centres and start-up companies to develop emerging technologies and create differentiated solutions.

Environment, Health and Safety

LTHE had taken preventive control measures to overcome the effect of Covid-19 and safely delivered more than 32 million man-hours at a stretch across various projects in domestic and international markets, including the modular fabrication yards.

For effective implementation of the HSE management system uniformly across the business verticals and strengthening the safety culture, LTHE consolidated all its operations under a single ISO Certification for ISO 14001 and 45001.

Onshore process and pipe rack modules being dispatched from MFF Kattupalli

The digital platform is used to facilitate online incident reporting and investigation, pilot electronic permit to work at four locations and remote HSE assurance audit.

To strengthen compliance to the HSE system and raise awareness, LTHE conducted management walkthroughs, both virtual and physical, to emphasise monitoring performance at fabrication yards and project sites, HSE audit reporting, mock drills, safety meetings, continuous training in HSE practices and webinars.

LTHE bagged eight domestic and three international awards in recognition of best performance under the category of Health, Safety and Environment, e.g.:

- NSCI (National Safety Council of India) 'Shreshtha Suraksha Award – Silver' for HPCL FCHCU Project
- CII-SR EHS Excellence Awards-2020 with 4-Star Rating under Infrastructure Construction Category
- ICC (Indian Chambers of Commerce) Platinum Award in Oil & Gas sector under Large Enterprises
- Frost & Sullivan's Safety Excellence Award 2020 – MFF Hazira
- ASSP (American Society of Safety Professional) HSE Excellence Award for the KOC TL- 05 and Aramco Hasbah Projects

In recognition of achieving critical project HSE milestones and best HSE performance metrics, LTHE also received 17 recognitions from various customers such as Farabi for achieving 31 million safe man-hours in the Paraffin project at Saudi, HURL for achieving 19 million safe man-hours at Sindri and 17 million safe man-hours at Barauni.

Human Resources

L&T Hydrocarbon Engineering focuses on acquiring and grooming a unique and diverse set of talent, with the right attitude.

To inculcate a culture of driving continuous career opportunities of internal talent, LTHE has initiated a career planning architecture for the sustainable growth of its employees, with more emphasis on the top talent. Specific programmes for Resident Construction Managers (RCM) and Young Fabrication Professionals (YFP) are designed to develop construction and yard professionals. As a commitment to create a highly engaged workforce, LTHE actively communicates through multiple forums such as Town Hall sessions and Fireside chats. LTHE always tries to inculcate a culture of appreciation through various reward and recognition interventions. The 'I-TOO' recognition framework, annual ICONS, Long Service Awards, Talent Champions, Counselling & Well-being support, and a bouquet of custom-designed calendared interventions are cascaded across the organisation to the most remote sites with the aim of enhancing employee motivation. LTHE is committed to improve the gender balance across all functions and levels.

As the Covid-19 pandemic brought uncertainties and extra stress in both personal and professional lives of employees, LTHE engaged with employees at various levels by frequent interventions from senior leadership and CEO and across leadership strata to ensure engagement. LTHE ensured

Convection modules built at MFF Hazira for HMEL Cracker Furnaces Project

medical assistance on 24x7 basis by arranging doctors and ambulances for about 25000 staff and workmen. Also, LTHE made arrangements in co-ordination with Government departments and embassies to evacuate employees stranded in foreign countries.

Risks and Concerns

Cost-competition is becoming challenging and is further accentuated by increasing the in-country value for localisation in some of the regions where the business has a presence. LTHE is focussing on meeting the localisation requirements in an optimal way.

Typical risks in the EPC business are stiff contract conditions, tight schedules, counter-party risks, currency and commodity exposures, vendor defaults, delay in material delivery, QHSE, productivity, etc. The risks are mitigated through specific actions, such as strong contracts and claims management process, assigning strong project management teams at the pre-bid stage, operational excellence initiatives, strategic partnerships, non-negotiable QHSE compliance, taking derivative covers to hedge foreign currency and commodity fluctuations.

Covid-19 had an unprecedented impact on business operations. LTHE mitigated the risk with well-prepared plans deployed across locations, work and safety protocols, knowledge sharing and monitored continuously in a structured manner by the crisis-management team.

The risk management policy and guidelines have facilitated the creation of a consistent set of standard tools and templates incorporating global best practices and procedures.

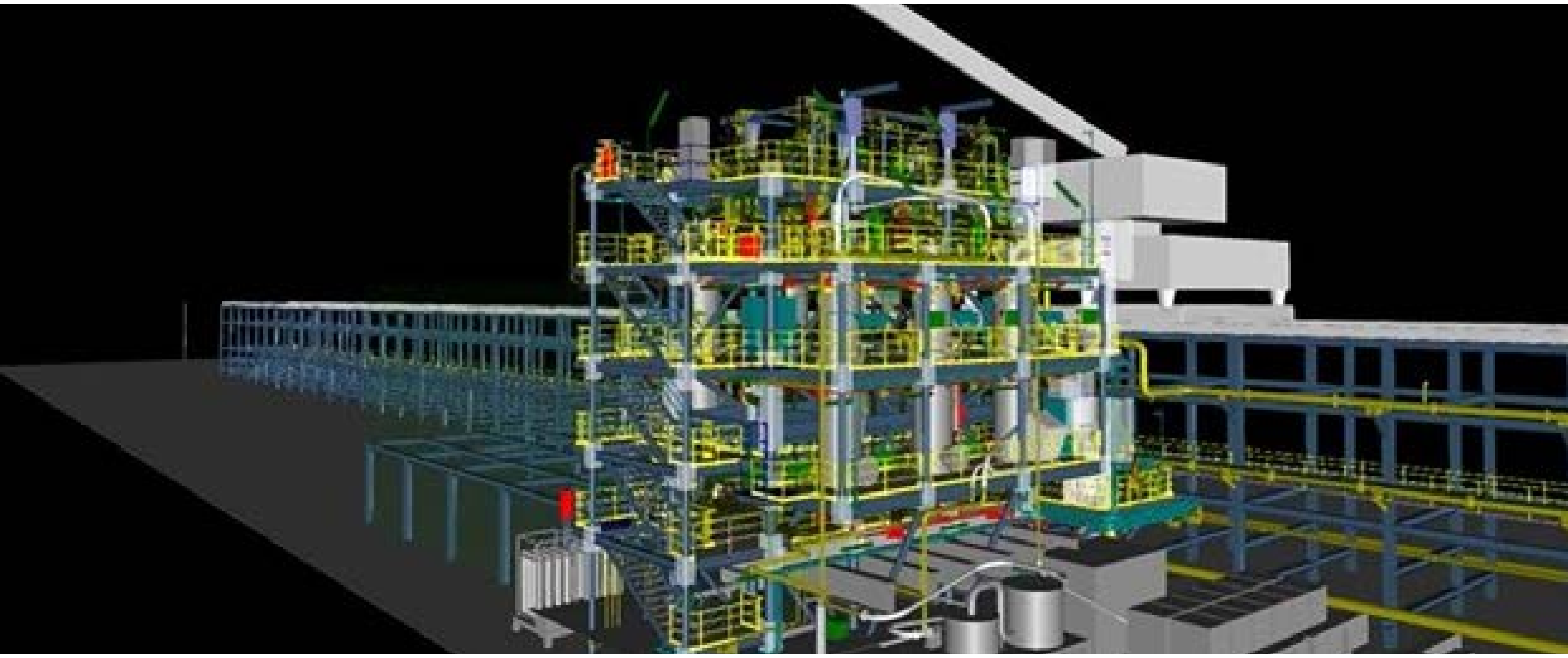
Outlook

In India, the Central Government, is planning to spend around ₹ 7,50,000 crore to build oil and gas infrastructure over the next five years. For the FY 2021-22, the Union Budget has proposed a capital outlay of ₹ 1,04,870 crore for oil and gas companies. ONGC's capex guidance for FY 2021-22 would once again normalise to the historical average of ₹ 32,000 crore for the offshore segment.

The present share of natural gas in the energy mix of the country is 6%. The Government's aim is to increase it to 15% by 2030 which will bring in significant investment in developing gas infrastructure, LNG regasification terminals, pipelines (~ 14,700 km) and city gas distribution.

Refining capacity is likely to increase from 250 MMTPA to 400 MMTPA by 2030. IOCL Panipat (from 15 to 25 MMTPA), IOCL, Gujarat (from 13.7 to 18 MMTPA) and NRL (from 3 to 9 MMTPA) are planning to expand their capacity. A 9 MMTPA grassroot refinery is also planned by CPCL and IOCL at Nagapattinam.

Petrochemical demand is growing at a CAGR of about 7.5% (~1.2 MMTPA) and this will drive investments in refinery-petrochemical integration and Oil to Chemical (O2C) / Crude-to-Chemicals (C2C) projects. India is also planning to convert 100 MT coal into gas by 2030 which will lead to projects for coal to fertilisers / coal to methanol.



3-D rendering of ExxonMobil Serpentina H2S Management Project

In the Middle East, investments in Saudi Arabia are reviving and capital projects with investments in the range of USD 17 billion for offshore and onshore projects in Zuluf and Safaniya fields are expected to be tendered in the upcoming period.

While in the UAE, ADNOC remains committed to its 2030 Smart Growth Strategy of increasing its oil production from 4 mbpd to 5 mbpd, though simultaneously focussing on hydrogen and renewables. Business opportunities are expected from Qatar, which is investing in increasing its leadership as the largest gas producer in the world, and is also restoring its diplomatic ties with Saudi Arabia and UAE.

Other markets in South East Asia, such as Vietnam, are expected to continue developing gas-based projects. LTHE is looking for new geographies in the Far East, such as Mongolia. In Algeria, Sonatrach plans to invest USD 40 billion over next five years. LTHE is currently executing a mega project for Sonatrach and will focus on upcoming opportunities.

The US market has opportunities for the Modular Fabrication Yard for modules for LNG, carbon capture & storage, petrochemicals and offshore windfarm segments.

The Covid-19 pandemic has fast forwarded the clean energy transition across the world. Hence the capital allocation is likely to be diverted from fossil fuels to push new developments in renewable energy. However, it is also likely to increase spend on de-bottlenecking facilities, brownfield upgrades, enhanced oil recovery and similar projects to enable oil & gas companies to maintain production levels in otherwise depleting extraction wells.

E&P operators are diversifying into renewables. Rapid electrification of automobiles as well as the use of hydrogen as a fuel is gathering pace and traction. While coal may be the least preferred followed by oil, natural gas will continue as the transition fuel during this shift to renewables.

LTHE will continue to expand its bid pipeline and explore new clients and new markets for its existing business and is building capabilities to address opportunities arising out of new businesses. Operations & Maintenance (O&M) and New Energy Transition have been identified as the future growth engines. LTHE is positioning itself to offer integrated Power-to-X solutions across the hydrogen value chain from technology, production, storage, and distribution of derivatives such as ammonia and methanol.

LTI Headquarters, Powai, Mumbai

IT & TECHNOLOGY SERVICES

L&T INFOTECH

Overview:

L&T Infotech (LTI) is a global technology consulting and digital solutions company helping more than 420 clients succeed in a converging world. With operations in over 30 countries, the business goes that extra mile for its clients, and accelerates their digital transformation. Founded in 1997 as a subsidiary of Larsen & Toubro Limited, its unique heritage gives it unrivalled real-world expertise to solve the most complex challenges of enterprises across all industries. Each day, the team of more than 34,000 LTItes enables clients to improve the effectiveness of their business and technology operations and deliver value to their customers, employees and shareholders.

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

- Banking and Financial Services
- Insurance
- Manufacturing
- Energy and Utilities
- Consumer Packaged Goods (CPG), Retail and Pharma
- Hi-Tech, Media and Entertainment

The business has offerings across the following service lines:

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

Business Environment

FY 2020-21 has brought in an unprecedented change in LTI's operating model in the light of the pandemic. In these unusual times, the primary focus at LTI has been on

LTI Command Centre, Johannesburg

employee safety and safeguarding the business interests of clients.

NASSCOM's CEO survey pointed out that digital transformation deals have seen a 30% jump since the pandemic. There is a clear shift in focus from legacy / cost optimisation to front-end customer experience. The top three tech priorities are cloud, advanced analytics and cyber security.

However, with growth coming back, access to capability and right skills will need more focus as well. As organisations move from services to platforms, build of new business models and fast- track inorganic growth, new talent capabilities will be in demand.

The vertical-specific, key trends observed are as follows:

a) **Banking and Financial Services:** IT spending of the Banking industry in the digital space has largely been resilient. The pandemic has accelerated digital transformation to enable enhancement of straight through processing and improvement of operational effectiveness. Banks are also dealing with Covid-19-induced buying behaviour and unprecedented liquidity in the economy due to massive global stimulus programmes. As a result, technology investment in lending and wealth products is seeing a significant surge. Banks in some regions were also hit by challenges of money laundering and cyber security. Hence, solutions around Know Your Client, Anti-Money Laundering and other regulatory requirements have been key drivers for IT spend as well.

b) **Insurance:** The pandemic and other catastrophic losses, such as those caused by hurricanes and wildfires, impacted many insurers. With increased exposure, the lowest-ever interest rates, and increasingly sluggish economic conditions, insurance companies faced significant economic challenges. Digital spend, however, continued to be prioritised by insurers, with Covid-19 forcing companies to quickly adopt remote and digital ways of working. In addition to an increased focus on expense management, insurers are likely to prioritise digitising core services, aligning and reimagining insurance products to the 'new normal', and hardening the organisation against newly exposed cybersecurity concerns and regulatory challenges.

c) **Manufacturing:** This sector includes Industrial Manufacturing, Automotive & Aerospace and was one of the most impacted by the pandemic during the early part of the financial year. With many manufacturing facilities shutting down due to Covid-19, cost containment became a top priority and led to reduced IT spend initially. The sector saw a smart recovery during the latter part of the year as factories and supply chains opened up and started to work in innovative ways. Companies in the manufacturing sector have realised that digital operating models will be the key to

Mosaic Experience Centre, Powai, Mumbai

future growth e.g., direct-to-customer and subscription revenue models, as opposed to distributor and product-sales led models. Therefore, digital transformation will take on greater urgency and will drive capital spend, both in deploying new digital business model capabilities as well as in overall digital infrastructure and readiness.

d) **Energy and Utilities:** This sector was one of the most impacted due to a combination of Covid-19 and the fall in commodity prices. Recovery is tepid, and spends continued to be impacted. Going forward, improved macro-economic conditions as well as full-scale vaccination efforts across the world should aid recovery in demand in the oil & gas space. Utilities have bounced back to near normalcy, showing good growth rates.

e) **Consumer Packaged Goods (CPG), Retail and Pharma:** The CPG and Retail space witnessed renewed focus on omnichannel experiences and digital investments focusing on online and physical stores for seamless home-based shopping. The pandemic ensured a higher push for consumer connect and optimising B2C business models by investments in digital commerce capabilities, driving hyper-personalised customer experiences with low touch mechanisms and using new-age technologies like AI/ML.

In the pharma industry, the focus is on fast-tracking drug discovery for vaccines and building a robust and receptive supply chain. As a result, R&D and Manufacturing functions took precedence to accelerate time-to-market and build scale at push-button speed. AI-driven R&D to expedite drug discovery, personalised medicines by predicting individual disease trajectory, digital supply network and connected patient experience are some of the top-of-mind business priorities. Security and compliance also remained as key considerations in accessing patient information.

f) **Hi-Tech, Media and Entertainment:** The shift to working from home with the help of digital collaboration tools is likely to drive demand for hi-tech companies. To support this shift, a growing need for infrastructure, like cloud computing for business or increased broadband consumption for consumers, will be much sought after. Media companies will continue to make heavy investments in digital technologies and focus on faster delivery of digital products by leveraging global delivery model. Apart from investing in building video streaming platforms, there will be considerable focus on applying AI/ML technologies in the area of content discovery and content management.

Major Achievements

During the year, LTI further strengthened its partnership and alliances ecosystem. Key achievements include:

- LTI became an Elite Services Partner of Snowflake, the Data Cloud company. LTI also became the maiden partner

LTI Delivery Centre, Mahape, Mumbai

for Snowcase, a programme that Snowflake is launching to develop and market industry-specific solutions to accelerate the cloud data transformation journey of enterprises.

- Elevation of LTI to 'Premier' partnership with Google Cloud
- 'Platinum' partnership with IBM, and
- 'Elite' partnership with ServiceNow

During the year, the Morgan Stanley Capital International Index (MSCI) included LTI as part of its Global Standard Indexes. LTI was also recognised as one of the top 5 IT brands in India as well as one of the Top 100 brands in the country as per the 'India 100 2020' report by Brand Finance, an independent brand valuation consultancy.

Large Deal Wins

a) A UK-based wealth management firm has selected LTI for a multi-million, multi-year deal to provide remote infrastructure support, modern cyber security services and migration to IBM Power Cloud from their legacy wealth management platform.

b) LTI has been selected by a key Government ministry for large data and analytics led transformation deal. As part of the deal, applications and operations will be transformed and developed for collection and dissemination of data as information, case management and fraud management using artificial intelligence.

c) A UAE-based leader in digital transformation has selected LTI as its partner of choice to provide infrastructure and application operations support and maintenance for its existing and new customers. As part of the deal, LTI will also partner with end customers on their journey to cloud and transform operations to bring in best-shoring and automation.

d) A Global Fortune 500 energy company has chosen LTI as its primary partner for an application managed services agreement to create and consolidate a business-aligned IT services delivery platform across the organisation and reduce the total cost of ownership.

e) LTI has been chosen as a long-term strategic partner in a vendor consolidation deal for management of core insurance platforms for a large Fortune 500 insurance company.

f) A leading regional bank, a new logo, selected LTI for a core banking transformation programme involving implementation of Temenos.

Awards and Recognition

LTI was recipient of several awards, key of which are:

a) LTI ranked #1 in the Institutional Investor's 2020 All-Asia Executive Team survey, across all sell-side categories in

LTI Welcome Centre, Powai, Mumbai

the Technology / IT Services & Software space. It was the only IT Services Company to be included in the 'Most-Honored' List 2020.

b) LTI topped the list of 'IT Services Challenger 2021' in Everest Group's PEAK Matrix Service Provider of the Year TM Awards.

c) Forrester Research recognised two key LTI product offerings — Leni and Mosaic in its report on Tech Tide™: Enterprise Business Insights and Analytics, Q1 2021.

d) Information Services Group (ISG) has named LTI a Leader in Artificial Intelligence for IT Operations (AIOps) – Mid Market in their 2020 ISG Provider Lens™ Intelligent Automation – Solutions and Services report for the US.

e) LTI was recognised as a Leader in the ISG Provider Lens™ Digital Business – Solutions and Service Partners Report, US 2020.

f) LTI recognised as Leader and Star Performer in Everest Group's Application and Digital Services in Capital Markets PEAK Matrix® Assessment 2021.

g) LTI recognised as a Leader and Rising Star in the ISG Provider Lens™ Next-Gen Private/Hybrid Cloud – Data Center Services & Solutions Report, Nordics 2020.

h) LTI was ranked among the top 50 companies (Rating 'A') in the Business World India rankings for Most Sustainable Companies 2020.

i) LTI has been recognised as a Great Place to Work-Certified™ Company in the USA.

Significant Initiatives

The year gone by has made it apparent that organisations need to reimagine their operating models and embrace digital transformations to ensure that they remain relevant. It is no longer the preserve of only large companies and industry leaders but has become a necessity for companies of all sizes.

LTI's Go-to-Market strategies around Digitising the Core, Operate to Transform, Data-driven Organisation and Experience Transformation are finding even greater resonance with clients in their journey to new operating models.

During the year, LTI launched 'The Grit Alliance' framework to programmatically help clients navigate the 'new normal'. Leveraging LTI's strengths and IP to co-create material outcomes, the approach involves analysing client functions across their core (product development, manufacturing, supply chain, sales & marketing, etc.) as well as foundational functions (finance, corporate functions, shared services, HR) and tech enablers to bring about efficiencies across the board.

LTI Delivery Centre, Whitefield, Bengaluru

LTI Delivery Centre, Hinjewadi, Pune

Based on the convergence of market trends and the capabilities built by LTI, two areas emerged as huge opportunity areas: the cloud business – including the work done in partnership with the Hyperscalers such as Amazon Web Services (AWS), Azure & Google Cloud Platform (GCP) – and the data products business with LTI's market-leading platforms and products, viz. Mosaic and Leni. LTI is setting up units which will be dedicated and focused on building these businesses. These units will be a key investment area in terms of sales, marketing, alliances and capability build.

LTI's xFH or Everything from Home framework is brought to life by 'LTI Canvas', a curated platform consisting of LTI solutions, Microsoft technologies, and select third-party tools. It is designed for a workforce to collaborate and deliver excellence remotely. LTI Canvas is a modern software engineering platform which uses AI to nudge the right set of behaviour and collaboration. It harnesses data generated from across the lifecycle – such as user stories, code, test cases and defects to provide insights for software development and to predict outcomes for effective decision making.

LTI launched an app for return-to-workplace, LTI SafeRadius. It helps ensure workforce well-being and enhances operational efficiency. The app provides rich and intuitive operational risk analysis by recording, processing, integrating and presenting data from various sources within and outside an organisation to construct a robust incident management process to help control the spread of Covid-19.

LTI has partnered with Temenos, the banking software company, to launch a Digital Banking Platform, powered by Temenos technology. The platform will modernise legacy core banking systems in the Nordic region, enabling financial institutions to be more agile and scalable while reducing operating costs. The partnership heralds a new era for Nordic banks as it brings together LTI's expertise in the domain and its deep understanding of Temenos functionality and advanced cloud-native, cloud-agnostic, AI and API-first technology solutions, enjoyed by over 3,000 banks in over 150 countries.

Human Resources

In response to the Covid-19 outbreak, LTI swiftly enabled the work-from-home option for almost all of its employees, ensuring their safety and well-being, while maintaining the continuity of operations. xFH or Everything from Home framework helped smoothen the transition for all employees.

A global helpline and email address were set up to answer questions about Covid-19. An internal portal was set up which acts as a one-stop destination for accurate information and guidelines about the Covid-19 situation. LTI's An AI-Powered Chatbot, through which employees could share their concerns and give feedback, was also launched during the year.

The LTI culture is one of inclusivity and transparency. A gender-inclusive workforce is a natural result of this outlook,

LTI Delivery Centre, Warsaw, Poland

which is deeply woven into its ways of working. This year, LTI has become a signatory to the United Nations Women's Empowerment Principles (WEPs). Programmes such as 'Revive with LTI' for women, networks such as 'Women for Women' and zero tolerance for harassment corroborate the commitment to diversity.

LTI's workforce also includes employees from several nationalities, spread across the globe. To further strengthen this, an initiative 'Project Plus' has been put in place and is aimed at increasing the proportion of local talent in the workforce. As part of this project, students from local academic institutions are recruited. This helps LTI to foster a more diverse workforce that is not only competent, but also well-versed with the markets in which the business operates.

LTI did not delay the joining of any new hires, including trainees, and addressed all their queries and concerns through correspondence and specific induction calls. To better prepare the new workforce to manage their tasks efficiently in these times, a 'Remote Working Module' was incorporated in the curriculum.

During the year, LTI launched LTI Shoshin School whose overall framework is centred around creating an ecosystem that brings multiple learning content together and provides a standardised learning experience, thereby promoting a culture of continuous learning. This platform offers a single window of learning options for technical, functional, behavioural and leadership skills. It provides access to a wide range of courses from the best content and learning providers in the world. Participants are able to track, share, curate and measure their learning from any source, such as live and online courses, articles, blogs, videos, podcasts, work experience, skills, and events.

In the area of succession planning, LTI developed a job family articulation strategy, which defines the entire lifecycle of an employee's career progression. For leadership roles, LTI launched programmes that cater to mentoring and talent identification across multiple levels. These individuals attend guided sessions to expedite their transition into senior leadership roles. There is an exclusive mentoring programme under the guidance of the respective CXOs, which follows a three-pronged approach based on the expansion of role, leadership behaviours and perspectives about the macro and micro areas of business. These initiatives strengthen the succession pipeline, while also creating an opportunity to fulfil leadership requirements from within the business units, thus supporting employees in pursuing their desired career paths.

Risks and Concerns

Client relationships are at the core of the business. The Company enjoys a history of high client retention and continues to derive a significant proportion of revenue from repeat business built on the successful execution of prior engagements. Also, efforts are on to expand the client

Mindtree West Campus, Bengaluru

base and geographies, as well as increase the value-add of deliverables.

The major risks faced by the business include failure to align the services portfolio with newer and in-demand technologies. A technology architecture group has been created to ensure continuous skill alignment with market needs. Evolving geo-political and economic conditions may affect the client's business, which is regularly monitored.

Due to mobility and travel restrictions during the pandemic, onsite resource posting has been a challenge. This has been mitigated by greater acceptance from clients on offshoring.

The business carries translation and transaction foreign exchange risks, as a majority of the revenue is denominated in foreign currency. However, expenses in respective currencies provide a natural hedge, and coupled with a proper hedge strategy, help mitigate the risk.

Being an IT company, employees remain the prime asset. The ability of an organisation to attract and retain skilled employees is critical. Attrition of experienced and talented employees impacts organisational knowledge and client relationships. LTI has a framework in place to reward high-potential employees and has launched innovative programmes for employee engagement, which helps the organisation to contain attrition.

Outlook

According to NASSCOM's CEO survey 2021, about 71% chief executives expect global tech spend to grow over 4%. The survey also said the recovery in global tech spending will be led by the digital segment. For the calendar year 2021, core tech spending growth will include increased digital adoption and 'work-from-anywhere' enablement.

Cyber Security Risk has emerged as a top risk across industries. LTI has leveraged leading industry standards to develop appropriate cyber security frameworks. Multiple Cyber Security controls are introduced to manage these risks. There are also massive opportunities on improving resilience, changes related to new operating models, direct-to-consumer interactions and workplace modernisation. Based on the strength of client relationships, value propositions to customers and ability to innovate, the business remains committed to deliver top quartile growth in FY22 as well.

MINDTREE

Overview:

Mindtree is a global technology consulting and services company, helping enterprises marry scale with agility to achieve a competitive advantage. 'Born digital' in 1999, Mindtree applies its deep domain knowledge to break down silos, make sense of digital complexity and bring

The Sundial at Mindtree Kalinga – Bhubaneswar

new initiatives to market, faster. Mindtree enables IT to move at the speed of business, leveraging emerging technologies and the efficiencies of Continuous Delivery to spur business innovation. Operating in 24 countries worldwide, Mindtree is consistently regarded as one of the best places to work, embodied every day by its winning culture made up of over 23,000 entrepreneurial, collaborative and dedicated 'Mindtree Minds'.

Mindtree works with its customers in driving their transformation through Digital Engineering Services, enabling a shift from Enterprise IT to Product IT Operating Model. The business brings together a unique integrated approach across Agile, DevSecOps, Automation and Programme management to deliver success for its clients. Mindtree's work includes enabling comprehensive change for customers across organisation structure, culture and ways of working that value customer obsession, agility and a growth mindset, above all else.

Digital Engineering: Mindtree works with its customers in driving transformation through Digital Engineering Services. This approach brings together a unique integrated approach across Agile, DevSecOps, Automation and Programme management to deliver success for its clients.

Immersive experiences: Mindtree has always been at the forefront of digital transformation for its customers and, with the launch of 'Immersive Aurora', where the business brings together emerging technologies with legacy, Mindtree continues to expand horizons and create new possibilities for its clients.

Core modernisation & cloud migration: Businesses have learnt the significance of being lean and nimble. Mindtree's approach to deliver value on clients' cloud investments are focused on delivering value across the cloud lifecycle from consulting to migration and operations. Mindtree's investment in Next-generation platforms brings in modernisation and efficiency to its delivery.

Pervasive AI and Applied Intelligence: Customers continue to invest in digital transformation, along with capturing, organising and gaining intelligence from data. The ubiquitous availability of networking and data has fueled augmented and automated decision-making using advanced Machine Learning (ML) and Artificial Intelligence (AI) models with a focus towards process re-imagination.

Automation: In the pursuit of making automation all-pervasive across the organisation, Mindtree has implemented the practice of automation maturity model assessments for all its clients' projects. In the process, Mindtree is establishing a standard for automation maturity assessment in the industry and has defined a five-point scale to assess the maturity level spanning from task-level automation at the initial level and taking it to the level of predictive and adaptive automation.

Mindtree, Minneapolis

Alliances and Partnerships

Mindtree works in an inherently competitive market that is evolving at an unprecedented rate due to advances in technology and customer demands. At Mindtree, the idea of collaboration and partnership is to deliver appropriate technology solutions to new and existing clients that result in better business outputs and outcomes.

Mindtree's key partner relationships are:

- **Microsoft**

  Mindtree has been recognised as a Microsoft Azure Expert Managed Service Provider (MSP), signifying its expertise in cloud services, assuring Microsoft customers they are working with a trusted partner for the support of Azure implementations.

- **Amazon Web Services (AWS)**

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

- **Adobe**

  As a Platinum-level Business Partner, Mindtree brings domain experience, expertise in Adobe experience cloud and capability to scale globally.

- **Google**

  Mindtree is a Premier Google Partner for Google Cloud Platform (GCP) and offers its clients a complete spectrum of Google cloud services that include big data services, cloud migration and transformation, application development, data science, artificial intelligence, and machine learning services.

- **SAP**

  Mindtree and SAP have been strategic partners since 2008. Today, the relationship is even stronger due to Mindtree's 2015 acquisition of Bluefin Solutions, a Gold Partner and considered one of SAP's go-to HANA innovation partners. Mindtree's Bluefin deploys cutting-edge enterprise solutions around the world.

- **ServiceNow**

  Mindtree's strategic partnership with ServiceNow spans programmes such as Sales, Services, Service Provider and Technology Partner Programme. Other than ITSM, ServiceNow Practice will focus on other platform capabilities such as ITOM, IRM, SecOps, ITBM, HRSD, CSM and custom application development.

- **Salesforce**

  As a Salesforce Platinum partner, Mindtree taps into the transformational potential of Salesforce to change the way the business runs through Magnet360.

Mindtree Digital Pumpkin, London

Business Environment

The coronavirus pandemic has continued to wreak havoc on world economies through 2020. With the launch of vaccinations across the globe, the outlook appeared to be picking up, which again is expected to be marred slightly by the emergence of more virulent strains of the virus. Through the struggle, technology has turned out to be a lifeline, changing the way individuals work, learn, shop, and entertain themselves.

It has spurred game-changing digital shifts. Governments moved quickly, using mobile solutions to provide cash assistance, financial technology has helped the survival, and in some cases, growth, of small and medium-sized businesses.

The Indian IT industry made up 18.5% of the total global IT spend in year 2020. For FY 2020-21, India's technology industry is expected to record a positive growth of 2.3% to touch $194 billion (excl. ecommerce). Indian tech contributed ~8% relative share to the national GDP, with 52% relative share in services exports.

As the events of last year unfolded amidst significant uncertainty, businesses have learnt the significance of being lean and nimble, while also prepared to seize growth opportunities quickly.

In this journey, core modernisation and cloud play foundation roles. Businesses are adopting cloud to fulfil the following objectives:

- **Re-defining business** to grow revenue, introduce new business models, increase wallet share and achieve faster time-to-market.
- **Re-imagining business** by focusing on customer retention and revenue sustenance by focusing on value-led engagement through enhanced experiences.

Key Initiatives

During the year, Mindtree looked at the buying patterns of its clients and accordingly created the nomenclature and realigned its focus areas into the '4x4x4' – 4 Industry Groups, 4 Service Lines and 4 Geography Clusters. This helps sharpen focus, capabilities and solution offerings, and create a differentiated value proposition. It also helps clients consume services seamlessly and provides Mindtree opportunities to cross-sell and up-sell more effectively.

Major Achievements

Key Deal Wins

Mindtree is seeing very good traction with the deals and has been winning annuity and multi-year large-deals across all 4 verticals. A few of them are given below:

- A leading global wind turbine manufacturer has concluded a five-year deal to drive its digital transformation journey. Mindtree will simplify, modernise, and transform the entire IT landscape of the client globally, while providing scalability to support the company's growth plans.

Immersive Aurora, Mindtree East Campus, Bengaluru

- Mindtree partnered with a large global airline, as a strategic technology partner, to enhance consumer experience on mobile digital platforms.
- A world-leading sportswear brand selected Mindtree as a strategic partner for a multi-year engagement to provide application development services to accelerate their journey towards a product-led and outcome-oriented organisation.
- Mindtree has been selected by a US-based diverse insurance and reinsurance provider to provide end-to-end IT Infrastructure Management and cloud services, resulting in enhanced efficiency and speed of business standardisation.

Awards

Mindtree has been conferred the second runner-up position in the 'Best Employer for Women' (large) category by the Associated Chambers of Commerce and Industry of India (ASSOCHAM) at its Diversity & Inclusion Excellence Awards and Conclave, 2020. Mindtree has also received Business World's 5th HR Excellence and the Award 2020 for excellence in Diversity & Inclusion.

Other noteworthy mentions are:

- Rotary Karnataka CSR and NGO Award
- SHRM Showcase Award 2020 – Excellence in HR Analytics
- ASSOCHAM Foundation – Diversity and Inclusion Excellence Awards 2020
- AHA 2020 – Young HR Professional Award, AHA 2020 – Leading Change, AHA 2020 - Making a Difference
- National HRD Network – People First Ace Awards 2020 – Workforce Planning and Staffing Solutions, National HRD Network - People First Ace Awards 2020 – Organisation Design

Environment, Health and Safety

Over the last few months, everyone has had to adjust to the 'new normal' due to the outbreak of Covid-19. Measures taken for the safety of Mindtree's employees include:

- Exclusive tie-ups with hospitals and lodges – arranging ambulances, ventilators, Covid beds, online doctor consultation, Covid super top-up insurance covering home quarantine expenses, counselling session for employees and dependents.
- Social distancing and other strict hygiene / disinfectant / fumigation norms have been implemented across all campuses.
- 1-to-1 help programme provides counselors and professionals that employees can reach out to for 24/7 support anonymously. The Company partnered with an external vendor for extensive support during Covid-19,

Phase 5, Mindtree West Campus, Bengaluru

and was also able to make forums available to employees for any assistance, such as wellness coaching, webinars, 1-to-1 counselling, self-help library, eWorkshops, online chat and assessment tools.

Human Resources

Mindtree has a proud and unique culture and people practices. The business seeks to bring together people with different views, skills, and backgrounds. The business recognises people as its greatest assets. Over the last few months, everyone has had to adjust to the 'new normal' due to the outbreak of Covid-19. At Mindtree, the immediate task at hand was to ensure that all processes continue smoothly. Prominent measures are below:

- Crisis Management Teams were set up to support Mindtree's employees and projects. Remote support BCP was enabled immediately for all. The Work From Office approval process and self-declaration form (SDF) process was automated.

- A virtual Leadership Connect called 'All Minds Meet' was set up on a quarterly basis across geographies. This hour-long session included updates from the CEO, COO and CPO, followed by a Q&A round.

- This year, Mindtree took several steps to strengthen the campus intake process. 1250 on-campus hires from 25 colleges were hired. Arboretum, an onboarding platform, turned fully digital aligning to the Covid-19 situation. 4575 new joinees were virtually on-boarded globally, including subcontractors.

- Mindtree's diversity and inclusivity charter focuses on four pillars which is EDGES – Ethnicity / Nationality, Disability, Gender and Sexual Orientation. At Mindtree Inclusion is Respect | Belongingness | Empowerment | Progress.

- At Mindtree, the women composition ratio has steadily increased and has doubled in last 15 years. Mindtree's vision of 40x30 is to have 40% of women representation by the year 2030. Further Mindtree has 44 people with disabilities who contribute to its success and employees from 86 nationalities coming together to deliver customer success.

- Mindtree launched 'The Crucibles of Leadership' responsible to drive competency development for senior leadership.

Risks and Concerns

Mindtree has put in place a robust enterprise-wide risk management framework that enables the identification, assessment, treatment, monitoring and reporting of potential internal and external risks while pursuing business objectives.

The advent of Covid-19 has led to several immediate shifts as well as global mega trends that offer new opportunities and challenges. New delivery models, the workforce of

Design Thinking Workshop, Mindtree Digital Pumpkin, New Jersey

the future and emerging ecosystems are themes which will affect the industry in a big way and will require development of new strategies and insights to identify opportunities and address the risks. Mindtree's strong client and technology focus ensures that its operating models are future-ready. Governance mechanisms are in place to track deliverables, and customer feedback is rigorously monitored.

Mindtree faces the risk of revenue concentration with its top customer. Mindtree is strengthening the connect with the next set of top customers to achieve broad-based growth.

In the knowledge industry, talent attraction and retention risks are imperative for long-term success. Employee-friendly policies, learning & development plans and career growth options have ensured that attrition remains at tolerable limits. In addition, succession planning for key personnel ensures that attrition does not impact operations.

Legislation impacting availability of work permits or imposing excessive costs for the same could lead to material impact on deliverables to clients. A major portion of revenues are in foreign currencies and a significant portion of expenses are in Indian Rupees. Judicious hedging against adverse foreign exchange exposures helps the business to minimise the impact of exchange volatility.

There is a risk of non-compliance in the geographies where Mindtree operates, due to changing regulations. Additionally, data privacy laws across the globe are evolving. Mindtree has a dedicated in-house compliance team that manages compliance globally and it engages with specialist consultants across the globe, who support in adhering to country-specific compliance and regulatory requirements.

Cyber risk has emerged as a top risk across industries with threats of hacking, ransomware, social engineering and other cyber-attacks. To mitigate this, controls are implemented in Mindtree to secure IT infrastructure, viz. intrusion-prevention systems, firewalls, anti-malware software, content filtering gateways, data encryption, data leakage protection systems and 24/7 monitoring.

Outlook

The 2021 forecast reflects the expectations of a vaccine-powered strengthening of activity and additional policy support in a few large economies. However, surging infections recently in the form of a second wave (including new variants of the virus), renewed lockdowns and logistical problems with vaccine distribution are important counterpoints to the favorable view.

According to the Congressional Budget Office, the US GDP is expected to grow 3.7% in 2021 after a de-growth of 2.5% in 2020. According to the European Commission Winter 2021 economic forecast, the Euro economy is expected to grow by 3.8% in both 2021 and 2022. With

Headquartered at Knowledge City, Vadodara, L&T Technology Services helps clients gain the competitive edge by building smart products, enabling smart manufacturing and offering smart services

containment measures still in place, Euro area economies are expected to contract in the first quarter of 2021. The UK is expected to grow 4.5% in 2021, after contracting by 10% in 2020. Emerging market and developing economies are also projected to trace diverging recovery paths.

The Indian economy is showing early signs of a recovery, owing to the large public stimulus spends, revival of consumer confidence, robust financial markets and an uptick in manufacturing activity. However, given the resurgence of Covid-19 infections affecting many states in the form of a second wave, the economic recovery would entirely depend upon how the country is able to control the pandemic and also on successful vaccination efforts.

Interestingly, as the industry looks forward at leaner structures with more flexibility and faster adoption of cloud-based products and services in 2021, 60% of the industry CEOs expect larger digitisation deals in 2021, with investments likely to recover in core sectors, including BFSI, Retail and Manufacturing. 67% of CEOs polled in a NASSCOM 2021 CEO Survey expect global India's technology sector to grow significantly higher in 2021 as compared to 2020.

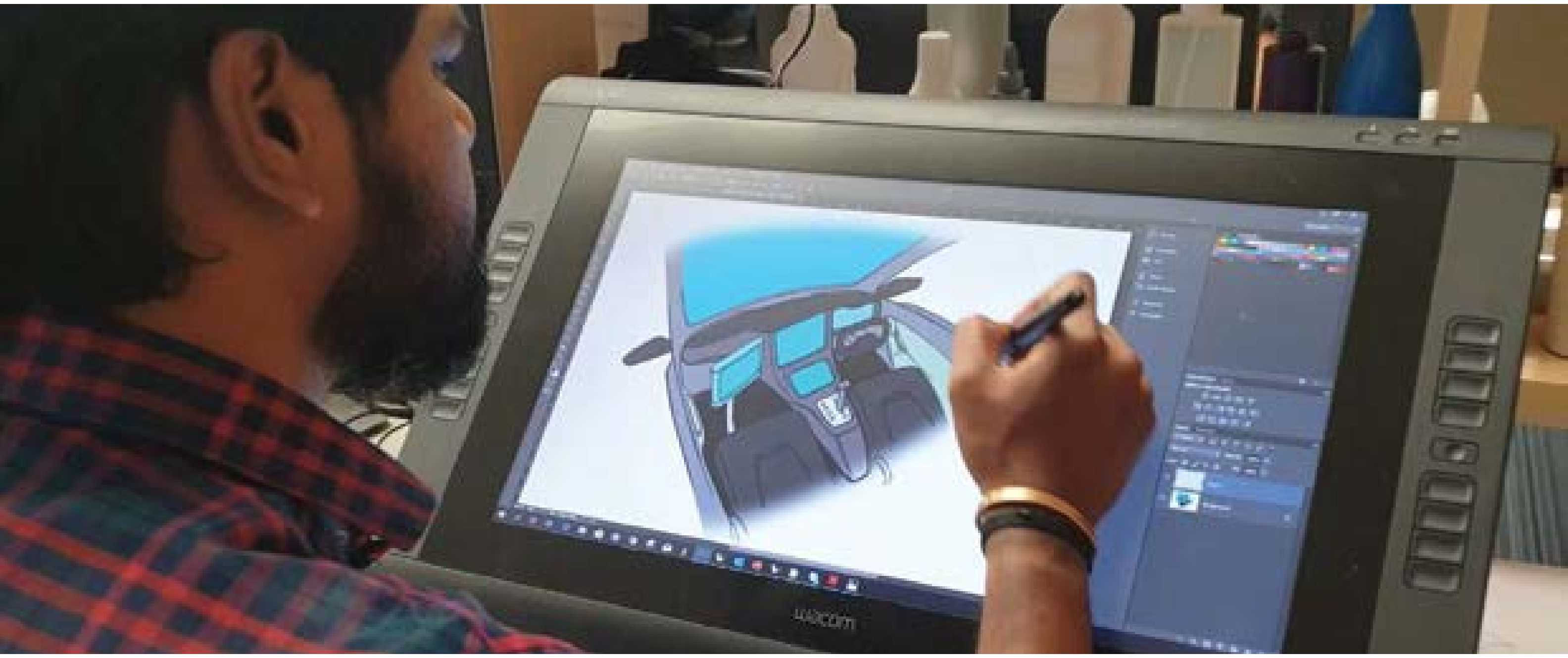
Mindtree's commitment to deliver superior client satisfaction as well as consistent and competitive profitable growth remains stronger than ever. The competitive situation today dictates investing is imperative to be future-ready as part of a growth strategy. The business will ensure optimal capital allocation towards value capture, including Mergers and Acquisitions that will provide access to niche capabilities, enable specific geo-penetration, talent and service its clients by broadening offerings. Mindtree's 3 strategic pillars, namely Simplify, Differentiate and Change, coupled with creation of 4x4x4 focus areas across 4 Industry Groups, 4 Service Lines and 4 Geographies, will drive a differentiated-value proposition and unmatched services to its clients.

L&T TECHNOLOGY SERVICES

Overview:

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

LTTS provides services and solutions in the areas of mechanical and manufacturing engineering, embedded systems, engineering analytics and plant engineering. LTTS' customer base includes 69 Fortune 500 companies and 53 of the world's top ER&D companies active across industrial products, transportation, telecom & hi-tech, medical devices and plant engineering. Its technologists work with global firms to offer smart solutions and services that help accelerate new product development, facilitate remote asset management and enable virtual product design and prototyping.



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

The key differentiators for LTTS' business are its value-maximising customer-centric innovations, domain expertise and a multi-vertical presence spanning major industry segments:

Transportation: LTTS' Transportation engineering services are enabling OEMs worldwide build innovative next-generation vehicles and aircraft and achieve a faster time to market by leveraging cutting-edge digital technologies and solutions.

In the automotive sector, LTTS helps its customers through robust and reliable platforms and solutions in rapidly emerging areas such as Electrical Vehicles (EV) technologies, Advanced Driver Assistance System (ADAS) and Autonomous Drive (AD). LTTS' expertise also covers telematics and connectivity, infotainment, powertrain and end-to-end design and development of automotive components.

LTTS has over a decade of domain expertise in the Trucks and Off-highway segment, and offers services across industries such as construction and mining, cranes and material handlers, commercial vehicles, agricultural and gardening equipment, powersports and polymer.

In the Aerospace sector, LTTS' offerings encompass a wide spectrum, including aero engines, aero structures and systems, avionics, air traffic management systems and new-age digital transformation solutions. LTTS' engineering and digital solutions help Aerospace OEMs and Tier1 manufacturers maximise ROI, meet compliance standards, increase quality and stay competitive in an extremely dynamic ecosystem.

Industrial Products: LTTS supports global customers across building automation, home and office products, energy, process control and machinery with its deep domain expertise across software, electronics, connectivity, mechanical engineering, industrial networking protocols, User Interface / User Experience (UI/UX), test frameworks and enterprise control solutions. LTTS is working with customers in this space on important initiatives such as energy sustainability to help them achieve net carbon-zero status. LTTS is also involved in supply chain optimisation and standardisation as customers look for alternative sourcing and is active in the digital manufacturing space for delivering smarter and innovative ways of production.

Telecom & Hi-tech: LTTS' Telecom and Hi-tech vertical provides engineering services and solutions that cater to five key domains: Telecom, Consumer Electronics, Semiconductor, ISV, and Media & Entertainment.

For the Semiconductors industry, LTTS' futureproof solutions and IC designs deliver cutting-edge VLSI IPs for camera, storage, display and interface solutions and also provides hardware system design, platform software, modem services, verification and validation, multimedia,

LTTS' Motor Dyne system conducts troubleshooting of power electronics

connectivity, storage, mechanical engineering, and customer engineering support. For the consumer electronics segment, LTTS provides services in the areas of product conceptualisation, design and development, platform software, testing and certification, manufacturing support, product maintenance, and product launch support. For the Media & Entertainment industry, LTTS provides services in product engineering, product conceptualisation, design and development, testing and certification, manufacturing support, product maintenance, and value engineering. With Independent Software Vendors (ISV), LTTS undertakes application engineering, VLSI, cloud engineering, product uplift, platform development & migration, product support, testing and certification.

Plant Engineering: LTTS provides end-to-end solutions in the areas of design, engineering, project management, and handover operation and maintenance and delivers custom digital solutions over the plant lifecycle. As an Engineering, Procurement, and Construction Management (EPCM) services specialist, LTTS supports every phase of a plant's lifecycle from conceptualisation to commissioning. LTTS' digital solutions further enable manufacturers to upgrade and integrate their legacy systems to smart platforms that drive state-of-the-art connectivity and synergy.

Medical Devices: LTTS helps medical device OEMs address various industry challenges, including the acceleration of product development cycle, reduction of time-to-market, value engineering, and product launches in various geographies in compliance with the regional regulatory requirements. LTTS works with global medical device manufacturers and healthcare companies to offer solutions around remote medical care, regulatory compliances and approvals, in-vitro diagnostics, patient mobility solutions, surgical services, home healthcare and the medical Internet of Things. LTTS also provides pre-compliance testing and validation support, including product / compliance remediation, complaint management, and regulatory documentation support.

Business Environment

According to NASSCOM, ER&D companies worldwide have struggled to bear the brunt of the Covid-19 pandemic, with almost all key verticals registering a de-growth pattern. Global ER&D spend in 2020 stood at ~$1.2 trillion, representing a 6% decline over 2019, the first year of decline since 2012, underscoring the deep impact on automotive, aerospace, energy and industrials.

While the manufacturing verticals bore the brunt of the pandemic, hi-tech and services-led verticals have stayed resilient and further accelerated investments in R&D initiatives to drive the digitisation journeys of their end customers. The Everest Group states that while there will be significant variations in the recovery trajectories, global ER&D spending will reach pre-Covid-19 levels by the end of 2021.

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

Digital engineering is seeing significant traction (~20% growth) with Industry 4.0, digital thread / digital twins and cloud engineering services and solutions driving the growth trajectory. LTTS benefits from having a set of well-defined offerings in the ER&D sector. With established credentials as innovation providers and leveraging its cross-industry experience, LTTS is poised to continue providing a unique proposition to clients across industries.

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

Major Achievements

Despite the challenging period due to the Covid-19 pandemic, LTTS has had major deal wins across all the verticals. Large deal bookings were also high, helped by a marquee $100mn plus deal in the oil & gas sector.

Order Wins

Transportation

- LTTS has entered into a new area of telematics with a leading European automotive OEM, covering testing of the automobile maker's next generation of telematics units and setting up a new laboratory in Munich.

- LTTS was awarded a product engineering services deal to develop autonomous solutions for a global provider of automotive technology and set up a CoE for the development and sustenance of legacy engineering software applications.

Industrial Products

- Schindler selected LTTS as its key partner to provide innovative digital engineering capabilities. LTTS is providing product development, innovation and engineering services and solutions to enable Schindler accelerate its digitisation and connectivity initiatives.

- LTTS has won an Engineering Application Modernisation programme from a diversified American conglomerate to support the client's software-driven modernisation initiative. LTTS engineers will maintain and upgrade the company's existing suite of applications to make them mobile and cloud-enabled

Telecom and Hi-Tech

- LTTS was selected as a strategic technology partner by one of the world's leading technology companies to carry out platform validation for its high-performance data centres as part of a joint CoE set-up.

- A global telecommunications company has selected LTTS as its engineering services partner to perform an end-to-end systems integration and offer allied engineering services for its global operations.

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

Medical Devices

- A leader in healthcare devices and homecare has selected LTTS as a strategic global engineering supplier to assist in transforming its product portfolio. LTTS will bring its deep engineering domain expertise to support the customer on work streams for lifecycle management, new product development, digital engineering and quality and regulatory compliances.

Plant Engineering

- LTTS won a deal with a TCV of $100 million plus from a global oil & gas major to be the primary engineering partner in supporting two of the customer's integrated refining and chemicals manufacturing facilities in the USA.

- One of the world's top plastics, chemicals and refining manufacturers has awarded LTTS a multi-year plant engineering engagement to implement digital twin modelling for its capital projects spread across 20+ sites in North America.

- LTTS has been chosen as strategic partner by a world leading engineering and construction oilfield services company to carry out multi-disciplinary engineering activities for its capex and opex projects globally.

Awards and Recognition

- Two of LTTS' digital solutions – Chest rAI™ and i-BEMS™ – have been recognised with the 2021 BIG Innovation Awards in the 'Product' category presented by the Business Intelligence Group, USA.

- The Everest Group has positioned LTTS as a Leader in the Development, Verification & Validation, Deployment and System Integration Industry 4.0 Services PEAK Matrix® Assessment 2020.

- Zinnov Zones rated LTTS as 'Leader' across Digital Engineering, IoT, AI and Digital Thread', and also named LTTS as Leader in 6 major verticals for the fourth consecutive year.

- LTTS' i-BEMS™ solution was the recipient of Frost & Sullivan's Customer Value Leadership Award for Global Smart Building Optimisation & Experience Management.

- LTTS registered wins across multiple categories in the 17th Stevie® International Business Awards including the most 'Innovative Tech Company' of the year.

Significant Initiatives

LTTS has invested significant time and effort in strategic initiatives that will propel its technology footprint, engineering infrastructure and human resources, with the

By leveraging AR/VR technologies, LTTS empowers manufacturers to gain insights into plant models by enabling review of plant design and layout

end goal of providing a differentiated experience to its customers.

- Amazon selected LTTS as a consulting and professional services provider to support Alexa integration in various connected devices spanning multiple domains and industries.
- LTTS, in association with Tenneco's DRiV™ Ride Performance Division, inaugurated the DRiV HUB Development Centre at LTTS' Bengaluru delivery centre. LTTS is creating engineering tools to support DRiV in developing intelligent suspension technologies to build next-generation ride-control solutions.
- LTTS set up a dedicated Skywise center for Airbus after the global aerospace manufacturer selected LTTS to provide technology and digital engineering solutions for its Skywise platform. The center will develop cutting-edge digital transformation solutions for aviation industry.
- LTTS set up and virtually launched a state-of-the-art Electric Vehicle (EV) Lab at its Bengaluru design centre to help customers across the globe evaluate and verify the performance, endurance and electromagnetic compatibility of EVs.

Environment, Health and Safety

LTTS has aligned its sustainability goals with that of its parent, L&T, with the objective of contributing to the creation of a sustainable world by minimising environmental impact, maximising social outreach and offering sustainable solutions. As part of this roadmap, LTTS is constantly undertaking various initiatives in the areas of water and energy conservation as well as efforts to reduce its carbon footprint.

From water-cooled chillers, occupancy sensors, LED lighting, and elevator operation optimisation to pressmatic taps, wastewater treatment and leveraging technology to reduce travel and logistics requirements, LTTS ensures optimal measures to safeguard the environment. LTTS also follows and implements all the industry standards, protocols and best practices to ensure health, safety and well-being of its workforce of over 16,000 employees.

Human Resources

LTTS' robust HR policies helped enable Work from Home (WFH) for 90% of its employees within a week of lockdown restrictions being announced. With WFH taking precedence, HR introduced many programmes across regions for employees to help cope with the stressful lifestyle changes.

- LTTS launched the weCare App to track and monitor the safety and health of employees and their immediate family members, while ensuring employee data safety.
- LTTS launched Omni Opus™ WFX Certified Professional – a customised certification programme to enable managers to not only manage projects remotely, but also manage

LTTS' holistic and solutions-led digital framework empowers manufacturers to tackle various challenges in the new normal

their team members and their aspirations through the digital mode.

Global Engineering Academy (GEA) was started to impart technology education and competency development to the employees, which would be aligned to the business needs of LTTS. The platform offering training across 16 technology tracks will help engineers to re-skill and re-orient themselves to keep pace with rapid technology changes and help advance their careers.

LTTS conducted the 4th edition of its annual open innovation challenge for engineering students TECHgium®: The first-ever virtual TECHgium® saw a record-breaking participation this year, with over 22,500 engineering students and 2,362 faculty members from 354 reputed institutes.

Risks and Concerns

The economic slowdown in key geographies or cyclical downturns in key segments could materially affect revenue growth and profitability. The inability to innovate and develop new services and solutions to keep up with customer expectations and evolving technologies could result in lower growth traction. Cybersecurity risks could lead to data leakage, malware or ransomware attacks and loss of Intellectual Property. Changing immigration laws and policies can impact LTTS' ability to provide services to customers. Exchange rate fluctuations could further materially impact the results of operations.

Outlook

Engineering and Technology is LTTS' heritage, and LTTS will further strengthen this by leveraging key technology trends to stay relevant in the marketplace for the coming years. LTTS has identified six focus areas that will determine the scale of operations across industries over the next five years. These include:

1. Electric, Autonomous and Connected Vehicles
2. 5G
3. Digital Healthcare
4. Industry 4.0
5. AI/ML driven Smart Offerings
6. Sustainability

The Everest Group states that the global spending on digital engineering is expected to grow at a 12% CAGR over 2021-25 and cross $400bn in 2025. Further, Digital engineering is expected to constitute over a third of the global ER&D spend by 2025.

Expertise in digital manufacturing and in digital products and services enables LTTS to roll out end-to-end solutions for enterprises enabling faster time-to-market using

With the help of simulation and Digital Twins, LTTS supports manufacturers to infuse smartness in their critical day-to-day operations

accelerators such as machine learning and automation. These enable clients to move beyond the pilot stage to the entire offering lifecycle, spanning ideation, design, supply chain and aftermarket services.

Investment in key technology capabilities and partnerships and an innovation culture makes it possible for LTTS to collaborate with manufacturers and address their current needs of doing more with less, delivering services remotely through data and cloud platforms, reducing design timelines and increasing production throughput.

LTTS aims to be the partner who can engineer the digital transformation for the customers, making them ready for the future.

Farm Equipment Finance

FINANCIAL SERVICES BUSINESS

Overview:

L&T Finance Holdings (LTFH) is the holding Company for the financial services businesses of the Larsen & Toubro Group. It is one of India's most valued and diversified NBFCs having a strong presence across Lending and Investment management businesses. Headquartered in Mumbai, LTFH has a strong network of branches and dealers across India catering to the business requirements of a 121 Lakh+ customer base across core businesses as given below:

- Rural Finance (farm equipment finance, two-wheeler finance, micro loans and consumer loans)
- Housing Finance (home loans, loans against property and real estate finance)
- Infrastructure Finance
- Investment Management

In continuation of the strategy of simplification of corporate structure, during the year, the wholly owned lending entities L&T Infrastructure Finance Company Ltd. and L&T Housing Finance Ltd. were merged with L&T Finance Ltd.

Business Environment

The unprecedented Covid-19 pandemic and the resultant nationwide lockdown brought economic activities to a near standstill. After witnessing technical recession during H1 FY21, the Indian economy showed partial recovery in Q3 FY21. With the adverse impact on the economy, the investment rate fell to a decade's low, primarily due to a drag in private investment. Consumer demand remained subdued, with severe stress on the household balance sheets due to high unemployment. In order to mitigate the short-term adversities that arose from the pandemic, Government spending was scaled up significantly.

On the sectoral front, the industrial and services sector were severely affected due to the disruptions caused by the lockdown. The agriculture and allied sector remained resilient and emerged as a silver lining, supported by a favourable monsoon in 2020. Robust kharif and rabi seasons, adequate reservoir levels, enhanced procurement by the Government and rich fiscal spending on schemes

Housing Finance

such as MGNREGA and PM Kisan aided agricultural growth. Conversely, despite a robust recovery witnessed in H2 FY21, the industrial sector is slated for a second successive annual contraction in FY21 dragged down by mining and quarrying, manufacturing and construction.

To address the adversities arising from the pandemic-led economic disruptions, calibrated and prudent fiscal and monetary support was extended by the policy-makers. The Central Government announced the 'Atmanirbhar Bharat' package to support the most affected segments of the economy. The RBI provided monetary support by slashing the policy rates to its record low levels along with both conventional and unconventional liquidity measures to support credit creation. As a part of the relief package, it also allowed borrowers to halt repayment of loans (moratorium) between March and August 2020, without impacting their credit history. In addition to the stress in asset quality across most lenders (banks as well as NBFCs), the moratorium also resulted in liquidity concerns for lenders, mostly for NBFCs. Well-governed NBFCs with strong parentage remained resilient throughout FY 2020-21 thanks to their strong capital buffers and also on the back of timely policy moves in the form of targeted longer-term refinancing operations (TLTRO) 2.0 and special liquidity scheme for NBFCs under the 'Atmanirbhar Bharat' package.

The financial markets faced another major setback on April 24th 2020, when a certain mutual fund closed six of its debt schemes citing a credit risk. The appetite for various debt securities further declined amid the thin volumes created by the Covid-19 pandemic. The RBI had to step in with a special liquidity facility of ₹ 500 billion for the mutual fund industry to control the crisis.

Agriculture and rural belts showed buoyancy in demand throughout FY 2020-21 amid favourable weather conditions and a record foodgrain production. The farm segment remained relatively resilient to the impact of Covid-19 and started to gain back traction from June '20 onwards.

Two-wheeler (TW) demand was impacted to a greater extent due to widespread Covid-19 cases and lockdowns in urban and semi-urban locations at the beginning of the financial year. The momentum in TW demand was gradual and picked-up from Q2 FY21 onwards with the rise in demand for personal vehicles as an alternative to public transport.

The Micro Loans business was impacted the most due to Covid-19 considering the 100% moratorium given to micro-loan customers till May '20, which severely affected the loan origination and collections, especially during the first few months. Disbursements were almost Nil during the first quarter and, with improvement in collections since Q2 FY21, disbursements resumed slowly, with focus on existing good customers.

Home loan growth, which declined in H1 FY21 owing to Covid-19, recovered towards the end of FY21 supported by the Government's push for the sector and attractive incentives given by the developers. LTFH restricted

Real Estate Finance

disbursements in the Loan Against Property business and focused on existing projects for disbursements in the real estate segment.

In the case of the renewables industry, overall energy consumption has turned positive since Q3 FY21, with renewables continuing to drive growth, helped by must-run status granted to operational renewable projects. Under the Discom package, more than ₹ 75,000 crore has been disbursed to Discoms out of over ₹ 1,36,000 crore sanctioned, which has improved the cashflows for these entities. In terms of LTFH's portfolio, operational projects are being paid on time and most of the Discoms have also remitted payments.

Significant Initiatives

During FY 2020-21, LTFH focused on addressing the challenges posed by the Covid-19 pandemic – with enhanced focus on liquidity and liability management and building a resilient balance sheet with focus on collections and building additional provisions on standard assets. Strong business fundamentals with businesses (Rural Finance, Housing Finance and Infrastructure Finance) aligned to sectors (agriculture and allied sector, construction sector and infrastructure sector) which are the key growth engines for the economy, have helped in strengthening LTFH's position and in facing the impact of the pandemic and the lockdown. The specific focus for the year was on the following areas:

a) **Capital Infusion:** During the year, LTFH raised ~₹ 3,000 crore in equity capital through issue of right shares which was oversubscribed by 15% and is well poised to take advantage of growth from economic rebound expected over next few years. The Capital adequacy ratio and Tier I Capital now stands at 23.80% and 18.79% respectively and the Company maintains a Debt / Equity ratio of less than 5x.

b) **Robust Liability Management:** LTFH weathered the market turbulence on the back of robust liability management practices and continues to remain resilient. At the onset of the pandemic, LTFH further shored up its liquidity buffers and maintained enhanced levels of liquid assets as a safeguard against any likely disruption in funding due to moratorium and the stretched market liquidity conditions in Q1 FY21.

   With easing of market liquidity since Q2 FY21, the Company focused on long-term borrowings as well as reduction in cost of borrowings through prepayment of high-cost borrowing and renegotiation of interest rates leading to reduction in Weighted Average Cost (WAC) for Q4 FY21 to 7.65% from 8.43% in Q4 FY20 (lowest in past 5 years). During the year, the company raised long-term funding of ₹ 15,629 crore through diversified sources such as Priority Sector Loans (PSL), Non-Convertible Debentures (NCD) through Private Placement, Bank loans, ECBs, etc.

Infrastructure Finance

The regulatory framework saw the Liquidity Coverage Ratio (LCR) guidelines come into effect from Dec '20. As of Mar '21, the applicable LTFH lending subsidiaries are compliant with LCR requirements. In order to strengthen the liquidity risk management at LTFH, early warning indicators under the Contingency Funding Plan (CFP) were adopted, which helps in timely tapping of resources during a liquidity crisis event. The early warning indicators monitor critical parameters not only at Company level but also macro-economic indicators.

c) **Resilient balance sheet with focus on collections and macroprudential provisions:** LTFH enhanced its focus on collections by leveraging the strong digital and analytics framework. Collection efficiencies reached pre-Covid-19 levels across businesses by Q4 FY21. Asset quality improved with reduction in Gross Stage III assets from 5.36% to 4.97% YoY (Provision Coverage Ratio up from 59% to 69%). Net Stage III assets reduced from 2.28% to 1.57% YoY, which is the lowest level of Net Stage III assets since FY16.

Major Achievements

'AAA' reaffirmed: Even under the stress scenario, LTFH maintained positive liquidity levels. LTFH's AAA rating was reaffirmed by all four rating agencies – CRISIL, ICRA, India Ratings and CARE post the onset of Covid-19, reflecting its resilient balance sheet.

Business Highlights

RURAL FINANCE

Farm

LTFH achieved No.1 position with increase in market share to 15%, leveraging analytics to gain counter share with identified dealers and data-analytics-driven geo-selection. The collection efficiency of LTFH continues to remain the highest in the industry. Since Jul '20, collection efficiency in FY 2020-21 is better than in every corresponding month of previous year, and regular CE in Mar '21 is at 91.5%.

Two-wheelers

LTFH improved ranking to amongst the top 3 financiers with increase in market share to 11% on the back of analytics capturing higher counter shares, a strong dealer network of 3700+ across India and an end-to-end digital proposition providing a best-in-class Turn Around Time (TAT) on Loan Sanction of 45 seconds.

Micro Loans

Starting with nearly Nil disbursements in Q1 FY21 and a moratorium till May, the Micro Loans business registered its highest-ever quarterly disbursement in Q4 FY21, up 54% QoQ and 44% YoY. LTFH increased focus on retaining customers with excellent repayment track record with a share of repeat customers at ~50% in Q4 FY21. LTFH further strengthened the digital payment framework, such as UPI, Wallet, NEFT, Direct Website, Payment Gateways, to drive collections through the digital mode.

Micro Loans

HOUSING FINANCE

Home Loans

A digital lending model leading to the paperless sanction of home loans to salaried customers is a unique offering that has helped in quick turnaround of proposals. The model has also enabled LTFH to reduce face-to-face meetings and frequent visits by customers to the branches. During the year, the contribution of Home Loans as a part of total retail housing disbursements has increased from 83% in H2 FY20 to 88% in H2 FY21.

LTFH continued to focus on increasing the share of its salaried customer base. The contribution of salaried customers to the total HL disbursements has also increased from 63% to 92% during the year. The share of salaried customers in the loan book has increased from ~38% in FY20 to ~43% in FY21.

Real Estate

LTFH continued its strategy of focus on project completion by lending only to existing projects. LTFH plans to start new underwriting in FY22.

INFRASTRUCTURE FINANCE

LTFH continues to be one of the leading players in the Infrastructure Finance business, with disbursements assisted by the continued momentum in sell-down. LTFH continues to focus on projects with strong sponsors and off-takers. LTFH enhanced its focus towards sell-down and pre-payments to create opportunities for disbursements without increasing capital allocation.

INVESTMENT MANAGEMENT

FY 2020-21 has been a moderate year for industry due to significant outflows coupled with stringent SEBI regulations. On an overall basis, the equity segment has seen a rise in redemptions on account of perceived higher valuations, while there was an uptick in the inflows in the debt segments and ETF / index funds.

Digital Initiatives

One of the biggest drivers of growth has been ‘technology as an enabler’ for LTFH. To ensure seamless customer service, LTFH took proactive measures and encouraged customers to prioritise the usage of digital facilities for services, payments and inquiry, and leveraged web portal and mobile app channels to establish direct connect with customers. LTFH focused on capacitating call centers for calling debtor customers for digital payments to strengthen the collection strategy. In the project finance business, LTFH also leveraged digital technology for real-time monitoring of infrastructure and real estate financed assets.

The Company looks to continue leveraging the power of data analytics, build strategic competitive advantage, improve productivity and enhance performance with its end-to-end digital proposition.

Mutual Funds

LTFH's flagship CSR programme, 'Digital Sakhi' (peer educators), focuses on financial literacy by cultivating and adopting digital modes of payments. The programme is currently being implemented in five states – Maharashtra, Madhya Pradesh, Tamil Nadu, Odisha and West Bengal, in a total of about 395 villages.

In FY 2020-21, LTFH's Digital Sakhis disseminated digital finance sessions to 8.70 lakh+ community members through door-to-door visits across the 5 states.

The flagship programme won the prestigious FICCI CSR awards in the category of women's empowerment and *Business Standard's* Social Excellence Award 2019 for the Most Socially Aware Corporate of the Year. In order to contain the spread of coronavirus in rural geographies, LTFH launched various awareness initiatives through Digital Sakhis reaching out to over 4.80 lakh community members.

Environment, Health and Safety

LTFH embarked upon the sustainability journey 3 years ago, and has taken various initiatives to steer 'Financing Sustainable Future' and for 'Growing Better Together'.

- LTFH introduced several technological solutions to save electricity and increase efficiency. LTFH complies with the E-Waste Management and Handling Rules and recycles 100% of generated e-waste through registered recyclers.
- LTFH's corporate headquarters in Mumbai has earned the recognition of being a LEED Gold-certified building. The structure has in place a Sewage Treatment Plant that allows the usage of wastewater for gardening and air-conditioning.

The nature of LTFH's business, which serves the rural populace and the base of the pyramid, as well as financing renewable energy projects, along with various sustainability initiatives, has enabled LTFH receive positive ratings on some of the global ESG indices such as FTSE4Good, Sustainalytics and MSCI.

Human Resources

As a financial services provider, people are one of LTFH's core strengths. LTFH is committed to the well-being and development of each of its employees and adapts its human resource practices to the changing needs and dynamics. With over 75% of people in frontline roles who are required to be out in the field for regular work, the focus on health and safety has been paramount, especially in a year such as this one.

1. **Enablement of WFH during lockdown, initiatives taken for safety of staff at workplace, travel etc.**

   Work from Home was immediately put into effect in the organisation as per the Government guidelines. To ensure a smooth transition, initiatives such as sanitising all branches and offices and connecting with employees daily to check on their health as well as the health of their families were introduced. In addition to the existing Mediclaim, Term Life and Personal Accident

Two-Wheeler Finance

policies, LTFH also launched a Covid-19 Domiciliary Policy for employees and their families for coverage of Covid-19 treatment expenses and an Online Health Care Facility (Doctor on Call Service, an app-based medical consultation) in association with Practo, for the safety and wellbeing of the employees and their families.

A daily tracker was instituted to check on the health of the employees who tested positive for Covid-19 to ensure that the necessary support is provided to them at the right time.

2. **Policies and programmes for employee growth and development, appreciation and satisfaction capability building:** LTFH's talent strategy is performance-oriented and in alignment with its organisational goals. LTFH encourages employees who have demonstrated the right capability, attitude and the desire to 'step up'. As a part of its strategy to groom future-ready talent, LTFH encourages cross-functional movements and up-skills them through 'education, exposure and experience'.

   To felicitate top performers, LTFH has established STAR Awards, one of the biggest annual recognition platforms which propagates its values and recognises those who live by it. Additionally, in recognition of the outstanding and exceptional contributions of the employees throughout the year, an online 'Wall of Fame', a reward and recognition platform, was instituted across the organisation.

   LTFH has a practice of periodic Town Halls conducted by senior business leaders. The frequency of these was ramped up in the past year, keeping in mind the need to have people aligned to organisation priorities as well as connected with their teams.

3. **Initiatives towards building future leaders, succession planning:** Succession planning is an important part of talent strategy, to de-risk any 'vacancy risk' associated with critical roles, for ensuring business continuity.

   From a high-potential talent pool, LTFH has identified successors to be developed in order to take up leadership roles in the future.

Risks and Concerns

Despite the optimism surrounding the ongoing vaccination drive, the recent resurgence in Covid-19 infections across the states has raised the spectre of fresh pandemic restrictions and thus poses a threat for smooth economic recovery.

On the fiscal front, both the Centre and the State Governments are expected to run higher fiscal deficits to fuel the economic recovery. In the absence of the imposition of fresh taxes by the Government, the revenue inflows will depend on an uptick in economic activities. A deluge of market borrowings by the Government could push up the cost of borrowing as well as impact the sovereign credit rating outlook, if growth does not pan out as expected. The business remains prepared to manage the concerns with help of strengths in market positioning, agile execution capabilities, robust early warning systems and the extensive use of analytics for risk mitigation and resource allocation.

Outlook

Around the globe, the support from the Governments and the central banks in the form of lowering of key policy rates, quantitative easing measures, loan guarantees and fiscal stimuli have brightened the global growth outlook for FY 2021-22. Various multilateral organisations and rating agencies have projected that the Indian economy will grow at a double-digit pace in FY 2021-22. With massive vaccination drives underway, risks to the recovery may abate and economic activity is expected to gain momentum in the second half of FY 2021-22. However, the emergence of newer variants of the virus has created some uncertainty.

The RBI expects gross NPAs of scheduled commercial banks to rise to 13.5% under the baseline stress scenario and further escalate to 14.8% under a severe stress scenario by September 2021. The banks will, thus, need to make higher provisions to cover the stressed assets, which could impair the credit available for investment spending. Similarly, the RBI expects asset quality of NBFCs to deteriorate further due to the disruption of business operations caused by the pandemic.

Retail inflation may be rearing its ugly head again in the coming months. Although the food inflation is likely to be moderate with expectations of bumper harvest, the core inflation has remained stubbornly elevated for the past few months. Recently, the commodity prices have started rising at a faster pace across the globe in response to the normalisation of economic activities. Broad-based escalation in cost-push pressures in services and manufacturing prices could further impart upward pressure. Expectations of demand normalisation, production cut by the OPEC+ and allies as well as higher taxes on petroleum products are likely to further exert an upward pressure on the fuel prices.

On the positive side, the Government has remained committed to providing further impetus to the economy through the Union Budget 2021. The Budget is expansionary with a focus on Health, Rural and Infrastructure related capex. The Budget has placed special emphasis on monetising operational public infrastructure assets, foreign participation through the InvITs and REITs route, and has proposed a sharp increase in capital expenditure of ₹ 5.54 trillion.

In FY 2021-22, supplemented by the capital raised, LTFH plans to build upon its strengths and learnings of FY 2020-21, to maintain leadership position in the focused segments – Rural, Housing & Infrastructure lending. It will continue tracking the developing macro conditions to manage risks while taking advantage of market growth opportunities.

Major junction at Sambalpur-Rourkela Tollway Limited

DEVELOPMENT PROJECTS BUSINESS

The Development Projects business segment comprises:

a) Infrastructure projects executed through its joint venture company, L&T Infrastructure Development Projects Limited and its subsidiaries and associates (the L&T IDPL Group)

b) The Hyderabad Metro Rail project, executed through its subsidiary, L&T Metro Rail Hyderabad Limited

c) Power development projects executed through its subsidiary L&T Power Development Limited and its subsidiaries (the L&T PDL Group)

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

Overview:

L&T Infrastructure Development Projects Limited (L&T IDPL) is a pioneer of the Public-Private-Partnership (PPP) model of development in India, which involves the development of infrastructure projects by private sector players in partnership with the Union and State Governments. Since its inception in 2001, the company has completed landmark infrastructure projects across key sectors such as roads, bridges, transmission lines, ports, airports, water supply, renewable energy and urban infrastructure. It is one of India's largest road developers as measured by lane kilometres under concession agreements signed with Union and State Government authorities.

Currently its portfolio includes 16 owned and operated assets. This includes 10 highways of 4,434 lane km and a transmission line from Kudgi to Bidadi in Karnataka covering 490 km. It also manages 5 operational road assets covering 2,748 lane km transferred to Indinfravit Trust, an InvIT that the company sponsored and launched in May 2018 as the first privately-placed InvIT in India, with 77% holding from an international pension fund and insurance investors.

Toll plaza at Vadodara-Bharuch Tollway Limited

Two decades of extensive experience in working with governments, multi-lateral agencies, international and domestic financial institutions and corporate entities has helped the company to develop proven competencies in Viability Assessment, Financial Closure, Project Management, Operations & Maintenance and Portfolio Management of Infrastructure Assets across various sectors.

The Canada Pension Plan Investment Board (CPPIB) made substantial financial investments in L&T IDPL, with the current holding being 49%. This was the first direct private investment by the largest Canadian pension fund in an Indian Infrastructure Development company.

Business Environment

During the year, tolling started from 20th April '20. Barring the impact of the farmer agitation in the National Capital Region and the surrounding areas, economic activities have largely been functioning smoothly for the road sector for most part of the year and toll collections have witnessed a marked improvement, even surpassing the pre-Covid levels. The fear of Covid-19, along with limited availability of public transport, has led to a steady and significant increase in passenger vehicular movement on roads. In addition, the sharp pick-up in the manufacturing and construction sectors contributed to a healthy rise in commercial vehicular movement.

In order to mitigate the lower toll collection impact of the pandemic, in line with the provisions of the Concession Agreement, NHAI would grant extension of the concession period, while the case of state-sponsored road projects is still under discussion with the state authorities. In certain projects, moratorium facility granted by RBI was availed.

As FASTag (Electronic Toll Collection) has been made mandatory with effect from 15th February 2021 for all the vehicles plying on NHAI roads, Electronic Toll collections as a proportion of total toll collections went up from 73% in March 2020 to 96% in March 2021. This digitalisation would result in reduced cash-handling issues and costs associated with it.

In the Transmission Line sector, many greenfield projects are being set up. Under the Green Energy Corridor (GEC) Phase II, a total of 12 bids have been finalised by the central empowered committee, where the company intends participating in at least two of the tenders.

Major Achievements

The National Highways Authority of India (NHAI) released its first-ever national highways rankings during FY 2020-21. Krishnagiri Walajahpet Tollways Limited (KWTL), one of the highways maintained by IDPL, ranked 6th among the top 10 highways across the country.

The Ministry of Road Transport and Highways (MoRTH) confers National Highways Excellence Awards every year.

Bridge, Sambalpur-Rourkela Tollway Limited

For the year 2020-21, two of the assets operated by IDPL received these awards, viz. Deccan Tollways Limited (DTL) received the Gold award for Excellence in Toll Management and Devihalli Hassan Tollways Limited (DHTL) received the Silver award for innovation in pavement maintenance.

During the year, Kudgi Transmission achieved an availability of 99.99%. This being above the 98% qualifying level, made KTL eligible to receive incentives over and above the transmission tariff.

Significant Initiatives

The enterprise-wide digitisation drive to integrate all operations across functions built on four pillars, viz. process automation, transparency, efficiency and real-time data, were undertaken during the year.

Under Project Fusion, the business undertook massive ERP implementation covering all the 14 entities and all the processes in an integrated manner. The business went live with SAP S4 HANA 1909 (greenfield implementation) on 9th October, 2020.

The business also implemented an exclusive vendor portal integrated with ERP, including right from vendor on-boarding to vendor reconciliation, etc.

The business also launched a dedicated mobile app for O&M of the roads and power transmission line business, which is integrated with ERP and ArcGIS Online (ESRI, a map-based server). The mobile app has revolutionised the way incidents are monitored and assets are managed. The salient features include capturing GPS coordinates, working in off-line mode, capturing A/V and pictures, map navigation, various measurements readings, preventive and corrective maintenance and consumption of spares for asset repairs.

With the successful launch of Project Fusion, the business was recognised by AWS (Amazon Web Services) as a unique project (hosted on cloud) in India, and the business had the privilege to be the sole customer selected to represent India at the 'AWS Voice of Customer' event.

The business is developing a custom-built intelligent Highway Management System, christened iHAMS, which is a video-based AI/ML (Artificial Intelligence/Machine Learning) application. This tool captures missing assets and damaged assets automatically using a DashCam, without human intervention.

Environment, Health and Safety

The business continued to function without disruptions, despite the Covid-19 pandemic. Employees' health and safety remained the focus all through the year. The business continually made improvements and quickly adapted to the dynamically changing environment, which not only helped the business to keep the Covid-19 positive cases at a significantly low level but also earned respect from local authorities, including the clients.


Power Transmission Tower at Kudgi Transmission Limited

Also, the business initiated an innovative industry-first accident reduction measure by adopting Behavioural Science approach solutions, which aim at studying the driver behaviour and design solutions to bring about behavioural changes. The business was able to implement this at the Sambalpur-Rourkela and Krishnagiri-Thoppurghat projects under Phase-I and reduce accidents by 40%, with 80% reduction in fatalities. It intends to roll out the initiative at all its road projects under Phase-II in FY 2021-22.

Human Resources

Talent management is the key focus at L&T IDPL. A minimum of 4-man days training across all career levels as a learning investment for every employee is a thrust area in employee development. Future leaders and high potentials are put into a different rigour, viz. specifically identified technical development and executive coaching. Achievements are appreciated through organisation-wide broadcasts by HR. This is complemented by specific rewards and recognition programmes for outstanding achievers. HR and individual functional heads address specific functional members every month. Feedback is sought through an anonymous online system to know and understand the satisfaction levels of employees.

During the pandemic, communication and virtual reach-out was the key focus area with meetings being organised virtually. A site-based-employee one-time recognition award was given for their contribution during the lockdown.

Employee engagement activities, including panel discussions on subject matters, were also extensively resorted to in a virtual way. Regular hygiene-awareness communications on Covid-19 were sent to all employees. For office-based staff, alternate group weekly working was introduced.

As a business continuity plan, on a monthly basis, a virtual coffee-connect of top talent with leadership is being conducted. The top talent gets the opportunity to work with senior management as a grooming process in major assignments.

Risks and Concerns

In its ongoing businesses of roads and transmission lines, there are 2 annuity assets which are not dependent on traffic flow. However, the remaining highway assets are based on traffic volumes and toll collections. The coronavirus impact on toll collections could be a risk, which would be mitigated under provisions of Concession Agreements. *Force majeure* claims were submitted for a toll suspension period and a partial toll collection period. Concession agreement provides for extension of concession period in case of drop in toll revenue below 90% and reimbursement of costs in case of a *force majeure* political event.

Since annual toll revisions are based on the wholesale price index, lower inflation would lead to lower growth in toll collections.

Going the distance – connecting destinations

Outlook

The Union Budget 2021 has given topmost importance to infrastructure development in India. In line with expectations to address issues of sustainable long-term financing for infrastructure sector, the Development Finance Institution (DFI) would be set up. The DFI is a professionally managed body with a budgetary allocation of ₹ 20,000 crore for funding infrastructure projects. It aims to have a lending portfolio of ₹ 5 lakh crore in a timeframe of 3 years.

The proposed DFI will address the financial needs of the infrastructure sector; especially associate and fund in difficult projects through which the infrastructure companies can resolve their debt-related issues. This move will help infrastructure players like IDPL in a big way in developing new projects.

NHAI has awarded around ~ 3500 – 4500 kms of highways during the FY 2020-21. The majority of these projects were awarded through the EPC mode and the remaining through the Hybrid Annuity Mode (HAM). Lately, NHAI is focused on the Asset Recycle programme that would fund NHAI's rising debt and reduce dependence on budgetary allocations. In this fiscal, NHAI has awarded two bundles on Toll Operate Transfer (TOT) mode and it would award more such projects on the same route in the upcoming years. Additionally, NHAI is also planning to launch its own InvIT that would fetch around ₹ 4,000-5,000 crore for NHAI. NHAI is also planning to award about ~5000 kms of new projects for the upcoming fiscal, of which about 20% would be awarded through the BOT model. IDPL would continue to evaluate the upcoming opportunities that would provide adequate growth and returns.

L&T METRO RAIL (HYDERABAD) LIMITED (L&TMRHL)

Overview:

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

As per the Concession Agreement with the state government, the Metro Rail system was required to be constructed on three elevated corridors from Miyapur to L.B. Nagar, Jubilee Bus Station to Falaknuma and from Nagole to Shilparamam, in aggregate covering a distance of 71.16 km.

The project was commissioned in February 2020 and is now operational, excluding a portion of 5.5 km for which the Right of Way could not be provided by the Government and which the Government has been requested to descope. The concession period of the

The Hyderabad Metro adds efficiency to city mobility

project is 35 years, including the initial construction period of 5 years, which is extendable for a further period of 25 years subject to fulfilment of certain conditions by the Company, as set out in the Concession Agreement.

The Concession Agreement also included rights for real estate development of 18.5 mn. sq.ft. out of which 1.28 mn sq.ft. of Transit Oriented Development (TOD) consisting of 4 malls and an office block have commenced commercial operations. Construction work of 0.5 mn sq.ft. of office space at Raidurg site is currently underway. The entity is chalking out plans for monetisation of the TOD development rights in a phased manner.

Business Environment

At the start of the year, the Government of Telangana had imposed a lockdown and allowed the metro operations to resume only from 7th September 2020, with social distancing norms. With increased awareness, high recovery rates and the optimistic environment of vaccine availability boosting positive sentiments of commuters, ridership gradually increased. However, average ridership remained below pre-Covid levels, mainly on account of (a) caution amongst the passengers, (b) social distancing restrictions and (c) majority of corporates' advisory on continuing WFH.

In the case of lease rentals, footfalls in malls were below pre-Covid level, and hence most of the lessees adopted revenue-sharing models.

Advertisement revenue was impacted pending renewal of advertisement contracts for pillars. Further since the trains were not running, there was lower advertisement revenue for broadcasting in the trains. Despite this, the entity was able to book various advertisement media, including digital advertisements, apart from various physical media like piers, portals, station facades, etc.

In order to combat the financial and profitability pressure, the business used the moratorium extended by banks and has also applied for *force majeure* under the concession agreement, which provides for extension of the concession period for the *force majeure* period.

Significant Initiatives

- L&TMRHL has finalised the open loop ticketing system which is expected to be commissioned in FY 2021-22 and will make travel easy, contactless and trouble-free. L&TMRHL has tied up with ticketing partners, such as Goibibo, MakeMyTrip, Phonepe and Paytm, and has launched the Mobile Ticketing (QR Code generation) solution for metro commuters. This is making travel contactless, easy and trouble-free.

Going digital with Mobile QR Tickets

- L&TMRHL is tying up initiatives, such as shuttle services, to create robust and affordable last- mile connectivity to enhance ridership.

- L&TMRHL is exploring various non-fare revenue-generating options, viz. leasing out space for erecting mobile towers, optical fibre, royalty from QR ticketing / open loop ticketing partners, consultancy services to other metros, etc.

- L&TMRHL has tied up with a solar power developer to generate captive solar power at a very competitive price with the view of reducing operational expenses. Considering future mobility, L&TMRHL has tied up with partners and set up Electric Vehicle charging points at different metro stations. A total of 50 charging points have been made available across Hyderabad Metro stations.

- Driving towards digitalisation, L&TMRHL has started using Business Intelligence IT tools such as Alteryx and Tableau for both business and passenger data analysis / interpretation.

Awards and Recognition

- IGBC Performance Challenge 2020 for Green Built environment under the category Transit Buildings – Metro

- Top 100 Influential Game Changers, 2020 under the category PR and Corporate Communications

- 50 Marketing Marvels 2020 under the category Best Marketing and Communications Professionals

- ABCI Annual Awards 2020 under the category Web Communication – Online Campaign and internal broad cast

- PRSI National Award 2020 under the category of Social Media for PR and Branding

L&TMRHL facilitated transportation of a live heart for transplantation through a special Metro Rail Green Channel, contributing to a social cause.

Human Resources

During the year, the focus of HR shifted towards the well-being and care for the employees, associated staff and their families in view of the pandemic. Various initiatives and actions were taken to safeguard employees and their families viz. tie-ups with hospitals for round-the-clock support, dedicated ambulances, special Covid-19 insurance, etc. Further, training programmes and webinars were organised.

Environment, Health and Safety

The metro helps shift the commuting masses from traditional air-polluting modes of transport. Further, it reduces sound pollution due to the efficiency of the coaches and the advanced engineering that has been used for building the track, viaduct as well as the metro coaches.

Ready to serve the metropolis

L&TMRHL has installed solar power plants of 8 MW capacity over the rooftops of the metro stations and in the depot areas to partly meet the power requirements, thereby reducing dependency on the grid power. As a sustainability initiative, rainwater harvesting pits are created at stations and depots and about 65 million litres of water are harvested per year. Further, smart cards and mobile QR ticketing options have reduced paper consumption.

The Hyderabad Metro rail is run on the Automatic Train Operation (ATO) mode which is the normal mode of operation of trains. The Automatic Train Protection (ATP) System continuously monitors safe train operations. All vital train-borne equipment are highly safe and redundant to avoid any unwanted interruption of train service. The station equipment, e.g. Computer based inter-locking (CBI), wayside ATP, etc. are vital signalling equipment and redundantly arranged to ensure safe and uninterrupted train operation. Passenger Emergency Stop Plungers are provided on each platform and in the station control room (SCR) to stop a train immediately in case of emergency.

Risks and Concerns

The business has a robust Risk Management Process, having identified risks and categorised them as Major, Moderate and Minor and embarked upon a regular risk monitoring and control process.

The pandemic continues to pose a major risk considering the restrictions, WFH being continued by major corporates, closure of schools / colleges, etc., and reduced ridership due to fear of spread of virus among the passengers.

To mitigate this, the business adopted best practices from metros across the world and upgraded standard operating procedures with a focus on cleaning and sanitisation of metro systems. These include:

- Regular audits by a team pertaining to the disaster management plan
- More focus on contactless travel by promoting Mobile ticketing (QR Codes), etc.
- Implementing wellness and sanitisation measures in the TOD facilities, aligning to the newer business requirements
- Being a public transport system, the operations risk in terms of passengers safety and assets is major. To mitigate this, L&TMRHL has a robust in-house team to check the safety measures. Keolis, a reputed French company, is the O&M operator and has experience in providing solutions for the safety of the commuters, systems and assets of the metro rail

The company is currently running sub-optimal and has also the additional pressure of debt servicing. The Company and its parent, L&T, are exploring various options, such as state government assistance, additional equity support, part

2x700 MW Supercritical Technology based Thermal Power Plant at Rajpura

conversion of debt into equity, TOD monetisation efforts, etc., to reduce the interest / debt burden.

Outlook

With the continuing risk of the pandemic, the upcoming transport scenario will be highlighted by social distancing, the continued practice of WFH-reduced travel and reduced travel by senior citizen and increased use of self-owned modes of transport. The on-going vaccination drive for Covid-19 should build confidence amongst the common people and drive them to use public transportation, such as the metro rail.

The telecom sector (optical fiber & tower) is a major contributor to non-fare revenue and, with current pandemic situation (increased demand for bandwidth for remote working), it gives L&TMRHL the opportunity to expand it further and enhance non-fare revenue significantly. Non-fare revenue generation through cross-selling of products to commuters is being increasingly explored, which will be further strengthened by metro expansion, resulting in higher ridership.

Training and consultancy to other metros is a great opportunity that the entity would target in a big way, given the many upcoming metro projects in the country and abroad.

The optimisation of revenues from development rights, including monetisation, is a focus area.

GoTS has plans to implement Phase II of the metro project covering 85 km, including an airport link. This will significantly enhance the average ridership of the metro system, with improved connectivity.

L&T POWER DEVELOPMENT GROUP

L&T Power Development Limited, a wholly-owned subsidiary of L&T, is engaged in developing, operating and maintaining power generation assets. The portfolio currently comprises two project, one each in thermal and hydel sector and aggregating to 1499 MW. In the thermal sector, Nabha Power Limited owns and operates a 2 X 700 MW supercritical thermal power plant at Rajpura, Punjab. In the hydel sector, L&T Uttaranchal Hydropower Limited is operating a 3 x 33 MW Singoli-Bhatwari Hydro-Electric Plant in Uttarakhand which came into full commercial operation from January 2021.

NABHA POWER LIMITED (NPL)

Overview:

Nabha Power Limited (NPL) owns and operates a 2X700 MW supercritical thermal power plant at Rajpura, Punjab. The entire power generated from this plant is sold to Punjab State Power Corporation Limited (PSPCL) under

Rajpura project at the cusp of completion in December 2013

a 25-year Power Purchase Agreement (PPA). The plant is built on supercritical technology from Mitsubishi, Japan.

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

The power plant has been running successfully for over seven years, with an availability of over 85% since 2014. The plant has been the most reliable source of power for the state of Punjab and has supported its requirements with uninterrupted supply during peak seasons. NPL also happens to be the lowest cost coal-based power producer within Punjab, with the best operational efficiency.

Business Environment

The Covid-19 lockdown marginally impacted India's average electricity demand by 0.99% in FY 2020-21. During the months of April - June 2020, Punjab also witnessed a significant drop in demand from ~5100 MW to 3200 MW due to Covid-19. However, as the restrictions were gradually lifted, the demand picked up significantly, taking the average for the year 3% higher (6705 MW) compared to last year (6490 MW). Punjab witnessed a net capacity addition of 156 MW during FY 2020-21, all of which was contributed by renewables.

Further, in the second half of the year, NPL faced challenges due to the Rail Roko agitation (farmer protest) and was forced to shut down both units for 34 station days due to depletion of coal stocks. Upon lifting of the rail blockade, coal rake movement resumed and NPL quickly built up its plant stocks.

As per its notification dated May 21, 2020, the Ministry of Environment Forest Climate Change (MoEFCC) has removed the restrictions of ash % while transporting coal to thermal power plants located beyond 1000 km from the mine source. During the year, NPL was able to maximise the availability of domestic coal from various CIL subsidiaries, such as ECL, NCL and CCL, in order to ensure that the adequate quality and quantity are available at the plant.

Major Achievements

- Highest continuous operating station days achieved: 119 days (Previous best: 76 days)
- First ever Unit 1 Capital overhaul completed
- Sustained Operational Performance - Annual PLF: 65% v/s All-India thermal average of 54%
- Ensured domestic coal adequacy for FY 2020-21

Aerial view of cooling towers, Rajpura Thermal Power Plant

- Significant collection of receivables from PSPCL pursuant to a favourable order from the Hon'ble Supreme Court
- Commencement of construction of Flue Gas Desulphurisation (FGD) Project
- During the year, NPL received the following awards:
  - Certificate of Merit, National Energy Conservation Award 2020, MoP
  - Twin awards from CII
    - 'National Energy Leader' for its progressive performance for the second consecutive year in Energy Management (2nd time in a row)
    - 'Excellent Energy Efficiency Unit' award for outstanding achievements in Energy Efficiency (4th time in a row)
  - 'Independent Power Producer of the Year 2020 – India' at the Asian Power Awards 2020
  - Finalist at S&P Global Platts Global Energy Awards – 2020 under the category 'Award of Excellence-Power', second time in a row
  - Gold Recognition at CII's Outstanding Managers Competition

Environment, Health and Safety

NPL is committed to generating reliable and environment-friendly power under safe working conditions. A policy on Quality, Environment, Health and Safety has been put in place. Emphasis is laid on continual improvement of its processes and practices to achieve improved environmental, health and safety performance. Training on HSE for employees and stake-holders is undertaken on a regular basis to foster a culture of health and safety.

During the lockdown, NPL, being a provider of essential service, maintained business continuity, while ensuring the health and safety of all its employees and workers. Various steps were undertaken, including all Covid-19 protocols and Standard Operating Procedures (SOPs). Vigorous efforts were made to ensure the safe movement of employees and workers during the lockdown.

Human Resources

NPL has built a committed team of 288 professionals experienced in the field of operations and maintenance of power plants. Special emphasis is laid on training and development of the workforce through various training programmes. In addition to competency building programmes, NPL also focusses on soft skills and leadership development.

Risks and Concerns

As a private power producer, NPL's major risk is financial, mainly being (a) delay in collections from PSPCL, the

Barrage for Singoli-Bhatwari Hydro Electric Power Project (3x33 MW), Uttarakhand

state-owned Discom due to its poor financial health and (b) interest rate risk on the NPL's borrowings. Further it also has exposure to regulatory risks in terms of changes in environmental rules, delays in clearances, changes in government policies, etc. Operational risks pertain mainly to availability and quality of coal, availability of rakes, disruptions in the supply chain, local disturbances, etc.

The Risk Management Policy of NPL provides for a robust risk management framework which involves risk identification, assessment, evaluation, strategy, mitigation, monitoring and review mechanisms. NPL has implemented multiple measures in each of the risk areas to ensure a proactive approach and timely mitigation.

Outlook

In FY 2021-22, the average demand in the state is likely to remain ~7000 MW (peak 14000 MW) and, as a result, NPL is expected to be scheduled at a high Plant Load Factor (PLF) of 80% being at the top of merit order among the thermal power producers within the state.

The per capita consumption continues to promise robust long-term demand. On the fuel side, coal supply continues to be challenging.

Variable scheduling by Discoms due to flexibilisation is likely to worsen, with rapid integration of renewables for balancing demand due to the variability, intermittent nature and geographically confined concentration of renewable energy.

The major focus areas for NPL during FY 2021-22 would be maximising plant availability, improving operational efficiency, securing adequate quality and quantity of coal, implementation of FGD, and resolution of pending litigations.

L&T UTTARANCHAL HYDROPOWER LIMITED

Overview:

L&T Uttaranchal Hydropower Limited (L&T UHL)'s 3 x 33 MW run-of-the-river Singoli-Bhatwari Hydro-Electric Plant in Uttarakhand came into full commercial operation from January 2021. The project is located on Mandakini River, the right bank tributary of Alaknanda River, in the Garhwal region in Rudraprayag district in Uttarakhand, India.

The plant is connected to the Northern Regional Grid through a 220 kV double-circuit transmission line up to Srinagar (Garhwal) sub-station and has been registered as Regional Entity with Northern Regional Load Dispatch Center (NRLDC), Delhi. Power generated from the plant is currently being sold in Indian Energy Exchange (IEX) through PTC. Efforts are on to execute a long-term PPA with state-owned distribution companies.

The plant will cater to daily peak demand loads of 2½ hours each, morning and evening during non–monsoon months, and will continuously run with full capacity during the monsoon season.

Major Achievements

- Even in the stage of lockdown due to the Covid-19 pandemic, L&T UHL successfully commissioned all three units, including 220 kV switchyards, while ensuring the health and safety of all its employees, contract staff and contractor staff
- Plant Availability Factor is at 99.9%
- Generated energy with minimal deviation of committed schedule
- Zero fatalities, zero reportable accidents in FY 2020-21

Environment, Health and Safety

- To combat the impact of Covid-19, many steps were taken, including social distancing and safety practices. Effective Standard Operating Procedures (SOPs) were implemented for people coming from outside for commissioning of individual systems to achieve the targets
- Implementation of proper PPEs for staff and employees
- Training for employees and workmen undertaken on regular basis
- Installation and operation of the waste oil treatment system in order to avoid spillage of oil in the river
- Emergency response plan prepared for safe running of the plant

Human Resources

L&T UHL is being operated by a team of professionals, which includes people from operations, maintenance, water management, finance, commercial, HR & general administration. L&T UHL focusses on overall development of its people, using the support of Learning & Development initiatives. These include programmes on relevant technical skills, EHS, communication skills, personal effectiveness and leadership skills.

Risks and Concerns

- The project was challenged during construction & commissioning by the rough terrain, dense forests and a small working window because of the extremely cold weather, landslides and monsoon floods.
- The project is located in Seismic Zone V; however no major earthquakes have been reported in this region to date.
- Power generation is dependent on the flows in the river.
- Revenue is linked with variation in prices in IEX, which is dynamic in nature.
- Forced outages due to faults in the equipment may lead to generation loss.
- Tripping of transmission lines could affect power evacuation, especially during the monsoons.
- High sediment concentration of the river during the monsoon will be a challenge.

Outlook

The L&T UHL team is geared to deliver the best to achieve maximum generation and will put in full efforts to maintain plant availability by minimising forced outages through proper preventive maintenance. Thus, the Singoli-Bhatwari Hydro Power Plant is contributing to the nation's focus on renewable energy, and is also helping the grid to meet peak load demand.

L&T Innovative Campus, Chennai

OTHERS

'Others' business comprises:

a. Realty Business

b. L&T Valves Limited

c. Construction Equipment & Others

d. Smart World & Communication

e. Digital Businesses

REALTY BUSINESS

Overview:

L&T Realty is positioned amongst the top real estate developers in India, with a total portfolio of over 70 mn. sq. ft. across residential, commercial and retail segments in key metro cities, viz. Mumbai, Bengaluru and Chennai. L&T Realty is focused on delivering higher value to its customers through efficient designs, latest technologies and superior project management skills. The business model also includes development in partnership with owners of large land banks, other developers and sale / lease of commercial spaces.

Residential Segment

Emerald Isle (Mumbai)

This flagship residential project, the finest gated community at a premium location, is part of a prime real estate development in Powai, spanning over 90 acres. Phase I is complete and is now occupied by over 780 resident families. The development of further phases of the project is in progress.

Crescent Bay (Mumbai)

Situated at a sought-after location – Parel, with the Arabian Sea as the backdrop – Crescent Bay is a residential complex with the perfect setting for an exclusive lifestyle. Crescent Bay raises urban living to top-notch quality, with a sky deck and lifestyle amenities on level 21. It is currently occupied by 1000+ resident families and the last tower is being built.

Raintree Boulevard (Bengaluru)

Conceptualised on the live-work-play theme, Raintree Boulevard is a 65-acre mixed-use project located in the high-growth micro-market of Hebbal. The project offers

Seawoods Grand Central, Navi Mumbai

premium flats with elegant and majestic layouts, along with the leisure of fine-living and best-in-class amenities. The project also includes fully furnished studio units, a dire need of young IT professionals in Bengaluru. 250+ happy families have already moved in.

Seawoods Residences (Navi Mumbai)

Seawoods Residences is part of India's first Transit-Oriented Development, which is spread across 40 acres. The project offers unmatched connectivity and is surrounded by breath-taking views. It has been a successful launch, with over 90% units sold out.

Rejuve 360 (Mumbai)

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

Commercial Segment

Seawoods Grand Central (Navi Mumbai)

India's first Transit-Oriented Development (TOD), Seawoods Grand Central is spread across 40 acres. It offers 2.6 mn. sq. ft. of Grade A development with a unique combination of commercial and retail business spaces coupled with the captive local train station. The office space here is spacious, well-planned and customisable.

Technology Centre (Mumbai)

Designed to provide superior workspaces, it is a thoughtfully designed and LEED-Rated Gold Building. It is a part of a larger integrated development promoting walking to work. It is one of the coveted corporate addresses in Powai, Mumbai, with proximity to excellent social infrastructure. Much of this development is already completed and some has been effectively divested.

Technology Park (Bengaluru)

Located in the rapidly growing micro-market of Hebbal, the project has the potential for development of commercial office spaces of 3.3 mn. sq. ft., which is being taken up in phases. With unmatched connectivity and well-designed spaces, it is set to become the most favoured address for many technology companies.

L&T Innovation Campus (Chennai)

Coming up on a 40-acre plot in the IT hub of Chennai, the 6.5 mn. sq. ft. L&T Innovation Campus project will be developed in phases. It will bring together a world-class innovation business / IT hub, and an eclectic mix of leisure and lifestyle amenities, with a lush central parkland at its core. The development offers the walk-to-work convenience.

Business Environment

The Covid-19 pandemic impacted the economy adversely, including the real estate sector. The year bestowed

Raintree Boulevard, Hebbal, Bengaluru

opportunities for businesses to re-align and create propositions that will have a long-lasting impact on the economic landscape. While businesses traversed through a tough and uncertain year, the Government was supportive and took several measures to keep the economy buoyant.

The residential segment witnessed a dip of 40% in new launches and sales during FY 2020-21. The sales momentum resumed from the third quarter with historically low home-loan rates, signs of the economy recovering faster, and steps taken by the Government, such as stamp-duty waiver in Maharashtra. Sales sharply recovered in the last quarter, exceeding the last year's bookings.

The office space segment has been severely impacted, as leasing has dipped by over 40% over the previous year, with leasing in the top 7 cities being only 26 mn. sq. ft. vis-à-vis 46 mn. sq. ft. in the previous year. Adoption of Work from Home by most companies coupled with the deferment of large leasing decisions by international and domestic clients weakened the sentiment towards this segment. The commercial office space segment is expected to take a longer time to recover.

The retail segment was the worst hit on account of the lockdown and the inability of tenants to pay-out leases. Apprehension regarding the recovery of this segment has led to renegotiation of leasing contracts into the revenue share model.

FY 2020-21 paved the way to an encouraging outlook for the Real Estate Investment Trust (REIT), which is aimed at attracting private investments. Despite the pandemic, during the year, the two REITs listed received an overwhelming response, proving the market and investor confidence for the long-term in the real estate sector.

The Government on its part, has introduced various fiscal measures and policy reforms for the early recovery of the sector. Out of the total private equity investment in India, real estate attracted USD 4.2 Bn this year. In the face of the unprecedented pandemic crisis, the real estate sector, especially the residential segment, has displayed remarkable resilience. As the unlocking process was initiated in the second quarter of FY21, both the residential and office markets started showing promising signs of revival.

The pandemic has further worsened the financial position of most real estate developers. This, coupled with customers now preferring reputed corporate brands, offers a better competitive positioning for L&T Realty.

Major Achievements

1. Launched new phase at Seawoods Residences in November '20 and sold over 80% of the inventory.

2. As workplace merges with home, large-size units gained momentum. Traction is seen in large format premium units in Crescent Bay, Parel, placing the business.

L&T Tech Park, Bengaluru

amongst the most-sold projects in the premium South Mumbai market.

3. Completion of an iconic digitally advanced office space tower.

4. Completed sale of commercial space through transactions with Blackstone Group and Max Life.

Awards and Recognition

The business has been conferred many national and international awards for the brand as well as for individual projects during the year. A few of them are listed below:

- Winner of 'Swatch Bharat Mission' by Navi Mumbai Municipal Corporation for Seawoods Residences
- Royal Society for the Prevention of Accidents (ROSPA) Gold award for Emerald Isle, Powai and AM Naik Tower
- Acknowledging the continuous effort towards safety, British Safety Council, UK, awarded the Realty business the Sword of Honour
- Appreciation certificate from National Safety Council
- Appreciation certificate from Construction Industry Development Council, Vishwakarma Awards
- Recognised by *Economic Times* as one of the 'Best Realty Brands 2020-21'

Significant Initiatives

Digitalisation

In digital, the business focuses on further improvement of Safety, Quality and customer experience. The 'SHIELD' app was launched to report unsafe conditions, issue of work permits, etc. A mobile-based quality inspection app under the 'SQAD' initiative has been implemented to digitally monitor checklists and drive more accountability. To provide a better customer experience at every touchpoint, the salesforce ecosystem for Digital Marketing, Sales and Customer Relationship Management (CRM) has been implemented and is complemented by deploying augmented reality solutions and digital flipbooks. The adoption and implementation of remote working during pandemic time was crucial for the business and many aspects of digital infrastructure were already in place. Critical measures were taken to further strengthen the security infrastructure as data flow increased online.

Innovation

The business strives for innovation and engineering excellence in every project. Emerald Isle features the first residential building in Mumbai executed with pre-fabricated on-demand concepts, leading to reduction in finishing time as well as delivery of a customised quality product.

Human Resources

Appropriate measures were taken during business resumption to ensure employees' health and safety

Seawoods Residences, Navi Mumbai

within the site and at the office premises. The business makes every effort to generate a never-ending desire to collaborate, learn and build a talent pool to stay relevant to customers' needs at all times. The business is focused on creating a young and vibrant organisation. With emphasis on gender diversity, L&T Realty has one of the highest percentage of women employees in the Indian real estate sector.

The company has been providing avenues for capability building and continuous learning, and this year the business clocked 7,552 man-hours of dedicated personnel training.

Risks and Concerns

The real estate sector had just begun to recover from the after-effects of Covid-19, with business activities gaining pace and the Indian economy expected to rebound considerably in FY 2021-22. However, the second wave of the pandemic is likely to delay recovery. The intermittent lockdowns will impact demand. The short-term waivers and relaxations offered by the Government have been discontinued, despite the lingering threat of the pandemic. The delivery timelines may also get affected with another phase of workforce reverse-migration and the ensuing delayed construction schedules. Large investment decisions for office space had started to return, but increasing spread of the virus has led to increased preference for Work from Home, resulting in major corporates postponing the decisions on expansion plans and capital expenditures.

Outlook

Real estate is currently ~6.3% of GDP and is projected to touch 12% by 2030, making it USD 1 Tn in market size. In the longer run, the demographic shifts and demand in the upper mid- and high-income households will increase many-fold.

The residential segment, which constitutes 80% of the sector in India, bottomed out in 2020, but is now ready to embark on a new growth journey. Despite the launches and sales being short of last year, the trend of sales outnumbering the launches eventually pulled down the unsold inventory pan-India. The Mumbai Metropolitan Region recorded the highest year-on-year decline of unsold inventory by 8% in the last seven years. The low mortgage rates have improved the affordability index in key cities, bringing back customer confidence. The pandemic has also fuelled the trend of owning a bigger home and living in a gated development with adequate amenities.

In pre-Covid times, the commercial segment was largely dependent on foreign corporations for the annual absorption of a large part of the office space. Many of the large corporates adopted Work from Home, putting a hold on their expansion or office consolidation plans. With employee fatigue due to Work from Home and with offices adopting alternative strategies, viz. satellite offices, consolidation in peripheral parts of cities etc., commercial office leasing and sales is slowly gathering pace.

HIPPS (High Integrity Pressure Protection System) prevents catastrophic over-pressurisation and release of toxic flammable fluids

In the post-Covid-19 business scenario, the reputation and execution capability of the developer will become even more important. Prominent organised developers, such as L&T Realty, who adopted a customer-centric approach, will emerge stronger, and another wave of consolidation will gather pace.

L&T VALVES LIMITED

Overview:

L&T Valves (LTVL) is a leading manufacturer of industrial valves and has a global customer base. The business leverages sixty years of manufacturing excellence to serve key sectors, such as oil & gas, defence, nuclear & aerospace, power, petrochemicals, chemicals, water, and pharmaceuticals, across the globe. LTVL manufactures a wide range of products such as gate, globe, check, ball, butterfly and plug valves and automation solutions. With a large installed base across countries, L&T Valves also runs a robust after-market business to support its customers in their service and spares needs.

The business has a global manufacturing presence, with two state-of-the-art facilities in Tamil Nadu, India and two facilities set up in the USA and Saudi Arabia. LTVL products deliver safety, reliability, and quality for industries across the world.

Business Environment

The business environment was affected due to the Covid-19 pandemic. The operations were impacted in the first quarter and were restored to normalcy in Kancheepuram from 6th May '20 and in Coimbatore, from 1st June '20.

The business uncertainty due to the pandemic led to delays and deferments in investment decisions, affecting the order inflow. There was also deferment of maintenance and repair activities in the oil & gas sector as major customers had implemented workplace restrictions.

Though capacity addition in thermal power remains muted, capex in the areas of emission control is a primary focus. The second half of the financial year hinted at an economic recovery. Liquid fuel demand is on a recovery path and is inching towards pre-Covid levels.

LTVL has been able to mitigate the effects of the pandemic with its wide customer portfolio spanning across industries and geographies. The entity has been able to leverage its large distribution network in these unprecedented times.

Major Achievements

Major Orders Received:

The business made focused efforts to build its order book during the pandemic year. Focus on delivery and increased

Range of actuated Ball and Butterfly Valves for process as well as aerospace applications

customer engagement have helped the business to maintain customer confidence. The major orders include valves for:

- Kuwait Oil Company's 11 pattern project from SHBC
- Mabrouk North East Development Project from Petrofac
- Kandla Gorakhpur Pipeline Project from IHB (JV of IOCL, HPCL and BPCL)
- Remotely-operated shut-off valves, tank farm terminals, IOCL
- Hawiyah Unayzah Gas Reservoir Storage Project from ARAMCO

Major Product Milestones:

During the year, the business, through its technical expertise, made the following higher size and class product achievements to meet customer requirements:

- 80″ and 56″ PN25 butterfly-type shut-off valve
- 52″ Class 300 CF8M triple offset butterfly valve
- 34″ Class 600 damper check valve
- 12″ Class 2500 WC6 gate valve

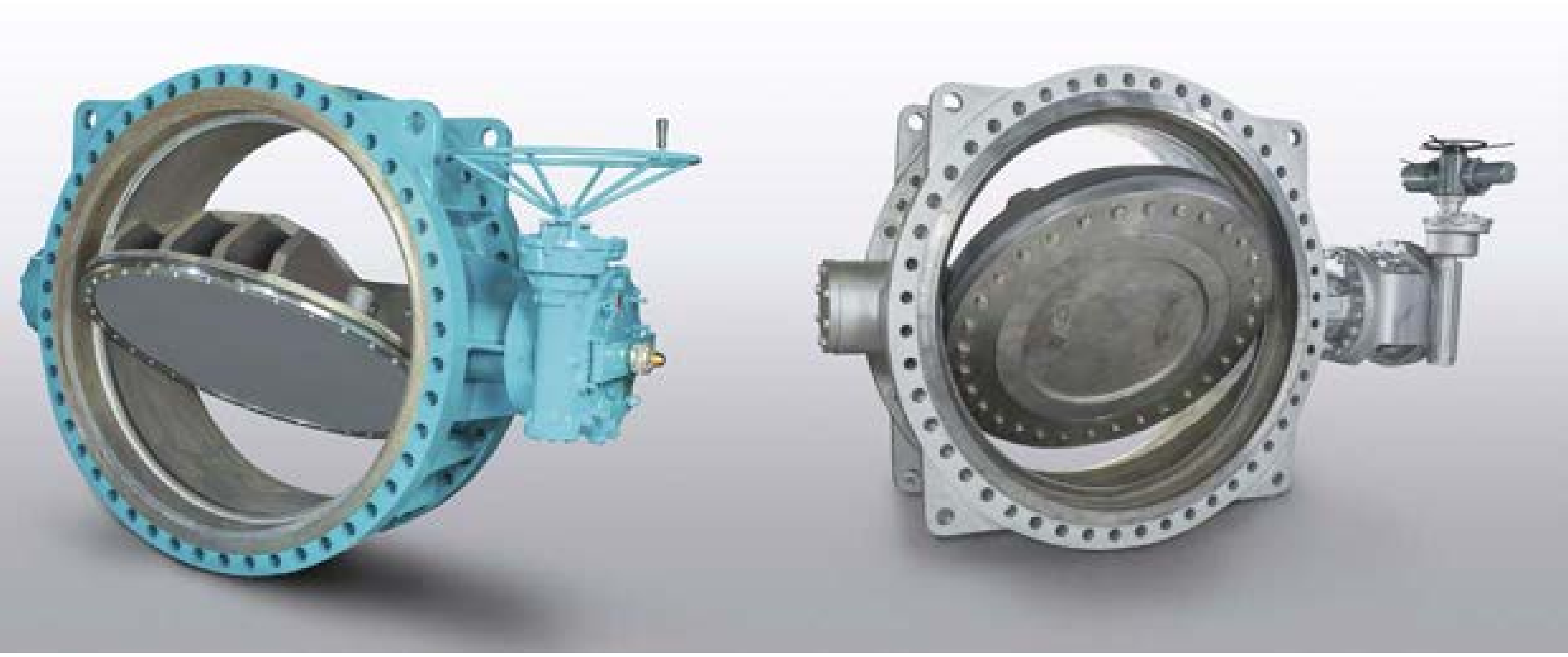
Major Product Developments:

To serve the arising market requirements in the areas of safety and emission standards in energy, the business made following product developments:

- Bolted bonnet gate valves with Inconel 625 overlay on body internals for sour service applications
- Forged steel small-bore globe and check valves for cryogenic service
- Low-emission ball valves with special seals for propylene service
- High Integrity Pressure Protection System (HIPPS) with pneumatic actuated trunnion- mounted ball valve, pressure transmitter manifold and solid-state logic solver
- Hull ventilation valves
- Large-size high-pressure butterfly valves for wind-tunnel application

Approval / Certifications:

The business made significant efforts to improve its approvals and certifications and gained fresh approvals



Large-size Butterfly Valves for aerospace and hydrocarbon applications

in the following areas to enhance its market area and customer base:

- CE-PED certification for API 603 and API 6D top entry design for Kancheepuram and Coimbatore facilities
- Certification from M/s Thermax Babcock & Wilcox for Coimbatore facility
- ARAMCO additional approval for cryogenic ball valves for Kancheepuram Facility
- API 609 & API 594 monogram certification for Coimbatore facility

Significant Initiatives

LTVL made significant efforts to improve its internal processes and working efficiency to improve working capital, customer satisfaction and lead time. Key efforts include:

- Taskforce formed for liquidation of overdue orders and improved on-time delivery
- Introduction of lean concepts to improve machine utilisation and productivity
- Vendor consolidation in casting supplies to implement kitting strategy plan
- Vendor development for special castings and gear box to realise cost benefits
- Geographical diversification of supply chain with focus on cost and quality

Digitalisation

During FY 2020-21, a dedicated digitalisation team was formed with a focus on exploring usage of advanced digitalisation technologies for the effectiveness and efficiency of existing processes such as:

- Tracking of raw materials with Global Navigation Satellite System (GNSS)
- Datasheet decoding using Natural Language Processing (NLP)
- Monitoring of machine's Overall Equipment Effectiveness (OEE) using the Internet of Things (IoT) to identify areas of improvement and improve OEE

Environment, Health and Safety

Environment, Health and Safety (EHS) are at the core of operations and LTVL remains committed to achieving EHS excellence at its workplaces. The business has successfully implemented initiatives in health, safety and environment, continuing to achieve a 'zero man-days lost' record during the year.

Setting new benchmarks in size, pressure rating and customer satisfaction. 72" Gate Valve and #2500 Ball Valve

- Tree plantation drive at Coimbatore plant and 100 trees planted in the plant area.
- Reduction of water consumption in the plant by utilising biologically-treated domestic waste-water for gardening.

Human Resources

Special emphasis has been laid on employee health, well-being and safety, in addition to training and development during this year. The business has evolved its competency building programmes and focused on soft skills and leadership development.

Various engagement initiatives were undertaken during the lockdown to motivate the employees and maintain a healthy work-life balance when they were in remote working mode. The change- management flagship programme 'DISHA' strives to make the organisation a better place to work in and improve the effectiveness of the employees at the workplace. Developmental initiatives through training, mentoring and coaching programmes were organised to upskill high-potential employees.

Risks and Concerns

The market remains highly fragmented and has become more competitive with the changing market dynamics. Though delayed project awards to EPCs have hurt the order book of the industry, the Company, with a good mix of direct and distribution customers and a pipeline of new business prospects, is confident of improving its order book.

While manufacturers are trying to improve their order book, customers are trying to save costs due to reduced maintenance spend. This has resulted in price pressure in the market during the pandemic year. The revival of the automobile, construction and retail sectors in India and the change in market dynamics in the international steel market have led to an increase in steel prices, and added to the cost pressures of the business. Though this is expected to hurt margins, the Company aims to reduce this margin risk through its geographical, channel and product expansion strategies.

The Company has high dependency on the oil & gas segment for its order inflow. The organisation plans to mitigate the risk by increasing its focus on growing segments such as water, LNG and in other cryogenic application segments.

LTVL has a robust risk management framework in place and has taken several initiatives to mitigate the risk, viz.

- Global supply chain
- Consolidating after-market presence
- Market share gain strategies through geographical, product and channel expansions

Komatsu PC210-10M0 Hydraulic Excavator – the truly efficient and fastest selling equipment in the construction segment in India

KSM 403 Surface Miner – indigenously designed and manufactured by L&T for eco-friendly and sustainable mining in open cast projects.

- Refining its product mix with focus on standard products
- Global manufacturing presence
- Enhanced contract manufacturing capacity

Outlook

The business is closely monitoring key demand indicators such as crude oil prices, capacity additions, liquidity, project capex spending and GDP trends in the relevant geographies. With vaccination drives across the globe and revival of industrial activity, the business expects demand indicators to revive. However, a potential second wave of Covid-19 and lockdowns will have an impact on immediate business prospects.

The business has also taken stock of advancements in the renewable and the energy sector in general. The diverse portfolio in terms of geography and industries is expected to be an advantage for the business in the years to come.

The market share gain through streamlined product-basket building, initiatives in geographical expansion, resilient supply chain, digitisation and a strengthened after-market team would help the business build a strong order book in the coming year and deliver the highest level of customer satisfaction.

With the revival of the oil prices, buoyancy in the non-oil sectors such as water, pharma, power, post-Covid recovery and focused actions taken by LTVL, the outlook of the business remains positive.

CONSTRUCTION EQUIPMENT & OTHERS

Overview:

The Construction Equipment & Others (CE&O) business includes manufacture and marketing of construction equipment, mining equipment and equipment for the tyre industry, broadly segregated into Construction & Mining Machinery (CMM) and Rubber Processing Machinery (RPM). CMM further comprises the Construction & Mining Equipment business unit (CMB) and L&T Construction Equipment Limited (LTCEL), a wholly owned subsidiary of L&T.

The CMB division focuses on the distribution and after-sales service of hydraulic excavators and dump trucks manufactured by Komatsu India Private Limited (KIPL) and other mining and construction equipment manufactured by Komatsu worldwide. It is also responsible for the distribution and providing of after-sales support for a range of construction equipment including wheel loaders, compactors and hydraulic excavators manufactured by LTCEL and mining tipper trucks manufactured by Scania India. In addition, the division handles distribution and after-sales support for

L&T 1190 Soil Compactor gives reliable and efficient performance

L&T 9020 Wheel Loader deployed by Border Roads Organization to construct and upkeep strategic roads and border infrastructure

the equipment, viz. sand plants, surface miners, mobile crushers and apron feeders manufactured by L&T's Metallurgical & Material Handling business (MMH), Kansbahal, Odisha.

LTCEL, located in Doddaballapura, near Bengaluru, manufactures vibratory compactors, wheel loaders, hydraulic excavators, asphalt paver finishers, pneumatic tyred rollers, skid steer loaders, hydraulic power packs, cylinders, pumps and other components.

The RPM division, located in Kancheepuram near Chennai, manufactures and markets rubber processing machinery, i.e. mechanical and hydraulic tyre-curing presses, tyre-building machines, conveyor systems and tyre automation systems for the tyre industry globally.

The Product Development Centre (PDC), based at Coimbatore, renders engineering and product development support for the businesses under CMM and RPM.

Business Environment

Construction & Mining Machinery Business (CMM)

The investment in the construction and mining sectors is one of the key demand drivers of the CMM business.

During the year, highway construction activity increased as compared to the previous year, as the overall contract-awarding activity improved during the year. However, the prolonged slowdown in real estate projects continues to weigh on the business.

In the mining sector, while coal production registered a degrowth of ~7% over the previous year, relaxations have been brought in the coal sector, such as the option of gasification of coal, captive use and sale in open market. This is in addition to the Government's approval for commercial coal mining as well as removing restrictions on end-use. These initiatives are likely to increase the coal mining activity in the coming years, which augurs well for the business.

The liquidity shortage, coupled with stiff competition from domestic and Chinese mining equipment manufacturers, has impacted growth opportunities to some extent.

Rubber Processing Machinery Business (RPM)

The demand for the machinery manufactured by this unit depends on tyre demand and is, in turn, linked to the fortunes of the automobile, agricultural and mining sectors.

Automobile Industry: Until September 2020, the automobile industry witnessed one of its sharpest declines in domestic sales due to subdued demand and consumer sentiments. Post- September 2020, the industry has witnessed sequential monthly growth in both 2-wheeler and passenger car segments.

L&T 2490 Pneumatic Tyred Roller is increasingly preferred by contractors to seal surfaces and achieve a smooth finish

L&T ushered in mega mining with supply and commissioning of PC3000, Komatsu's first 300-ton Electrical Shovel in India, at South Eastern Coalfields Limited, Gevra Mines

Automobile Industry Global: 2020 was a year of downward growth for global auto markets. The global automobile industry is expected to see a rebound in 2021, driven by the higher sales of electric vehicles.

The agriculture and mining sectors were not impacted much during FY 2020-21. These two sectors saw significant month-on-month growth aided by a good monsoon and Government policies.

Tyre Industry: In line with the drop in automobile sales, the OEM tyre market also came down sharply by over 4% in 2020. The replacement tyre demand continued to be mostly flat and stable in some geographies, such as China, due to preference for personal mobility after the Covid-19 lockdown.

However, the global tyre industry investments were tepid in 2020, as most of the tyre majors had declared an investment holiday. The business unit is likely to see lower sales for machinery in the exports market, while the domestic sales is likely to be more robust in FY 2021-22.

The Indian tyre industry saw a capacity utilisation of near about 65% until September 2020. Due to the Government policy on restricted tyre imports from China and pick-up in demand for tyres, Q3 FY21 results of tyre companies were very encouraging, leading to a double-digit revenue growth compared to the many previous quarters. With demand pick-up, Indian industry has announced its clear intention to go ahead with the stalled investments across all sectors, barring PCR, which witnessed lower investment until end-2020.

As in the case of tractor and mining equipment, the off-the-road tyre category saw consistent growth throughout the FY and did not experience a major impact post-lockdown.

Major Achievements

Construction & Mining Machinery Business (CMM)

- 4 units of the 250 tonne 16 CuM largest Komatsu Electric Shovel PC3000 commissioned in India at SECL site
- Timely supply and erection and commissioning of 43 machines at various Coal India subsidiaries during the pandemic
- Komatsu PC210-M0 excavator became the fastest model in the industry to reach 1000 nos. of sale in a period of 13 months
- 1st HD785 dump truck deployed at Tata Steel crossed 60,000 hours of usage with 94% availability
- Major single order won from Tata Steel for indirect supply of dump trucks with maintenance contract

Scania G500 Mining Tipper is the new model introduced by L&T in India for transportation of overburden

62" Truck bus radial hydraulic tyre-curing press

Significant Initiatives

Construction & Mining Machinery Business (CMM)

During FY 2020-21, CMB introduced a slew of initiatives, keeping the customers' interests in mind. Innovative initiatives were launched during the year under Machine Care Programme (MCP) covering value-added services and extended power train warranty for various models. New machine attachments – such as super-long front arm with reach up to 21M, tunnelling attachment, pile driving attachment, breaker booms, mining breakers etc. – were also introduced. By ensuring availability of spares at customer sites, the availability guarantee of the machines has been maintained at the present levels of ~90%, thereby retaining customer confidence and increasing spares' sales.

CMB is collaborating with Komatsu to increase the local content in their 60T and 100T dump trucks for increased participation in government tenders. Talks are on with Komatsu to introduce machines with an electric drive. CMB has been educating customers on evaluating their purchases of equipment on the basis of lower life-cycle costs, quick serviceability, etc. This will help retain customers and overcome the competition.

Rubber Processing Machinery Business (RPM)

Initiatives introduced by the business include:

- A 'Technology Centre initiatives' cell is set up to discuss and initiate actions towards cost reduction, process and product improvements for the tyre industry. 20 such initiatives were launched during the year.
- A B2B commerce platform 'e-RPM' implemented to handle customer enquiries and offers on-line.
- Induction-type platen heating system developed in tyre-curing presses towards commitment to the environment, which is likely to see good customer acceptance.

RPM is supportive of the National Employability Enhancement Scheme, a pioneering initiative of the Government, wherein it provides an opportunity for learning various skills on the job to many students immediately after the completion of their curriculum. This helps the nation at large in developing employable skilled workforce. RPM provided such opportunities of on-the-job training to more than 100 students during the year.

Digitalisation

The 'EQUIPCARE' app, implemented to serve the customers' post-sales service requirements has helped in achieving a Suraksha coverage ratio of above 90% since 2019. This app enables customers to access service information pertaining to their machines on their mobile devices.

A cloud-based CRM solution to offer end-to end-digitalisation of the sales process has been introduced during the year. Under this system the entire activity of sales, right from customer enquiry till sales collection, is

Motorcycle radial tyre-building machine

captured for each order. The complete history of customer visits, orders finalised and orders lost is captured and tracked through this system. Dealer sales are captured through the DeManS application developed by CMB. During the year, the DeManS system was migrated to the latest user-interface technology, leading to increased speed and offering more user-friendly features.

Environment, Health and Safety

Safety audits are conducted regularly to ensure that the safety practices are in place and are being followed.

The manufacturing unit of RPM is certified in OHSAS under Integrated Management Systems. LTCEL has been certified for its Integrated Management System (Environmental Management systems as per ISO 14001:2004 and OHSAS 18001:2007 for Occupational Health and Safety Management systems).

Some good practices followed by the businesses are:

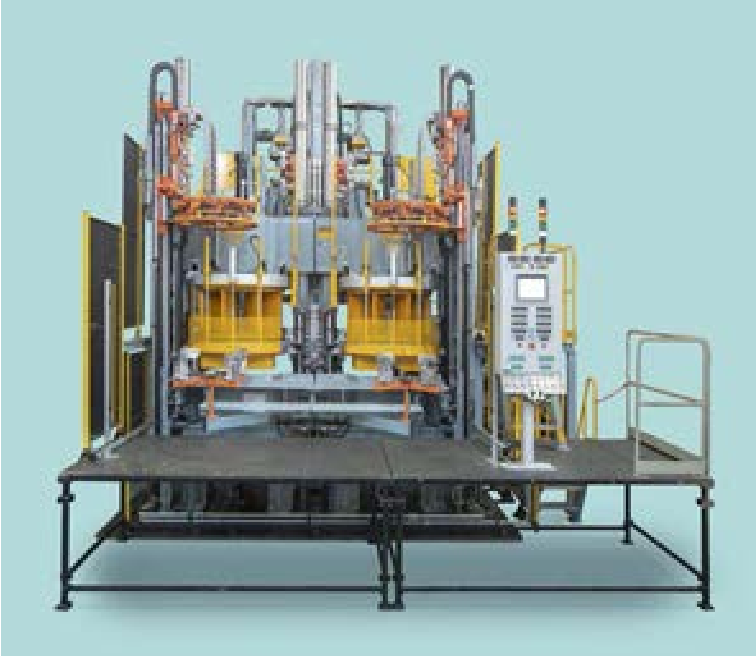
- The units took utmost care and all precautionary measures to contain the Covid-19 situation while resuming operations by:
  - Disinfecting the facility completely and periodically, including all the vehicles while entering
  - All the employees were subjected to health screening at the time of resuming plant operations
  - Absenteeism also being monitored closely for Covid-related assistance
  - Immunity-booster made available to everyone as part of the regular food
  - Do's and Don'ts were communicated constantly to all employees
- The units conducted a fire safety audit and obtained the renewed license from Fire Department
- Conducted training for drivers on road safety and safe driving practices, and first-aid training to employees

Human Resources

The business has progressively built a team of committed professionals across its manufacturing plants and corporate offices. Emphasis on training and development of the workforce has been the focus area. Additionally, competency building programmes for leadership development and various engagement initiatives have been undertaken to sustain the employees' motivation and maintain a harmonious workplace.

RPM has been consciously working towards gender diversity by engaging female staff in the shop floor. RPM provided support to its employees and their families by supplying essential items during the Covid-19 pandemic. The beneficiaries were about 400 in number.

New-generation floor-mounted PCR hydraulic tyre-curing press



New-generation PCR hydraulic tyre-curing press

The industrial relations scenario has remained cordial at the manufacturing units. There were no cases of violations during the year under the whistle-blower policy or the policy on 'Protection of Women's Rights at Workplace'.

Risks and Concerns

Increased market competition and macro-economic volatility are continuing concerns for the business. High diesel prices could dampen the demand for construction equipment.

The increase in commodity prices has impacted the product cost. In the present market scenario, recovery from the customers on account of increase in commodity prices is challenging.

The business has been taking appropriate measures to de-risk / minimise the risk by hedging, increased value proposition being offered to customers, including in pricing, etc.

Outlook

Construction & Mining Machinery Business (CMM)

CMB plans to strengthen its position in the premium segment by increasing its focus on large contractors, large irrigation projects and coal OB (over burden) removal contractors. The Union budget FY 2021-22 proposes to invest about ₹ 1,110 Bn on road construction and ₹ 670 Bn on Railways. With the above budget proposals, construction activity is expected to pick up pace during the coming year.

Government initiatives in infrastructure development in roads, railways, irrigation, ports, urban and rural infra, affordable housing, etc., are expected to drive demand in the cement and metal sectors, which, in turn, will boost demand for excavators, dump trucks, dozers and other road construction and mining equipment. With ~60% of demand for mining equipment coming from coal PSUs, CMB is planning to target selective tenders along with Komatsu.

In the parts and services segment, CMB plans to introduce newer and more innovative, user-friendly spares. Sales promotional schemes are being devised for motivating dealer engineers to enhance the parts business.

Rubber Processing Machinery Business (RPM)

As an aftermath of the Covid-19 pandemic, people may continue to observe social distancing norms even after the crisis has subsided, and that will change the way people commute. Daily commuters may prefer avoiding public transport and shared mobility might take a short-term hit. As a result, the demand for entry-level cars and two-wheelers might increase. However economic / market sentiments, consumer purchasing power and the willingness for spending could influence demand.

Integrated Command Control Centre, Jhansi

Further to the outbreak of the second wave of Covid-19, it is anticipated that there will be continued limitations for global travel, at least in the immediate future. Also, some tyre companies may prefer to source locally. Global tyre demand is also likely to remain low and tyre companies may not make any major fresh investments.

The domestic market is very buoyant, especially in sectors such as agri and mining, while a slow pick-up is expected in the commercial truck segment. The division has a great advantage as compared to its European competitors due to its vast product range across all segments and its being a global market leader in machinery in the off-the-road tyre segment in the agri and mining sectors. However, there is a tremendous price pressure due to competition and commodity prices. The division will continue to focus on spare parts and retrofit kits which will increase productivity to its customers at a minimal cost. Further, the joint development of machines by RPM with their clients, combined with service opportunities, is also being explored.

SMART WORLD & COMMUNICATION

Overview:

L&T Smart World & Communication (SW&C) is committed to making the world a 'smarter' place to live in and to enhance the quality of life through technology and digital interventions. The business, as a Master System integrator, provides technical solutions and services in the areas of Safe, Smart, Communication and Digital Solutions. The business leverages its technical prowess to solve problems through smart, scalable solutions for security, urban services, traffic, transportation, utilities and digital connectivity.

The business has a diversified team of more than 800 IoT engineers, data scientists, domain experts, cyber security experts, project management and operations professionals who have successfully implemented various smart solutions and are maintaining operations in more than 25 cities in the country. The business has digitally enabled 13 states through various Government programmes and is focusing on further enhancing its services and solutions offerings.

The business has 3 major segments:

1. **Safe and Smart Cities:** Smart Cities, Smart Utilities, Public Safety, Critical Infra Security, Intelligent Traffic Management
2. **Communication & Telecom Infrastructure:** Wired & Wireless, i.e IP/MPLS backbones, DWDM (Dense wavelength division multiplexing), Wi-Fi, Radio communication like APCO, TETRA, Metro Communications, Early Warning Dissemination System, Next Gen Data Centres and Security Operation Centres

Integrated Command Control Centre for NDMC

3. **Military Communication:** Satcom System, Tactical Communication System, Network Management System, Secure Handsets

The business is further empowered by its Centre of Excellence and Solution Development Centre in Hyderabad, Technology Innovation Centre in Chennai, Smart City Skill Development Centres in Hyderabad and Kancheepuram and R&D Centre for Military Communication at Bengaluru.

Continuing its pursuit of technology and solutions, the business is working with global partners and is creating competencies to cater to opportunities in the areas of Energy Analytics, Edge- based Video Solution as Services and 5G and Cyber Security.

Business Environment

Citizen safety remains a major concern for the Government. Specific allocations for citizen safety under different State and Central Government programmes have presented an increase in the opportunity landscape for the business. While smart and safe cities and digital programmes continue to get focus from the Central and State Governments, the year saw slow progress in key project decisions and implementation, and many of the key projects were postponed or deferred due to Covid-19. The on-field progress of AMI roll-out and other projects were slow overall, due to the Covid-19 related restrictions through the year.

The first half of the year saw migrant resources returning to their states during the Covid-19 lockdown. Despite this, the business was able to maintain continuity, and the technicians deployed at the project sites operated the systems without any interruption. Their skills were upgraded with continuous training and ensured compliance with the SLAs.

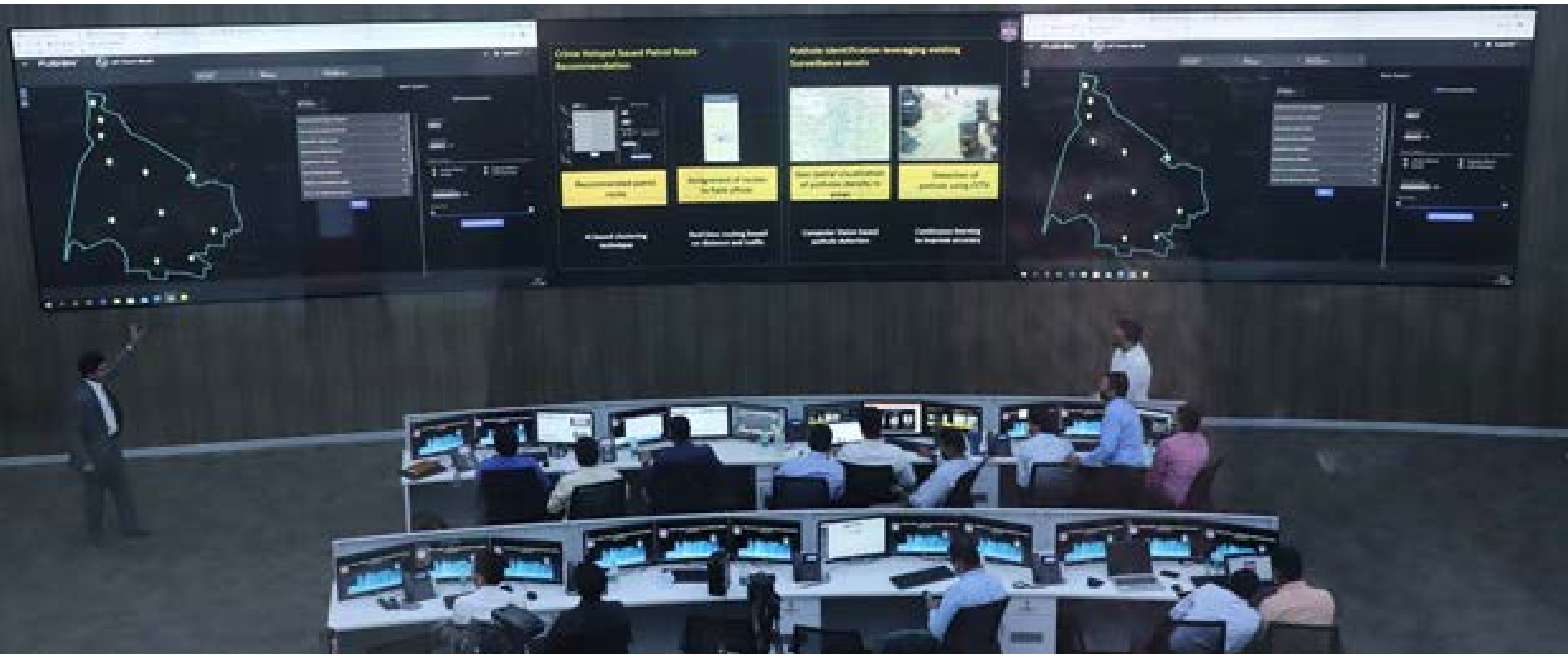
Smart AMI metering projects continue to be a focus area. During the lockdown, technology became very relevant to ensure that Discoms continue to get remote meter readings and raise the electricity bills without the need for any person to individually visit households.

The business has taken a selective bidding approach and is focussing more on solution-centric projects. This change in strategy is to bring focus on the more profitable and sustainable opportunity landscape and rise up the value chain. With a focus on innovation and the ability to adapt to the dynamic business scenario, the business has been able to retain its position as the market leader.

Major Achievements

Key orders received during the year include:

- BharatNet Phase- II Active Electronics in Tamil Nadu, Package-C project through TANFINET
- Real Time Information System through Centre for Railway Information System for Indian Railways



Public Safety - Integrated Operations Centre, Cyberabad, and covers Hyderabad and Rachakonda as well.

Projects Completed

- Telecom System for the 1st Section of Bengaluru Metro, Phase 1 Extension
- The state-of-the-art Command and Control Centre for Jhansi Smart City Project
- Integrated Command & Control Centre of NDMC Smart City
- Successfully commissioned GSAT 20, GSAT 29 and GSAT 11 Satcom Projects for ISRO
- Telangana State Police Public Safety Integrated Operations Centre located at Cyberabad

Awards and Recognition

The business won various prestigious awards, including:

- The Golden Peacock Award 2020 for Innovation in recognition of the Artificial Intelligence based Crowd Management solution implemented in Prayagraj Smart City
- FICCI Smart Urban Innovation Award, bagged by Nagpur Smart City Communications Technologies and Physical Security
- Recognition for Exemplary Application of Technology by Private Sector was conferred for the Smart Solutions Deployed in Cities by CII
- Two RoSPA Gold Awards for Telecommunication Systems for Gujarat Metro Rail Corporation Limited and Allahabad Smart City

Significant Initiatives

The business successfully launched its own Solution Platform 'L&T Fusion' – an augmented Intelligence platform aimed at solving the problems of cities, law enforcement agencies and critical infra. This will help the business to transform into a thought partner for cities and law enforcement agencies through continuous problem-solving and leveraging IoT, AI and mobility technologies. L&T Fusion was successfully tested, deployed and commissioned for Nagpur Smart City and Raipur Smart City Projects.

The business, in collaboration with DRDO, developed an indigenous Mission Command & Control Software (In-House) for perimeter security. The business has also signed a strategic Transfer of Technology (ToT) with Centre for Development of Advanced Computing (CDAC) for TETRA technology.

The Technology Innovation Centre at Chennai, with a fully operational Command and Control Centre and a dedicated Data Centre was instrumental in breakthrough solutions which were deployed across the country.

Surveillance Camera Installed at Prayagraj

During the year, the business developed a strong cyber security resource pool to secure the cyber-physical connected ecosystem. The team has gained significant competence and provides services in areas of cyber defence, industrial & smart infra cyber security, cyber risk consulting, digital forensics and security operation centre.

The business has set up a state-of-the-art Tactical Communication Laboratory in Bengaluru where pioneering development in high-capacity radio relay, software defined radio, NMS, TETRA, IP-based intercom system and TCS projects are underway. This facility is also being used as proof-of-concept for various applications.

Enabling Technology to counter Covid-19

In these critical times, with the entire nation locked-down due to the pandemic, the business has been aiding the Government through its smart technological and innovative solutions across 20 cities, some of which are below:

i. City Operations Centres (COCs) across all the smart cities were working as war rooms during the entire duration of the pandemic.

ii. Variable Message Displays (VMDs), Public Address Systems (PAs), were efficiently used to spread awareness messages.

iii. AI-based system monitored vehicle movement through cameras.

iv. Mask-detection application: Based on AI, helping to track and enforce wearing of face masks while monitoring social distancing.

v. Mobile-based app for the issue of a chatbot-based e-passes.

vi. Crowd analytics across commissionerates to generate alerts on overcrowding.

vii. m-governance app, developed for Vizag Smart City, empowered health workers to carry out house surveys.

viii. In Tamil Nadu, the business is entrusted with hosting e-governance of 190 critical government applications.

Environment, Health and Safety

The business conducted approx. 200 EHS campaigns to raise awareness and to engage staff and workmen. These campaigns include various celebrations (Safety Month, Safety Day, etc.), competitions (quiz, poster, slogan, etc.), blood donations, tree plantations, etc. 19 external trainings were conducted through experts and health care professionals to educate on Covid-19, mental stress, personal hygiene, etc. The business completed 4.26 million safe man-hours during the year. 952 trainings were conducted, clocking over 17,159 training man-hours.

The inhouse digital application 'VIEW EHS' was effectively utilised to monitor, track and analyse EHS observations, safe

Command & Control Centre, Prayagraj

execution cards, trainings, audits, inspections, forms and other activities, resulting in an incident free year.

Human Resources

The business continues to attract expert technical talent and industry leaders in the areas of Safe, Smart and Communication domains.

As an employer of choice, the business has inducted young technical talent from leading campuses, such as IITs and NITs. 'Udaan' – the entry-level training and mentoring programme, has played a pivotal role in getting fresh graduate engineers ready to perform in diverse functional roles – design, project management and client-facing responsibilities.

The Covid-19 pandemic called for tremendous energy, innovation and resilience from project managers and site engineers. The 'Covid Heroes' programme showcased some of the star employees whose stellar contributions supported local and state governments in monitoring and managing the Covid-19 crisis, while ensuring the safety and well-being of staff.

Digitalisation provided an excellent opportunity, during the lockdown period, for employees to invest in their skill development. Experts across the Company shared their expertise through daily technical webinars on topics such as Cloud, Data Centre, Surveillance, Cyber, Network Security, GIS, Broadband, TETRA, Platform, etc. As part of development plans, over 150 employees achieved technical certifications in areas such as Cyber Security, Cloud Computing, Networking, Data Science, Project Management, etc. Leadership mentors helped shape careers and provide developmental opportunities for high-potential talent.

Risks and Concerns

Despite projects being adequately funded through Union and State Budget allocations, the cash crunch at the state level due to Covid-19 relief measures may result in delays in receivable realisation. As deferred payment contracts result in increase in working capital requirements, the business has been relentlessly following up with Government authorities for better payment terms and has been successful in the majority of cases.

With most projects now successfully completed and in the operation and maintenance phase, ensuring optimal performance as per the contractual norms is crucial to avoid penalties. Fully digitised centralised and dedicated support for all the operational projects for maintenance of SLAs with contractual tie-ups with the OEMs has been established.

The uncertainties and delays expected in global sourcing due to the Covid-19 lockdowns may affect project implementation schedules. The team has taken proactive steps in terms of engagement with its wide-ranging vendor ecosystem to mitigate the risks.

GSAT11 & GSAT20 Ground Stations, Ahmedabad

The operational risk of skilled resource shortage due to reverse migration is mitigated through the deployment of trained technicians from the dedicated Skill Development Centre and Centralised Operation & Maintenance structure.

The business continues to face diversified competition mostly due to the varied portfolio across domains. In some cases, new entrants are creating market disruptions. Another challenge being faced by the business is that of Government flagship projects being awarded to PSUs or going with limited tenders amongst PSUs. As part of Go-To-Market, strategic partnerships are being pursued.

The business has robust Enterprise Risk Management in place, with a dedicated expert team. The Risk Management Policy is periodically updated, and training is provided to project teams on capturing and monitoring the implementation risks involved.

Outlook

With the scope of the Bharatnet programme to cover 2.20 lakh gram panchayats with high-speed broadband through optical fibre / radio / satellite, the scope for electronics for this programme provides good opportunity. Further, due to the increase in the data usage and requirement of data localisation / hosting, and with the adoption of digital platforms and the work-from-home scenario, Data Centre opportunities are expected to increase. As a consequence, the need to have a robust cyber-security system to manage and mitigate threats also increases. The associated opportunities in Industrial / Enterprise IoT Cyber Security and Cyber Defense are expected to emerge over the coming years.

The Government is continuously investing in overall safe and smart urban infrastructure, focussing on surveillance, ITMS, ICCC and e-governance related applications. The funds allocated for the modernisation of the police force and the Nirbhaya Funds will increase opportunities in the safe city segment.

Integrated Command Control Centres (ICCC) have significantly contributed during the Covid-19 situation, through unique solutions, in managing city operations, and the need of them has been acknowledged and appreciated by various Government bodies. Another 25 cities are planning for ICCCs, thus creating opportunities in this area.

The successful deployment of the in-house solution platform ‘L&T-Fusion’, with its pre-canned domain-use cases, has created the gateway to a new opportunity landscape in the areas of Video Solutions and Edge-based Analytics. The solution suite will help the business tap into enterprise and global opportunities in the areas of public safety, smart cities and mobility.

During the lockdown, the Smart AMI ensured that Discoms get remote meter readings and raise the electricity bills without the need for any person to individually visit households, additionally reducing the AT&C loses. The

Smart Worker Solution

Smart Meter Programme has a layout of 1.5 lakh crore for the next 5 years.

The increase in allocation for space technology and space applications which will expand business prospects of ISRO-led opportunities are being pursued by the Military Communication segment.

Robust communication systems to strengthen the defence sector is another focus area for the Government. Specific allocation has been made towards establishing a dedicated countrywide secure multi-service and multi-protocol converged next-generation network for the defence services. Combined with the Government's thrust on 'Make in India', these areas provide significant opportunities over the coming years.

DIGITAL BUSINESSES

'Others' business also includes the new digital businesses incubated by the Company, as below. These ventures are part of L&T's plan to adopt digital technologies to future-proof its businesses and to tap future growth opportunities. These are being nurtured ground-up and are expected to become highly value accretive for L&T when they get into commercialisation and scale up in a couple of years.

L&T NxT

L&T-NxT leverages the Group's deep industry domain expertise, leading-edge information technology capabilities and the invaluable learning from the digital transformation of their own diverse businesses to deliver disruptive digital outcomes for its global customers.

L&T-NxT offers products, solutions and platforms leveraging new-age and emerging digital technologies like Artificial Intelligence, Machine Learning, Industrial IoT, Augmented & Virtual Reality, Geospatial Engineering Services and Edge Cybersecurity. Services range from technology solution architecture design, systems integration, end-to-end platforms and managed services for core industries, such as Energy & Utilities, Transportation & Logistics, Process & Discrete Manufacturing and Engineering & Construction.

During the year, L&T-NxT focused on building the organisational structure and the strategies for reaching out to market and also for productising the digital solutions. Building capabilities and transition of the L&T Digital team to orient to a market-focused sales organisation has been the key focus area. However, business development efforts and reach-out to potential customers, especially in the US and Europe, were hampered due to the pandemic.

EduTech

With a strong pedigree of skilling and learning and development programmes, L&T is poised to expand its skilling initiatives targeting a larger audience, especially the youth, to offer an integrated platform spanning skilling to recruitment, leveraging L&T's inherent expertise and strengths in core engineering, manufacturing, technology and its pioneering efforts in digitalisation. L&T EduTech is a business formed to develop the EdTech Platform and offer EdTech products and solutions to educational institutions, skilling bodies, working professionals, students and learners across segments.

The platform is at the incubation stage, and involves developing an integrated online portal to cover business offerings, viz. industry-led application-oriented courses for engineering students to improve their employability, vocational courses, national certification for engineers and assessment of skills for future employability. The business completed the work on the first Minimum Viable Product (MVP) phase with the content creation for reinforced learning, vocational courses, development of assessments and development of platform to support all these activities. The commercial launch of the platform is expected next year.

SuFin

Leveraging its strong brand salience and leadership, L&T is well-placed to enter the e-commerce marketplace on the strength of its relationships with suppliers, SMEs and the supply chain ecosystem at large.

SuFin is a B2B industrials ecosystem which will provide a platform for SME buyers and sellers (mainly focused on construction and industrial products and services) to connect in an efficient manner, thereby enabling sellers to expand their sales reach, and for buyers to find the optimal products and services at optimal cost and quality. The logistics partners on the platform would enable efficient delivery and fulfilment in a timely, cost-effective manner with strong SLA compliance. In this B2B marketplace initiative, financial services companies will also participate on the platform and will provide attractive financing options to the platform users.

During the year, key activities, viz. platform development with various features / sub-features, on-boarding sales, marketing and operations teams, creating SOPs, KYC checks of the participants, catalogue uploading, partnerships for logistics, payment gateway and other preparatory work has been undertaken. The commercial launch of the platform is expected in the ensuing financial year.

Financial Review 2020-21

I. L&T CONSOLIDATED

A. PERFORMANCE REVIEW

FY 2020-21 was a year that changed everything. The sheer scale of suffering that Covid-19 created for humanity, the adverse impact that it had on economies and the positive fallout of the scale of innovation that it helped create are telling evidence of the scale of change. It started with nation-wide lockdowns implemented to control the 'once-in-a-century' pandemic which put severe pressure on people, employment, health-care systems, organisations and governments. Bereft of a cure or a vaccine, public health policy became central to tackling this all-pervasive crisis. Governments and central banks across the world deployed a range of policy tools to support their economies, such as lowering key policy rates, quantitative easing measures, loan guarantees, cash transfers and fiscal stimulus measures.

Post the phased lifting of the lockdowns, the Indian economy started witnessing growth across most sectors, as evidenced by way of significant increases in high-frequency indicators, such as power demand, E-way bills, GST collections, cement / steel consumption, etc. These not only touched the pre-pandemic levels, but, in some cases, also surpassed the previous year's levels as well. Despite the buoyancy in agriculture, construction, high commodity prices and improved consumption expenditure, India's GDP contracted by 7.3% in FY 2020-21 mainly due to the lockdown-led sharp decline in the first half of the year.

In India, the government, while pursuing all efforts to control the Covid-19 pandemic, has emphasised on the need to kick-start economic growth. The Union Budget 2021 has detailed out a plan for large outlays of spend on infrastructure, and with other initiatives like Atmanirbhar Bharat / Production Linked Incentives, etc., expects growth rebound coming through higher private sector investment as well. The outlook for FY 2021-22 is one of cautious optimism, with the country's GDP attaining positive territory and maintaining inflation within the target. The current resurgence of a more serious second wave of Covid-19 may adversely impact the first half of FY 2021-22, but post the vaccination efforts and improved adherence to Covid-19 protocols, the second half should witness a strong revival of the economy.

The global economy, which was already on a weak growth momentum owing to various factors such as trade tensions, political instability, Brexit, low crude prices, etc., got further accentuated with the Covid-19 pandemic's affecting many countries. With most developed nations implementing large-scale vaccination and enforcing strict protocols, economic activity has revived, with high consumption-led demand. Recent forecasts point out a global GDP growth of ~6% in 2021. However, this rebound in global activity has been uneven mainly due to the Covid-19 second-wave infections across some geographies.

Global financial conditions have remained accommodative as governments and central banks have adopted monetary easing and expansionist fiscal policies to counter the pandemic. However, the sharp economic recovery expected could trigger inflation, resulting in higher interest rates' adversely impacting the capital flows to the emerging markets. Higher commodity prices are expected to have a positive outcome in terms of greenfield / brownfield expansions foreseen in certain industries.

A silver lining of the Covid-19 situation has been the fast adoption of digital technologies which ensured that economies did not get completely stalled due to lockdowns and other strictures. Another positive fall-out of the pandemic has been an increased awareness of sustainability and a more stringent emphasis on environment protection, social responsibility and governance frameworks. With countries signing up for a time-bound zero-carbon-emission targets, newer business opportunities are expected in areas such as green hydrogen, renewables, water management, etc.

Against the backdrop of such an evolving environment, the Group, with an avowed dictum of health and safety first, registered a reasonable financial performance during FY 2020-21. Lockdown-related disruptions, social distancing norms and quarantine requirements to counter the pandemic, impacted the growth plans of the company for FY 2020-21. The Group recovered much of the lost ground in the second half of the year and, particularly during the last quarter of FY 2020-21, managed to even surpass the pre-Covid-19 volumes of the quarter of the previous year across many of its businesses.

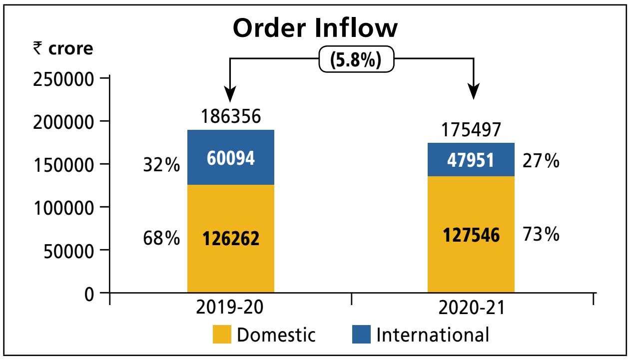
During the year, the Company concluded the divestment of its Electrical & Automation (E&A) business, including the sale of the integrated marine automation solutions company, Servowatch Systems Limited. L&T Uttaranchal Hydropower Limited, a subsidiary, successfully commissioned the 99 MW Singoli-Bhatwari Hydel Power Plant in the state of Uttarakhand.

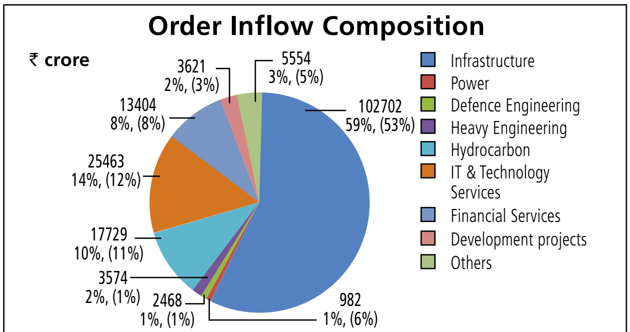
As at March 31, 2021, the L&T Group comprises 102 subsidiaries, 6 associate companies, 25 joint ventures and 35 jointly held operations. Most of the group companies are strategic extensions of the core business of L&T. The majority of the subsidiaries support L&T's core businesses of EPC Contracts and Hi-Tech Manufacturing by enabling access to new geographies and business segments. Certain distinct service businesses, such as Information Technology, Technology Services, and Financial Services, are housed in separate listed subsidiaries. The

Development Projects / Concessions business are run in separate subsidiaries and joint venture companies.

The Company continues to focus on shareholder value creation by divesting non-core assets capturing cost efficiencies and leveraging technology for productivity gains. The Company's efficient execution of its large Order Book, strong Balance Sheet, and committed work force is helping it to successfully transition into a more digitally evolved work environment that will enable the business to thrive and grow, once the current pandemic challenge eases.

Order Inflow and Order Book



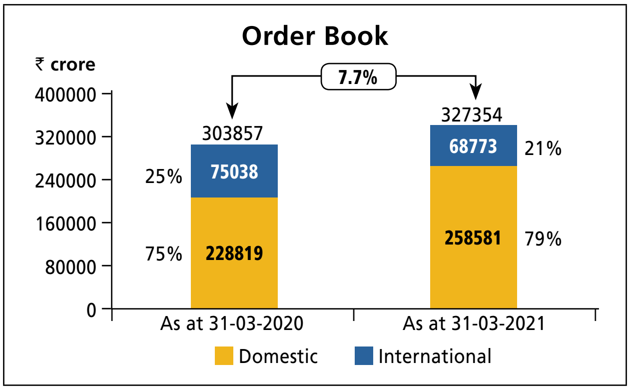


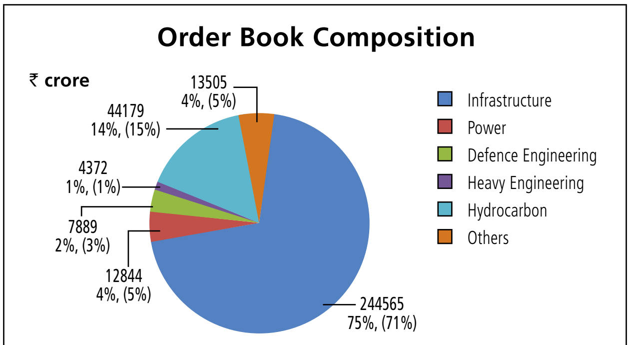
Total Order Inflow: ₹ 175497 crore during the year 2020-21

[Figures in brackets relate to previous year]

The L&T Group achieved order inflows of ₹ 175497 crore during FY 2020-21, registering a decline of 5.8% over the previous year. Despite the Covid-19 led disruption, the order inflow was facilitated by the thrust being given by the Government to the infrastructure sector to expedite the normalisation of economy impacted by the pandemic. With the increased share in infrastructure capex, coupled with lower opportunities in the Hydrocarbon and Thermal Power sectors, the contribution of the Infrastructure segment in overall order inflow increased to 59%, from 53% in previous year. Also, with the current year order inflow being mainly domestic, the share of international in order inflow dropped to 27% from 32% in previous year.

The year witnessed the receipt of India's largest ever infrastructure order, the C4/C6 packages of the Mumbai – Ahmedabad high-speed rail, coupled with some noteworthy order wins in rural water supply projects, a special bridge project across the river Brahmaputra, a transmission line project in Bangladesh and a solar project in Saudi, the setting up of a dual feed cracker unit in Rajasthan in the Onshore business of Hydrocarbon and the largest order for supply of equipment and spares in the Construction Equipment business.





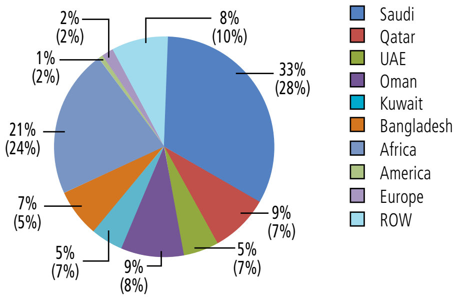
Total Order Book: ₹ 327354 crore as at March 31, 2021

[Figures in brackets relate to previous year]

As on March 31, 2021, the order book is at ₹ 327354 crore providing a multi-year revenue visibility to the Company. The Infrastructure segment has a 75% share of the consolidated order book.

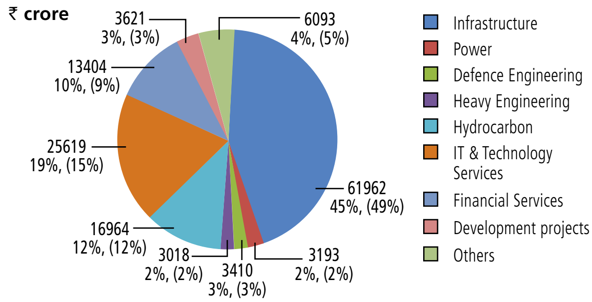
The order book registered a growth of 7.7%, mainly due to receipt of some mega orders during the year. Around 25% of the order book comprises orders received from various State Governments, including local authorities. With some of the large orders received during FY 2020-21 coming from Public Sector Undertakings, the share of this segment rose to 51% as against 44% for the previous year. The proportion of orders funded by multi-lateral agencies increased to 35% of the domestic order book, attributed to the high-speed rail orders.

International Order Book Composition



Total International Order Book: ₹ 68773 crore as at March 31, 2021
[Figures in brackets relate to previous year]

Segment-wise Gross Revenue*

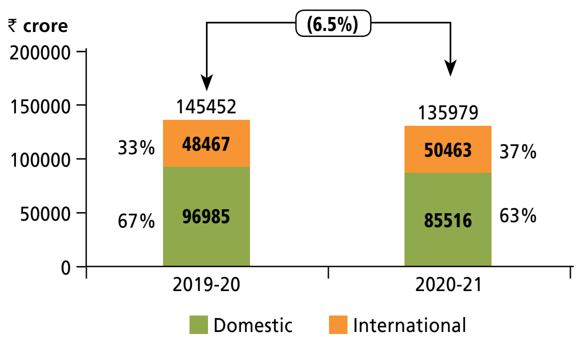


* includes inter segment revenue ₹ 1304 crore for FY 21 and ₹ 1590 crore for FY 20
[Figures in brackets relate to previous year]

The FY 2020-21 order inflow growth being driven by domestic business resulted in decline in the share of the international order book, from 25% to 21%. The share of Saudi Arabia in the overall international order book increased to 33%, mainly with some large-value orders received by the Infrastructure segment, while the share of Africa declined to 21%.

Consolidated Revenue from Operations

Gross Revenue from Operations



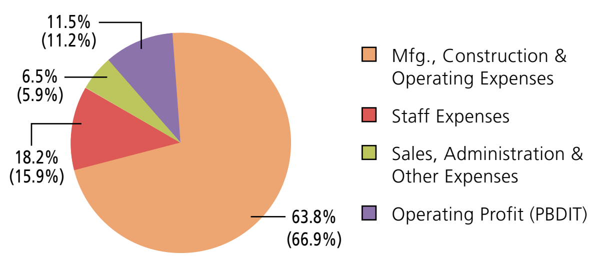
The L&T Group recorded revenue of ₹ 135979 crore during FY 2020-21, registering a decline of 6.5%. The decline was mainly due to the slowdown of project execution and manufacturing activity, affected due to lockdown-related disruptions in the first quarter of the year, partially compensated to a more normalised level of operations witnessed during the second half of FY 2020-21. The new norms of social distancing, quarantine procedures and safety protocols, coupled with supply chain disruptions, continued to impact the project performance throughout the year. The composition of international revenue at the Group level increased to 37% in FY 2020-21 compared to 33% in the previous year, with the increased contribution of revenues from the Hydrocarbon and IT&TS segments.

During the year, most of the businesses registered a decline over the previous year. The revenues from the IT&TS segment demonstrated satisfactory growth, in tandem with the growth opportunities witnessed in their respective customer domains.

Operating Expenses and PBDIT

Operating Expenses and PBDIT 2020-21

[% to revenue]



[Figures in brackets relate to previous year]

Manufacturing, Construction and Operating (MCO) expenses for FY 2020-21 at ₹ 86701 crore decreased by 11% over the previous year. These expenses mainly comprise cost of construction material, raw materials and components, subcontracting expenses and interest costs in Financial Services business. This represents 63.8% of revenue, a decrease by 310 bps, mainly due to change in job mix, slowdown in the construction activity at sites during the first quarter of FY 2020-21 and increased share of IT&TS segment.

Staff expenses for FY 2020-21 at ₹ 24762 crore increased by 7.1% over the previous year and as a percentage to revenue increased by 230 bps, reflecting manpower ramp-up in IT&TS segment. The Group continues to focus on productivity improvements, digitalisation and manpower optimisation across most of its businesses.

Sales and administration expenses increased by 2.8% y-o-y to ₹ 8892 crore. The increase is primarily in Financial Services due to higher credit cost reflecting the effect of the pandemic, partly offset by savings in travelling expenses and advertisement / publicity and lower donations.

The Group's operating profit at ₹ 15624 crore for FY 2020-21 registered a decline of 4.3% y-o-y, largely due to lower revenue volumes. The PBDIT margins for the year improved by 30 bps at 11.5%. Cost savings, sale of commercial property in the Realty business, claim settlements mainly in the Infrastructure business supported by operational excellence measures in L&T Infotech and Mindtree Limited aided the margin improvement. However, cost overruns encountered in some projects coupled with unabsorbed overheads during the lockdown, the higher provision in Financial Service business and lower passenger ridership of Metro services in Hyderabad were the margin headwinds.

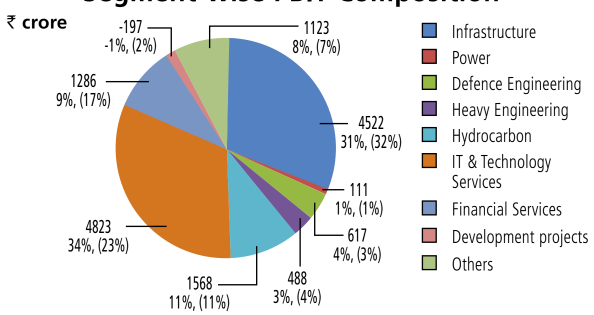
Depreciation and Amortisation charge

Depreciation and Amortisation charge for FY 2020-21 increased by 17.9% to ₹ 2904 crore, compared to ₹ 2462 crore in the previous year. The increase is largely due to full operationalisation of the Hyderabad Metro Rail and the impact of the consolidation of Mindtree for the full year.

Profit Before Interest and Tax

Segment-wise composition of PBIT for FY 2020-21 is represented below:

Segment-wise PBIT Composition



[Figures in brackets relate to previous year]

Other Income

Aided by higher investible surplus with cash generated from the divestment of the Electrical & Automation business, the interest income increased. Further with profit on sale of liquid investments, and dividend income from treasury investments, other income at ₹ 3429 crore, grew by 45.3% over ₹ 2361 crore in the previous year.

Finance cost

The interest expenses for FY 2020-21 at ₹ 3913 crore were higher by 39.9% over ₹ 2797 crore for the previous year. The increase was mainly attributable to the higher interest cost in the Hyderabad Metro upon commencement of full operations and higher borrowings in the parent entity, retained as a buffer to address uncertainties emanating from the pandemic. The average borrowing cost for FY 2020-21 decreased to 7.7% p.a. from 8.1% p.a. in the previous year.

Tax Expense

Income Tax charge for FY 2020-21 (excluding tax charge on discontinued operations) increased to ₹ 4011 crore compared to ₹ 3263 crore in the previous year on higher effective tax rate caused by additional disallowances such as withdrawal of depreciation on goodwill etc. and non-creation of deferred tax asset for the losses incurred by the Hyderabad Metro.

Exceptional Items

Exceptional items during the year comprise (a) impairment of funded exposure in the heavy forgings facility joint venture, (b) impairment of assets in the power development business and partly offset by way of (c) gain on the divestment of wealth management business in Financial Service.

Profit from Discontinued Operations

Profit from Discontinued Operations includes gain from divestment of Electrical & Automation and Servowatch business of ₹ 8186 crore and profit from operations of the divested business up to the date of transfer / sale, ₹ 52 crore.

Consolidated Profit after Tax and EPS

Consolidated Profit after Tax (PAT) at ₹ 11583 crore for FY 2020-21 rose by 21.3% over the previous year at ₹ 9549 crore.

Consolidated Basic Earnings per Share (EPS) from continuing operations and discontinued operations for FY 2020-21 at ₹ 82.49 registered growth over previous year at ₹ 68.04.

Return on Consolidated Net Worth

The Net Worth, as on March 31, 2021, at ₹ 75869 crore, reflects net increase of ₹ 9145 crore, as compared to the position as on March 31, 2020. Return on Net Worth (RONW) for the year 2020-21 was higher at 16.2%, compared to 14.8% in the previous year. The improvement was primarily on account of divestment gains, offset by impairment of investments / assets and

Covid-19 related additional provisions in the financial services business.

Liquidity & Gearing

Cash flow from operations (including change in loans and advances towards financing activities) increased to ₹ 22844 crore as compared to ₹ 6694 crore in the previous year due to better operational efficiencies and the thrust on collections and receipt of customer advances from new orders. During the year, additional funds were generated mainly from the divestment of the Electrical & Automation business, treasury and dividend income.

Funds were utilised mainly for purchase of investment ₹ 17560 crore and repayment of borrowings (incl. repayment of lease liability) ₹ 9047 crore. Further, the Group incurred capital expenditure of ₹ 922 crore. Funds were also utilised for payment of dividend ₹ 3651 crore. The cash outflow also included net interest expense of ₹ 3388 crore during FY 2020-21.

Consequently, there was a net increase of ₹ 2141 crore in the cash balances as at March 31, 2021 as compared to the beginning of the year.

Consolidated Fund Flow Statement	**₹ crore**	
Particulars	**FY 20-21**	*FY 19-20*
Operating activities	22844	*6694*
Net divestment / (investment)	11574	*(9802)*
Treasury and dividend income	1479	*952*
Receipt from / (Payment to) minority interest (net)	796	*(60)*
ESOP Proceeds (net)	16	*18*
Sources of Funds	**36709**	*(2198)*
Capital expenditure (net)	922	*3299*
Repayment of Borrowings / (Additional Borrowings)	9047	*(13867)*
Purchase / (Sale) of investments	17560	*(3893)*
Dividend paid	3651	*4551*
Increase / (Decrease) in cash balance	2141	*4809*
Interest paid	3388	*2903*
Utilisation of Funds	**36709**	*(2198)*

The total borrowings as at March 31, 2021 were lower at ₹ 132605 crore as compared to ₹ 141007 crore as at March 31, 2020. The major decrease is in borrowings of Financial Services. The gross debt equity ratio decreased to 1.51:1 as at March 31, 2021 from 1.85:1 as at March 31, 2020. The net debt equity ratio improved to 1:1 as at March 31, 2021 from 1.53:1 as at March 31, 2020.

Details of significant changes in key financial ratios along with explanation

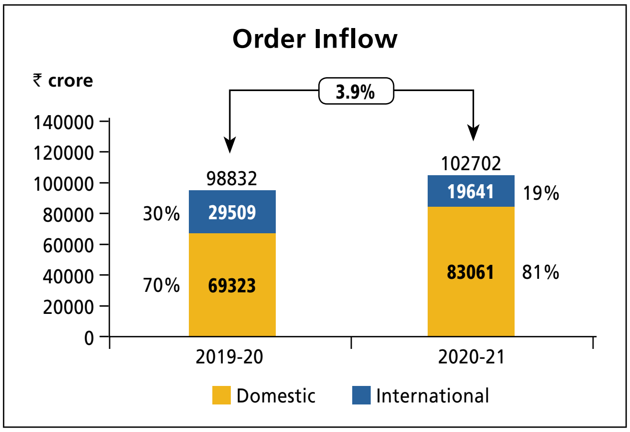
In compliance with the requirement of listing regulations, the key financial ratios of the Group have been provided hereunder along with the explanation for the significant changes i.e. change of 25% or more as compared to the immediately previous financial year:

Sr. No.	Particulars	*2019-20*	**2020-21**	**% Growth**
(i)	Gross Debt Equity Ratio	*1.85*	1.51	18.4%
(ii)	PBDIT as % of net revenue	*11.2%*	11.5%	2.4%
(iii)	Net Working Capital % of Sales (Excluding Financial Services & Corporate)	*23.7%*	22.3%	5.9%
(iv)	Interest Coverage Ratio* (Interest cost excludes Financial Services and Finance Lease Activity)	*5.80*	4.13	-28.9%

* The significant change in the Interest Coverage Ratio for FY 2020-21 has been due to full commissioning of the L&T Hyderabad Metro Rail leading to cessation of capitalisation of interest on borrowing done hitherto coupled with under-utilisation of the metro services.

B. SEGMENT-WISE PERFORMANCE (GROUP)

1. Infrastructure Segment

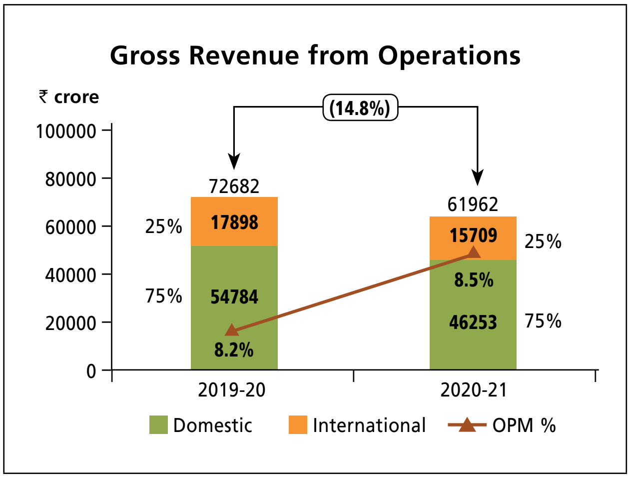


Effective from April 1, 2020, the Smart World and Communication business, which was previously reported under the Infrastructure segment, has been reclassified to the 'Others' Segment to reflect the revised organisation structure, change in business model and management of financial performance. Accordingly, the previous year's figures have been regrouped, wherever necessary.

The Infrastructure segment won orders worth ₹ 102702 crore, higher by 3.9% over the previous year, mainly due to the large-value high-speed rail orders. The Heavy Civil Infrastructure segment also received some marquee orders in the Special Bridges, Metros and Hydel and Tunnel business, aiding growth.

Though the Power Transmission & Distribution business registered a decline, it received some large value international orders, notably the order to establish one of the world's largest solar PV plants in Saudi Arabia. The Buildings & Factories and Water & Effluent Treatment businesses had lower orders in FY 2020-21, due to deferral of targeted prospects. The decline seen in Metallurgical and Material Handling business orders was mainly due to large-value gold beneficiation plant order and railway freight facility package orders booked in the MENA region during FY 2019-20.

The share of international order inflow for the Infrastructure segment decreased to 19%, from 30% in previous year, with international order wins being predominantly booked in the Power Transmission & Distribution business.

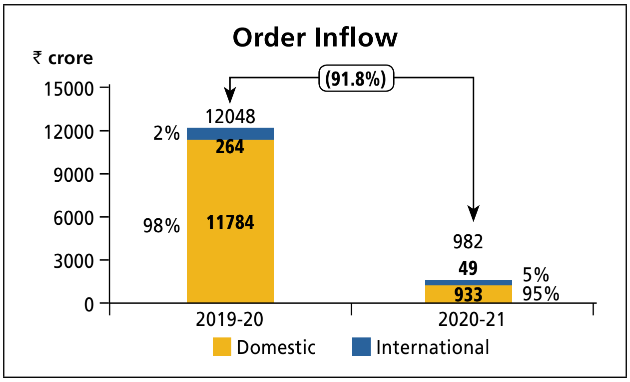


The Infrastructure segment clocked a gross revenue of ₹ 61962 crore for FY 2020-21 registering a decline of 14.8% over the previous year. Revenue was impacted due to lockdown-related disruption during the first quarter and a slower progress of construction activity post the lockdown due to social distancing norms and mandated safety protocols impacting site productivity. Revenue from international operations constituted 25% of the total revenues of the segment during the year, same as that of FY 2019-20, with some large-value orders being completed substantially.

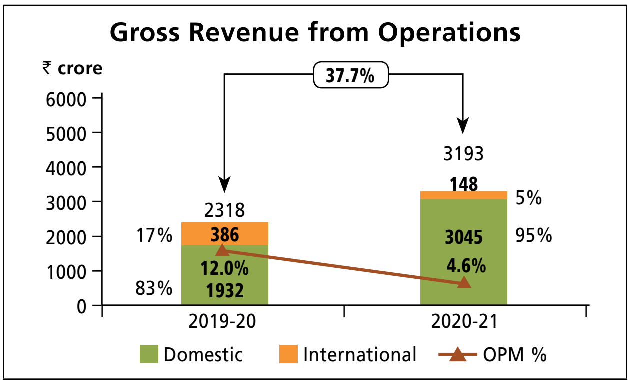
The Infrastructure segment posted an operating profit of ₹ 5227 crore. There was an improvement in margins from 8.2% to 8.5% mainly due to claim settlements in a few domestic projects, reduced ECL provisions and tapering of stressed projects.

The funds employed by the segment at ₹ 25170 crore as at March 31, 2021 registered a decline of 7.4% vis-à-vis March 31, 2020, with higher collections, especially from the government / PSU customers, reduction in contract asset, receipt of advances in large-value projects, partly offset by higher vendor payouts to support vendors / sub-contractors during these challenging times.

2. Power Segment



The Power segment recorded an order inflow of ₹ 982 crore for the year ending March 31, 2021, significantly lower by 91.8% as compared to the previous year, attributed to the absence of greenfield thermal power project opportunities, while the previous year included a large domestic order for an ultra-supercritical thermal power project and an order for a comprehensive boiler island package in the Boiler JV. Further with the extension of the deadline to meet the emission norms, the tendering of FGD orders also got deferred.

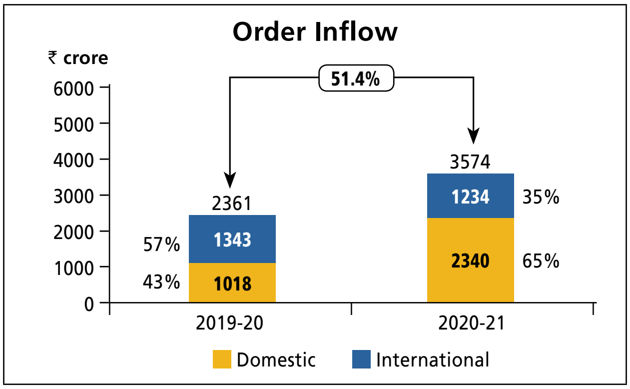


The segment's revenue improved y-o-y by 37.7% to ₹ 3193 crore, with a higher execution momentum aided by a higher opening order book. The composition of revenue from international projects decreased to 5% of the total revenue for the segment, from 17% in previous year with the Bangladesh gas-fired power project orders nearing completion.

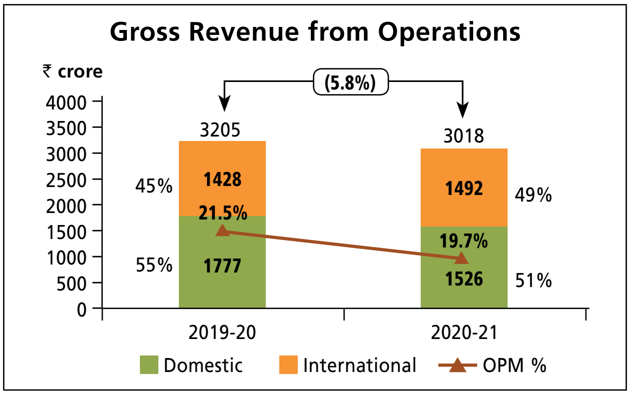
The segment operating profit has declined from ₹ 274 crore in the previous year to ₹ 147 crore in FY 2020-21 and the margin decreased to 4.6% from 12%, as the previous year's profits included receipt of a favourable arbitration award. The current year's margin was also impacted with the stage of projects in the job mix.

The funds employed by the segment at ₹ 2022 crore as at March 31, 2021 registered an increase of 15.9% over the previous year, mainly due to delay in collection of retention amount in jobs nearing completion, coupled with the build-up in contract assets with pick-up in execution momentum.

3. Heavy Engineering Segment



The Heavy Engineering segment recorded an order inflow of ₹ 3574 crore for the year ending March 31, 2021, higher by 51.4% as compared to the previous year, mainly due to a large order in the Nuclear Equipment system business, resulting in drop in share of international orders from 57% in the previous year to 35% in FY 2020-21.

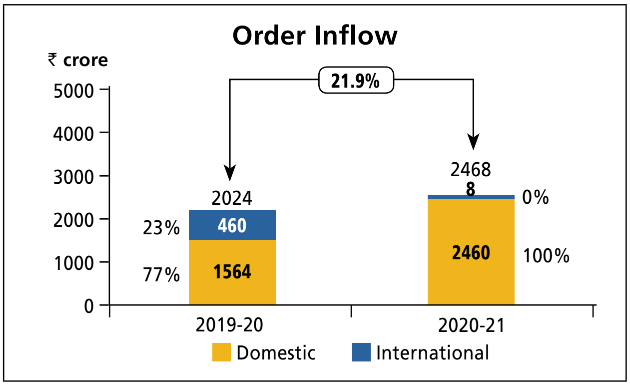


The segment's gross revenue of ₹ 3018 crore registered a decline of 5.8% compared to the previous year, which had a higher composition of revenue from refinery orders coupled with a lower opening order book for FY 2020-21 in the fertiliser and petrochemical business. Revenue from international operations constituted 49% of the total revenue for the segment.

The segment operating profit for the year decreased to ₹ 536 crore, registering a margin decline, from 21.5% to 19.7%, mainly due to a one-time settlement reached with an international client with respect to a warranty claim.

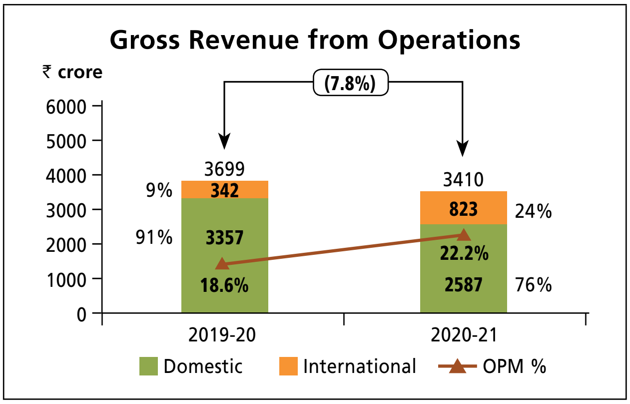
Funds employed by the segment as on March 31, 2021 at ₹ 1740 crore, lower by 40.1% over the previous year, are attributed to the writing down of funded exposure in the heavy forgings facility joint venture.

4. Defence Engineering Segment



The Military Communications business, which was reported under the Defence Engineering segment till FY 2019-20, has now been made part of the Smart World and Communications business which is now reclassified to the 'Others' Segment. Accordingly, the previous year's figures are regrouped wherever necessary.

The Defence Engineering segment recorded an order inflow of ₹ 2468 crore for the year ending March 31, 2021, higher by 21.9% over the previous year with the receipt of an order from the Ministry of Defence. There were no major international orders in FY 2020-21.

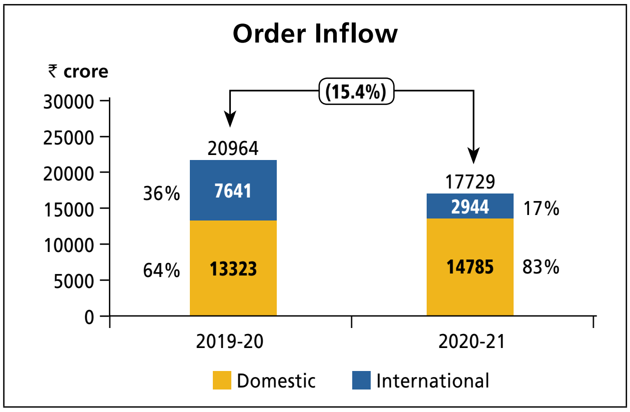


The segment's gross revenue of ₹ 3410 crore declined by 7.8% compared to the previous year. The decline was mainly due to the tapering of the K9 Vajra order. This was partially offset by increase in the Shipbuilding business, on the sale of two commercial vessels and progress being achieved on an international order, with which the share of international revenues increased to 24% from 9% in previous year.

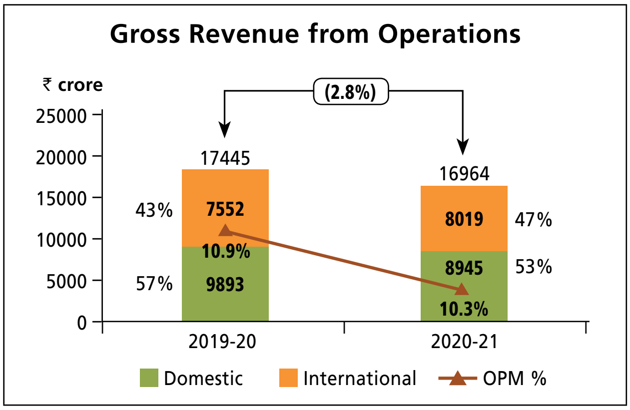
The segment recorded an increase in the operating profit for the year at ₹ 754 crore. The operating margin improved from 18.6% in the previous year to 22.2% in FY 2020-21 mainly due to cost savings and release of project contingencies.

Funds employed by the segment as on March 31, 2021 at ₹ 2090 crore decreased by 29.9% y-o-y, on account of collections against deliveries of the K9 Vajra order.

5. Hydrocarbon Segment



The Hydrocarbon segment achieved order inflows of ₹ 17729 crore, registering a decline of 15.4% with respect to the previous year. The segment witnessed many deferments of project opportunities due to the Covid-19 pandemic and some targeted prospects being lost to the competition. The segment managed to successfully procure some prestigious domestic orders in the petrochemical space. With most of the countries within the MENA deferring the investment in the hydrocarbon sector, the share of international orders dropped to 17% in FY 2020-21 from 36% in the previous year.



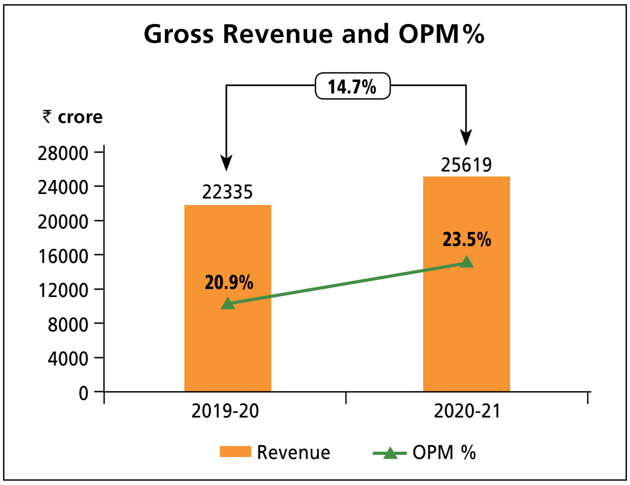
Segment revenue at ₹ 16964 crore for the year declined by 2.8% y-o-y, due to the slowdown in the execution activities of key projects impacted by the lockdown. The share of international revenue in FY 2020-21 was higher at 47% of the total revenue of the segment as compared to 43% in the previous year, essentially a function of the stage of execution of orders and access to sites during the pandemic year.

The segment's operating profit for the year declined to ₹ 1748 crore. The operating margin reduced by 60 bps from 10.9% to 10.3%, reflecting under recoveries during the lockdown.

The funds employed by the segment as on March 31, 2021 at ₹ 3029 crore increased by 5.2% as compared to March 31, 2020, despite liquidation of current customer receivables. The increase is mainly due to higher investment of surplus funds.

6. IT & Technology Services (IT & TS) Segment

As Mindtree Limited was consolidated from the second quarter of FY 2019-20, the previous year includes only nine months' performance of Mindtree Limited. Hence the current period is not comparable with the previous period on a like-to-like basis.



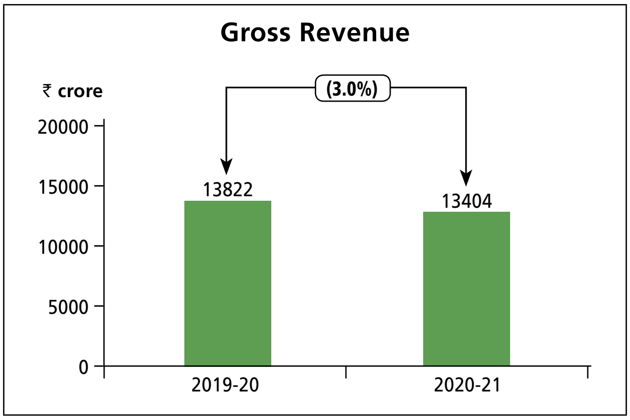
The IT&TS segment comprises the listed companies and the entities under their respective control, viz., (a) L&T Infotech Limited (LTI), (b) L&T Technology Services Limited (LTTS) and (c) Mindtree Limited. The segment recorded a gross revenue of ₹ 25619 crore for the year ended March 31, 2021, registering a growth of 14.7% over the previous year. On a like-to-like basis, the growth would have been 6%. International revenue constitutes a steady 92% of the total revenue of the segment.

The segment's operating profit was at ₹ 5986 crore for FY 2020-21 as compared to ₹ 4635 crore in the previous year. The operating margin improved by 260 bps, mainly on improved resource utilisation, higher offshore volume and savings in other operational cost.

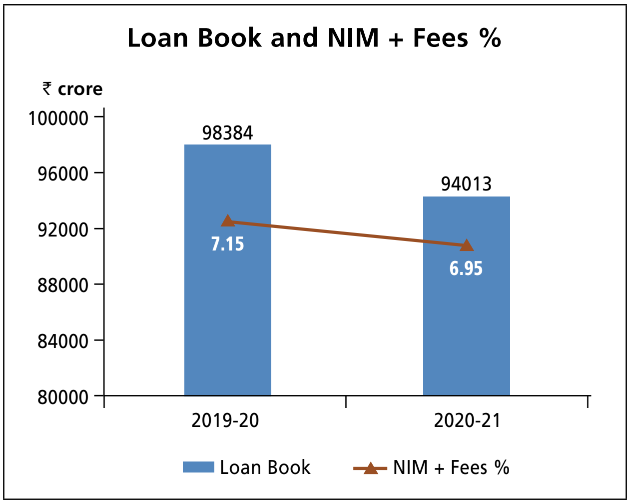
The funds employed by the segment as on March 31, 2021 at ₹ 23442 crore increased by 19.4% compared to March 31, 2020 mainly due to higher investible surpluses.

7. Financial Services (FS) Segment

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



This segment was adversely affected by the Covid-19 pandemic by way of extension of moratorium to customers through RBI directives, additional statutory provisioning requirements on account of such moratorium and slowdown of disbursements. The segment's revenue declined by 3% y-o-y at ₹ 13404 crore for FY 2020-21 reflecting unconducive business environment.



Disbursal of fresh Loans and Advances of ₹ 28324 crore during the year ended March 31, 2021 reflects a decline of 24% y-o-y, due to Covid-19 impacted slowdown across all segments. The Loan Book stood at ₹ 94013 crore as at March 31, 2021, a marginal decline over previous year. Though, the Net Interest Margins (NIM) improved by 10 bps on reduced cost of borrowings, the NIM, including fee income, declined from 7.15% to 6.95% mainly due to lower fee income.

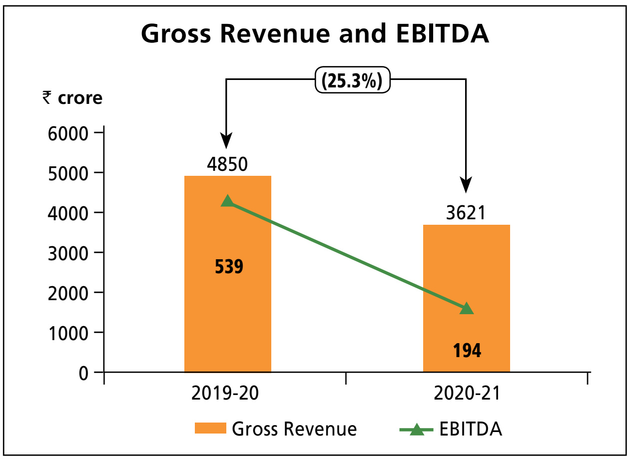
The Gross Non-Performing Assets (GNPA) ratio improved to 4.97% as at March 31, 2021 from 5.36% as at March 31, 2020. Net NPA ratio has also reduced to 1.57% as at March 31, 2021 against 2.28% as on March 31, 2020.

Average Assets Under Management (AAUM) in the Investment Management business at ₹ 72728 crore as at March 31, 2021 has marginally improved, despite volatile capital markets and stress in the debt market funds caused by yield corrections.

The Financial Services business has completed its divestment of Wealth Management business to IIFL Wealth during the year and has also completed the merger of L&T Housing Finance Limited and L&T Infrastructure Finance Company Limited into L&T Finance Limited as a part of business restructuring and simplification.

8. Developmental Projects (DP) Segment

The Developmental Projects segment comprises concessions acquired through a competitive bidding process for the development of Power projects, Roads, Bridges, Hyderabad Metro Rail and a Power Transmission Line project. The total portfolio of the Developmental Projects Group consists of 2 power projects (1 thermal and 1 hydel), 10 roads and bridges projects, 1 transmission line project and 1 metro rail project. The metro rail project has been executed under L&T Metro Rail (Hyderabad) Limited (L&T MRHL) which is a 100% subsidiary of the parent entity. The power assets are developed in SPVs held through L&T Power Development Limited, a 100% subsidiary, and other projects are developed through SPVs held by L&T Infrastructure Development Projects Limited, a joint venture in which the Company owns 51%. During the year, Company successfully commissioned its hydel power plant project in the state of Uttarakhand, and with completion of the hydel project, all the projects which were under construction have been commissioned by March 31, 2021.

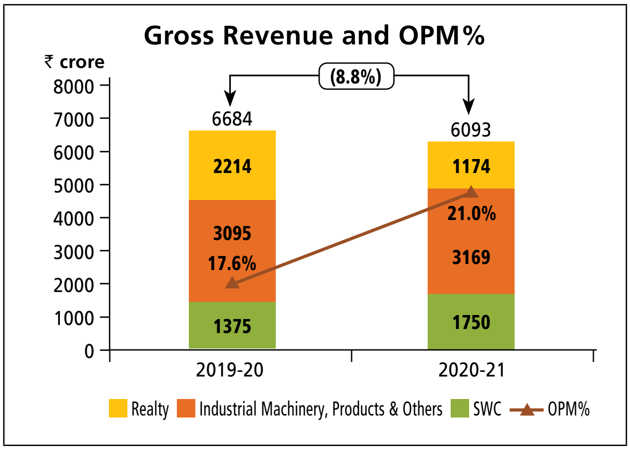


The segment recorded revenue of ₹ 3621 crore for the year ended March 31, 2021, lower by 25.3% over the previous year. The decline in revenue is mainly due to the suspension of metro services in Hyderabad during the first half of the year due to the Covid-19 lockdown and later due to lower ridership. Further, the lower Plant Load Factor (PLF) in Nabha Power Ltd., due to lower power demand in the state of Punjab post the lockdown in Q1 FY 2020-21 and non-availability of coal due to the 'Rail-Roko' agitation by farmers in Q3 FY 2020-21, had an adverse impact on revenues for the segment.

The segment clocked an operating profit of ₹ 194 crore for FY 2020-21, far lower than ₹ 539 crore earned in FY 2019-20, mainly due to under-utilisation of metro services.

The funds employed by the segment as on March 31, 2021 at ₹ 21403 crore were lower by 12.3% compared to March 31, 2020 mainly due to impairment of assets in the power development business.

9. Others Segment



The Others segment covers (a) Realty, (b) Industrial Machinery, Products & Others comprising Construction & Mining Equipment, Rubber Processing Machinery, Industrial Valves and (c) Smart World & Communication businesses. Revenue for the segment registered a decline by 8.8% from ₹ 6684 crore in FY 2019-20 to ₹ 6093 crore in FY 2020-21. The revenue decline was mainly in the Realty business, whereas as the other businesses grew marginally with improved conversion cycle time and resumption of the supply chain. Growth was registered by the Smart World and Communication business on better execution of existing orders. The operating margin improved over the previous year, due to the sale of commercial property in the Realty business.

The funds employed by the segment as on March 31, 2021 at ₹ 7653 crore decreased by 7.3% compared to March 31, 2020 mainly due to the sale of commercial property.

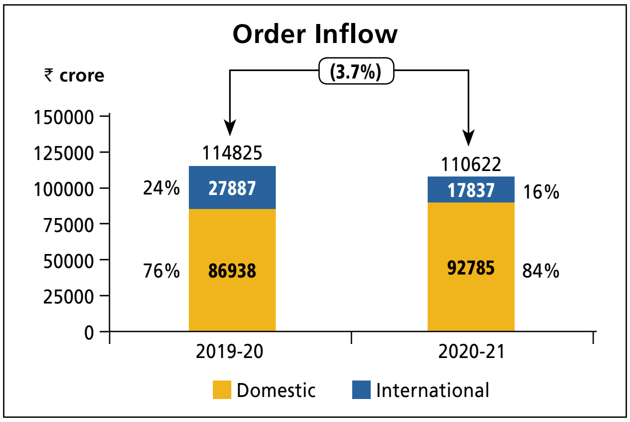
II. L&T STANDALONE

PERFORMANCE REVIEW

L&T's standalone financials reflect the performance of Infrastructure, Power, Heavy Engineering, Defence Engineering, and Others. The Others segment comprises non-novated projects in Kuwait in the Hydrocarbon business, Realty, Construction & Mining Machinery, Rubber Processing Machinery and Smart World and Communications.

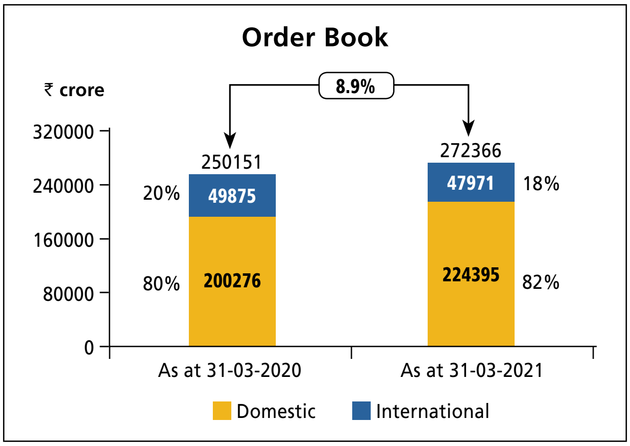
L&T standalone continues to be the major contributor to revenue and profits of the Group's performance.

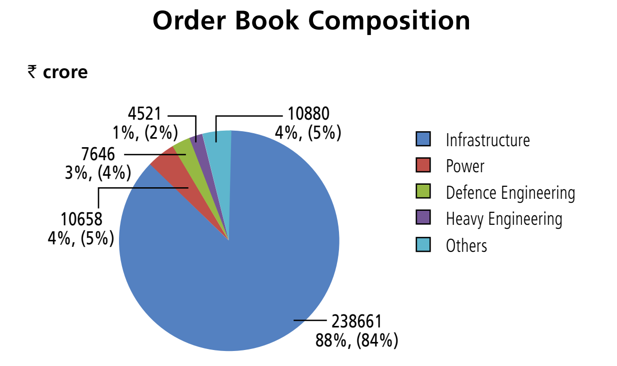
Order Inflow and Order Book



The order inflow during FY 2020-21 declined by 3.7% at ₹ 110622 crore as compared to ₹ 114825 crore in the previous year. The Infrastructure segment contributed 90% of the total order inflow during the year on receipt of the prestigious high-speed rail packages and orders from Hydel and Tunnel, Special Bridges, Rural water supply and a few international orders.

The international order inflow decreased to 16% of the total order inflow for FY 2020-21 as compared to 24% in the previous year.



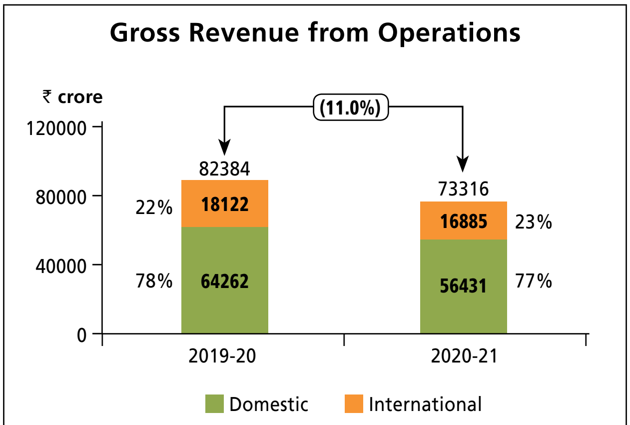


Total Order Book: ₹ 272366 crore as at March 31, 2021

[Figures in brackets relate to previous year]

The Order Book as at March 31, 2021 stood at ₹ 272366 crore, 88% of which is contributed by the Infrastructure segment. International orders constituted 18% of the current Order Book. L&T continues to carry a healthy order book-to-revenue ratio at 3.71, providing better visibility of revenue over the medium term.

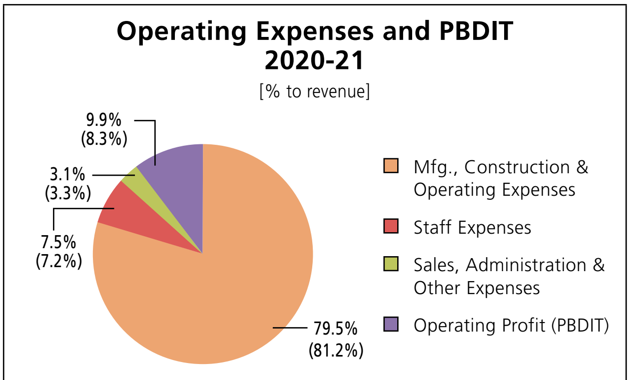
Revenue from Operations



The parent standalone entity reported a revenue of ₹ 73316 crore during FY 2020-21, a decline of 11% over the previous year, mainly in the Infrastructure segment with several execution impediments due to the Covid-19 lockdown and preventive measures adopted to counter the pandemic.

The above shortfall was partly mitigated by growth in the Power segment on picking up of the execution momentum of jobs in hand, in the Realty business on the sale of a commercial property, and in the Smart World and Communication and Hydrocarbon businesses on better execution of projects.

Operating Expenses and PBDIT



[Figures in brackets relate to previous year]

Manufacturing, Construction and Operating (MCO) expenses, comprising cost of construction material, raw materials, components and subcontracting expenses, amounted to ₹ 58290 crore, which is 79.5% of revenue, and improved over previous year on subdued execution of projects in Q1 FY 2020-21 due to the lockdown.

Staff expenses for the year at ₹ 5485 crore decreased by 7.9% y-o-y mainly due to reduction in staff welfare expense and reduction in provision for leave encashment on change in leave encashment policy. Staff Cost as a percentage of revenue increased from 7.2% to 7.5% reflecting under-utilisation of resources during the lockdown.

Sales and administration expenses for the year at ₹ 2274 crore decreased by 16.0% y-o-y, mainly due to lower professional fees, donation, reduced travelling cost partly offset by higher ECL provisions on financial and contract assets.

Profit before depreciation, interest and tax excluding other income (PBDIT) was ₹ 7266 crore for the year, higher by 6.3% over the previous year. The 160 bps growth in PBDIT at 9.9% of sales is mainly due to gain on sale of a commercial property in the Realty business, cost savings in Defence Engineering and release of contingencies along with some large-value orders crossing the margin threshold in the Infrastructure business. This was partly offset by higher ECL provisions and cost overruns in some projects in the Infrastructure segment.

Depreciation and Amortisation charge

Depreciation and Amortisation charge for FY 2020-21 at ₹ 1026 crore is almost in line with the previous year at ₹ 1021 crore mainly on account of lower capex spend.

Other Income

Other income mainly comprises income from treasury operations, dividend and income from Group companies. Other income for FY 2020-21 at ₹ 3435 crore, increased as compared to ₹ 2808 crore for the previous year mainly due to higher earnings on a larger corpus of investible surplus.

Finance cost

The interest expenses for FY 2020-21 at ₹ 2420 crore were higher by 6.7% vis-à-vis ₹ 2267 crore for the previous year. The increase is mainly attributable to higher borrowings retained during the year to ensure liquidity in challenging times. The average borrowing cost for FY 2020-21 was at 6.4% p.a., lower from the 7.4% p.a. in the previous year, reflecting the lower interest regime.

Exceptional Items

Exceptional Items of ₹ 2819 (net of tax) crore for FY 2020-21 represents impairment of funded exposure in the heavy forgings facility joint venture and carrying value of investment in the power development business while the previous year included gain on dilution of stake in L&T Technology Services.

Profit from Discontinued Operations

Profit from Discontinued Operations ₹ 8650 crore includes gain from divestment of Electrical & Automation to Schneider Electric SE and operational profit till the date of divestment, 31st August 2020.

Profit after Tax and EPS

Profit after Tax (PAT), including exceptional items (continuing operation), for FY 2020-21 at ₹ 2686 crore, registered a decrease of 55% as compared to ₹ 6025 crore in the previous year mainly due to impairments of ₹ 2819 crore and higher tax expense. With gain on divestment of ₹ 8557 crore from discontinued operations for sale of the Electrical & Automation business to Schneider Electric SE, overall PAT has improved to ₹ 11337 crore from ₹ 6679 crore in previous year.

The Basic Earnings per Share (EPS) from continuing operations & discontinued operations for FY 2020-21 at ₹ 80.74 has improved compared to ₹ 47.59 in the previous year.

Other Comprehensive Income (OCI)

Other Comprehensive income during year reflected a profit of ₹ 492 crore, vis-à-vis loss of ₹ 519 crore in the previous year, mainly due to mark-to-market gain on hedging instruments while the previous year was impacted by a fair valuation of investment in Mindtree prior to acquiring controlling stake.

Return on Net Worth

The Net Worth of the standalone parent entity as on March 31, 2021 at ₹ 60414 crore increased by ₹ 8238 crore as compared to March 31, 2020.

Return on Net worth (RONW) including Exceptional Items and profit from discontinued operations for FY 2020-21 at 20.1% is higher as compared to 13.1% in the previous year, largely due to profit on divestment of the Electrical & Automation business.

Liquidity & Gearing

Business operations generated cash flows of ₹ 8351 crore during the year as compared to outflow of ₹ 121 crore in the previous year. The increase is mainly attributable to higher customer collections and receipt of customer advance on new orders. The cash generated through the divestment of the Electrical & Automation business at ₹ 10846 crore, treasury income of ₹ 818 crore and dividend income from S&A companies at ₹ 1244 crore has been utilised towards repayment of borrowings (incl. repayment of lease liability) of ₹ 2263 crore, investment in S&A companies at ₹ 2433 crore and towards purchase of other short term investments of ₹ 10972 crore, in addition to dividend payment ₹ 3651 crore (comprising of final dividend of FY 2019-20 ₹ 1123 crore and special dividend ₹ 2528 crore) and interest payment ₹ 1954 crore respectively.

There was a net decrease of ₹ 93 crore in the cash balances as at March 31, 2021 as compared to the beginning of the year.

Fund flow statement	**₹ crore**	
Particulars	**FY 20-21**	*FY 19-20*
Operating activities	8351	*(121)*
Net divestment/(investment)	8413	*(10890)*
Treasury and dividend income	2062	*1902*
(Increase)/decrease in cash balance	93	*(464)*
ESOP Proceeds (net of buyback expenses)	16	*18*
Sources of Funds	**18935**	*(9555)*
Capital expenditure (net)	95	*1309*
Repayment of Borrowings/(Additional Borrowings)	2263	*(13453)*
Purchase / (Sale) of Other investments	10972	*(3463)*
Dividend paid	3651	*4159*
Interest paid	1954	*1893*
Utilisation of Funds	**18935**	*(9555)*

Total borrowings as at March 31, 2021 were lower at ₹ 23809 crore as compared to ₹ 25785 crore in the previous year. The loan portfolio of the Company comprises a mix of Rupee and suitably hedged foreign currency loans. The gross debt-equity ratio reduced to 0.39:1 as at March 31, 2021 from 0.49:1 as at March 31, 2020. The net debt-equity ratio was nominal at 0.04:1 as at March 31, 2021 from 0.31:1 as at March 31, 2020.

III. STRATEGY, BUSINESS MODEL AND RESOURCE ALLOCATION

Strategy Formulation

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

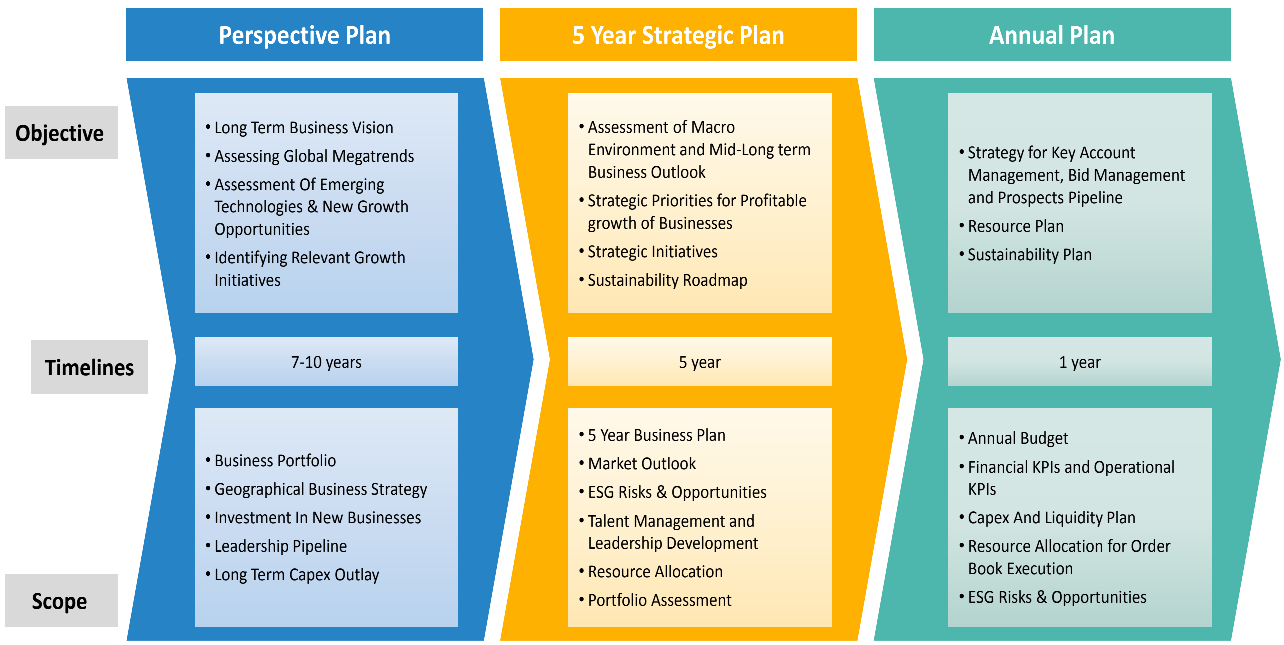
The Company had earlier undertaken the development of a 'Perspective Plan' focussing on a long-term view (7-10 years) of the Group's various businesses which helped identify the megatrends, potential disruptions and future directions for the current businesses. Further, the exercise helped in identifying new business opportunities (L&T NxT, SuFin, EduTech) which are now in the incubation phase and are expected to bring significant benefits in the coming years. The exercise also led to setting up of an Innovation Fund focussing on identifying and investing in start-ups which help consolidate the market position for the core business. The insights garnered from the Perspective Plan exercise would also be inputs for developing the next 5-year strategic plan i.e. 'Lakshya-26'.

The strategic plan 'Lakshya', which runs for a period of 5 years, is developed through a collaborative and consultative process across the organisation. Formulating the plan helps in deciding the strategic directions for the businesses as well as setting the year-wise performance targets along with supporting initiatives. FY 2020-21 is the terminal year of the current 5-year strategic plan, 'Lakshya 21'.

The pandemic in 2020, the year of the formulation of next 5-year plan 'Lakshya-26', has resulted in delay in formulation and at the same time, it has provided an opportunity to address new dynamics in certain businesses. The Company has now initiated the formulation of 'Lakshya-26' plan and aims to complete the process by September 2021.

While the 5-year business outlook and broad financial goals are embedded as an overarching strategic plan, the annual operating plan is formulated before the commencement of every financial year. This helps provide flexibility in tailoring the annual operating and financial budgets to changing circumstances while keeping the 5-year strategic plan in view.

Strategy Formulation Schematic:

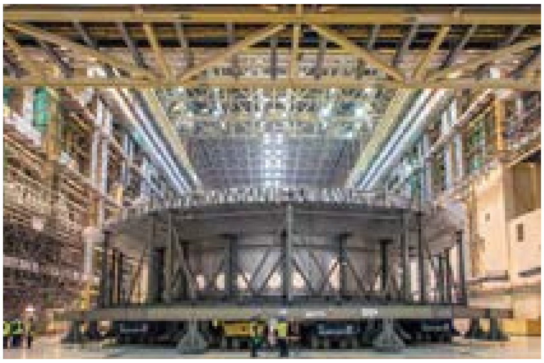


Business Model

Value creation by the Group is enabled through leveraging its business models:

EPC Contracts

The Group will continue to focus on its proven core competencies of conceptualising, executing, and commissioning large, complex infrastructure projects in the areas of roads, bridges and tunnels, power transmission and distribution, thermal / hydel / solar / nuclear power plants, water and irrigation infrastructure, residential, commercial, institutional and factory buildings, airports, high-speed, metro, and conventional railways, onshore and offshore hydrocarbon facilities, renewables, energy and metallurgical projects.



Hi-Tech Manufacturing

Hi-Tech Manufacturing is mainly concentrated on heavy custom-built equipment catering to process industries, material handling equipment, and industrial products and machinery and defence engineering including shipbuilding. The Company has large manufacturing facilities at Hazira, Vadodara, Talegaon, Chennai, Coimbatore and Kattupalli in India and Oman in international geographies.

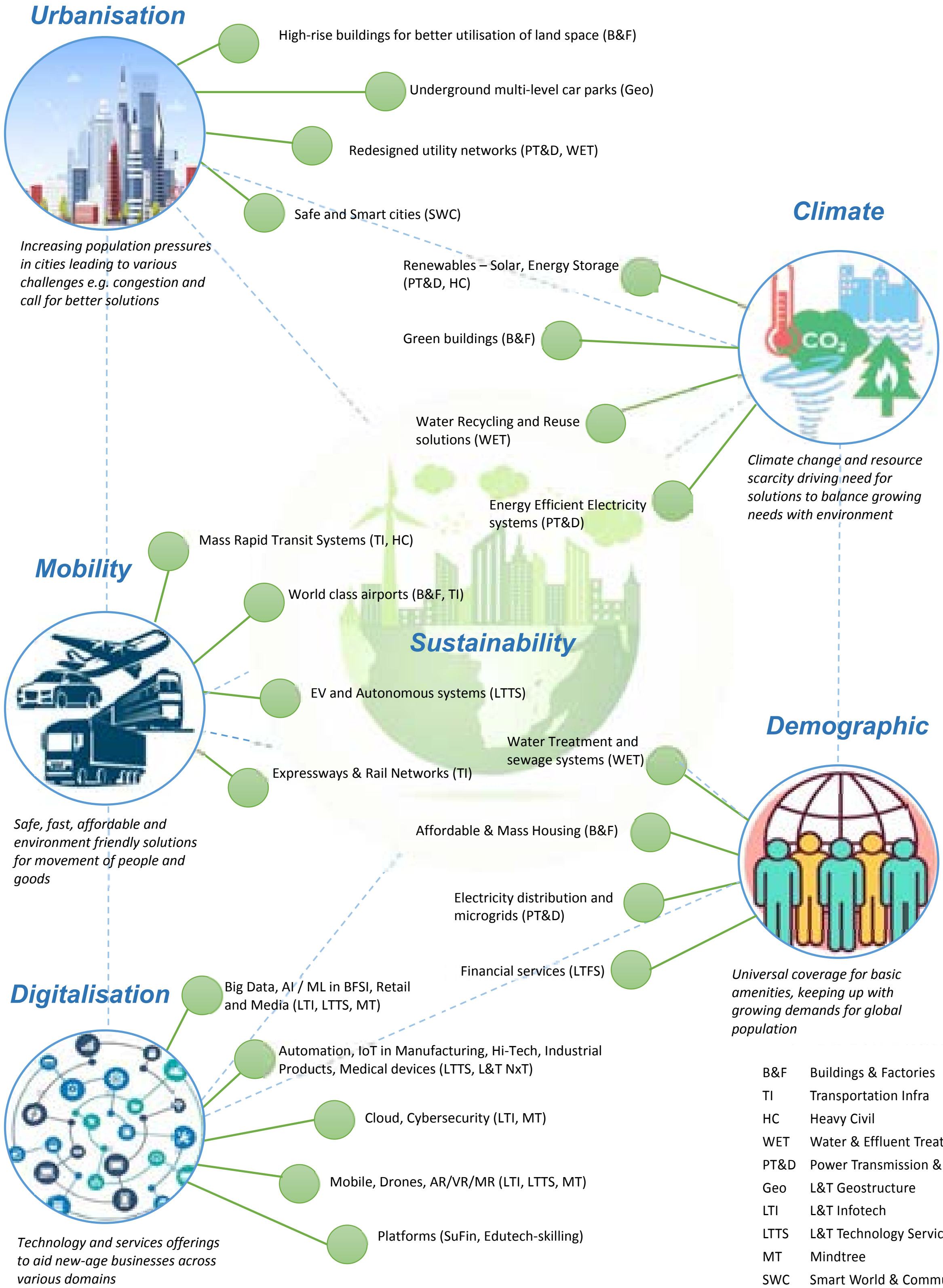
Services / Allied

The services and allied businesses cater to sectors of IT (through LTI and Mindtree), Engineering & Technology services (through LTTS, Smart World and Communication and L&T NxT), Real Estate and Financial services (through LTFHL).

Development Projects

While the Company has also undertaken major development projects such as the Hyderabad Metro, road operations and tolling (through L&T Infrastructure Development Projects Limited), Nabha Power and Uttaranchal Hydel Power in the past, the focus going forward would be to unlock the value embedded in the business portfolio.

Our businesses and offerings are closely linked to global Megatrends



B&F	Buildings & Factories
TI	Transportation Infra
HC	Heavy Civil
WET	Water & Effluent Treatment
PT&D	Power Transmission & Distribution
Geo	L&T Geostructure
LTI	L&T Infotech
LTTS	L&T Technology Services
MT	Mindtree
SWC	Smart World & Communications

The Covid-19 pandemic has influenced some of the global megatrends. While it has negatively impacted some, such as reduced mobility due to travel restrictions, it has also accelerated the push towards digitalisation, climate issues, renewables, and health & well-being. The businesses linked to digitalisation i.e. LTI, LTTS and Mindtree, have seen increased business traction and are expected to benefit from this tailwind in the coming years. The push towards environment-friendly solutions is expected to benefit some of our infrastructure businesses, e.g. Renewables (PT&D) and WET. The de-risking of supply chains via increased localisation / near-shoring and Government incentives for increasing local manufacturing are also expected to drive investments in new factories and capacity expansion in India.

The oil & gas industry was already undergoing transformation and the pandemic has only accelerated the shift. This could have some impact on Hydrocarbon's future offerings. Negatively impacted sectors due to the pandemic are airports, public places (stadiums), new office buildings, etc. which are likely to face short-term challenges; however it is expected that these will pick up sometime in the near future, given their long-term uptrend.

Portfolio Strategy

The portfolio strategy aims to create a 'sustainable' business model that results in improved returns and benefits to all the stakeholders, and this strategy focuses on:

- **Complementing the mature businesses with growth-stage businesses, with a focus on asset-light and high-margin businesses.** The Group is also trying to reduce exposure to asset-heavy businesses. Businesses with growth potential yet requiring periodic capital infusion such as Financial Services will be reassessed from time to time in the context of their emerging strategic significance and the capital allocation plans.
- **Well-balanced and geographically diversified businesses across domestic and international markets.** India will continue to be the focus geography for infrastructure businesses over next 5 years. In addition to India, infrastructure business would focus on international markets, i.e. select countries in the Middle East and Africa region. For the IT businesses, the Americas and Europe would continue to be the focus geographies. To further de-risk the geographical concentration and pursue new growth opportunities, a few more high-potential countries in Africa and ASEAN region have been identified for detailed evaluation of opportunities.
- **Balancing the cyclical nature of the EPC business through a portfolio of services businesses.** The 'Services' businesses has grown by 6% over the previous year, partly compensating for the decline of 11% arising out of the EPC business. With the aim of better profitability and a stable revenue profile, the Group intends to increase the share of services business while pursuing growth in the traditional EPC Contracts and Hi-Tech Manufacturing businesses.
- **Supplementing the standalone offerings with partnerships.** For the traditional businesses, the Company has partnered with several large global process and technology licensors, and for the IT and Technology Services businesses, the Group has extensive partnerships with established global software product and technology companies. These engagements enable the Group to offer a bouquet of value-added services to customers in different businesses.

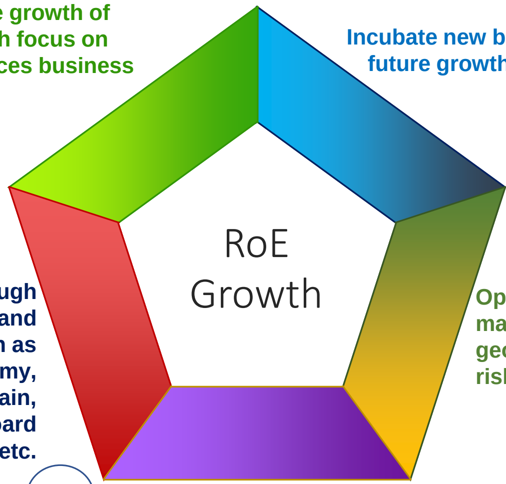
Strategic Thrust & Direction

The focus of the Group's strategy is to create value for its shareholders, investors, clients, employees and other societal stakeholders through economic benefits, fulfilment of social obligations and ecological sustainability while protecting and promoting the L&T brand.

This value creation is driven through **Strategic Objectives** of the company, which are:

SO-1 Pursue Value Accretive growth of current businesses with focus on driving growth of services business and green offerings

SO-2 Incubate new businesses to tap future growth opportunities



SO-3 Enable business sustainability through high focus on Environment, Social and Governance (ESG) parameters such as Climate Stewardship, Circular Economy, Green Businesses, Green Supply Chain, Employee and Social Welfare, Board Engagement, etc.

SO-4 Optimise the mix of businesses (EPC, manufacturing, services) and geographies (India, international) to de-risk the portfolio

SO-5 Identify and Implement sustainable solutions for non-core businesses and assets earning sub-par returns

These Strategic Objectives are supported through **Strategic Enablers** which are:

SE-1 Operational Excellence for leadership in cost-competitiveness and world class execution

SE-2 Industry leading capabilities in digital technologies and analytics for productivity, ESG effectiveness and strengthening revenue streams

SE-3 Financial resources to enable growth of the businesses and strong financial health to facilitate access to capital markets, as and when required

SE-4 Talent and leadership pipeline to enable growth and business continuity

SE-5 Capability development through R&D, absorption of new technologies and partnerships

IV. RISK MANAGEMENT

The L&T Board has formed a Risk Management Committee to oversee the implementation and effectiveness of the risk management framework as required by SEBI LODR. The framework was earlier overseen by the Audit Committee.

The Company has institutionalised an Enterprise Risk Management Framework, which is continuously reviewed and benchmarked with industry best practices. The Risk Management Committee, on a periodic basis, evaluates and monitors the key risks at the Company level, viz., the impact due to the slowdown in the economy, geopolitical issues, risks relating to reputation and brand, competition, counterparty, foreign exchange & commodity prices, interest rates, cyber security and Environmental, Social, and Governance (ESG) related issues etc.

The Risk Management Committee periodically reviews the robustness and defensibility of the systems in place and suggests mitigation plans accordingly. The Audit Committee, in compliance with Companies Act and SEBI LODR, oversees the financial risk framework of the Company and reviews the corporate risk management framework once a year.

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

The Company has a Chief Information Security Officer (CISO) in place who is responsible for forming and assuring implementation of IT security policies, frameworks to manage cybersecurity risk, and controls across the organisation. Also, the Company has rolled out Mission Zero Harm Plan targeting proper implementation of safety procedures, programmes, and practices.

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

	Risk	Mitigation
Pandemic	The pandemic has been one of the key risks impacting the operations of the Company. Project activity at worksites had slowed down during the period starting from March till May 2020 as Governments across the globe resorted to a range of measures, such as complete lockdown, night curfews and partial lockdowns to curb the spread of the coronavirus. The impact on economic and financial condition of counterparties in India or elsewhere may lead to delays in booking new orders or timely release of funds for the projects under execution.	The Company has quickly responded by implementing safety measures such as temperature screening, sanitising, and enforcing safe distancing norms and mandatory masks in private offices and project sites to ensure resumption of work. The Company also stepped up its employee health welfare initiatives and established well-equipped quarantine facilities to take care of the sickness / recovery process. The Company took steps to ensure liquidity was preserved to withstand any adverse developments. Credit-worthiness of counterparties is being continuously monitored to lessen the impact of adverse working capital resulting from customer delays in settlement of receivables.
Execution Challenges	The Company faces inherent risks throughout the execution phase of the project. Project challenges include employee / workmen safety, working in difficult / harsh weather conditions, unavailability of work front, land acquisition and Right-of-Way (ROW), environmental clearances, visa issues, etc. There have been additional challenges due to the pandemic, such as labour availability and mobilisation, supply chain disruptions, and some of the projects getting delayed / slowed down at the customer's behest.	Projects are put through Execution Risk reviews utilising the recently implemented Enterprise Risk Management (ERM) System. Each risk identified through the ERM system is classified into Generic and Specific Risks based on a comprehensive risk register. These risks are monitored at regular intervals for resolution / mitigation. Projects are closely reviewed via a quality and EHS audit, ensuring employee safety, regulatory, and environmental compliance.

	Risk	Mitigation
		Practices like working in multiple shifts, providing a safe and healthy working environment, and arranging for workmen boarding with required facilities, are being implemented in projects. Sourcing from alternative channels has ensured minimum supply chain disruptions. Contractual remedial measures are being enforced with more rigour to mitigate the monetary impact arising out of project delays.
Under-performance in key sectors	Sectors such as Power, Nuclear and Defence - Shipbuilding, continued to show slow growth and under-utilisation of their capacities. These businesses are facing structural challenges, such as high receivables from Discoms, shift towards green projects, delays in environmental clearances, etc. Further, the Metro and Financial Services sectors have been adversely impacted by the onset of the pandemic.	Divestment of certain non-core business lines and proactive liquidity boosting have given the Company the financial flexibility to meet project milestones while investing in high growth areas. The Company works on sector-specific solutions to improve the performance of the business units.
Geopolitical Risk	The Company operates in numerous geographies and faces risks on account of protectionist policies, political dynamics, trade barriers, sanctions, and geopolitical conflicts. The ongoing geopolitical situation also impacts the supply chain, and hence could have a schedule and cost impact on projects.	The Company has in place mitigation strategies, such as country-clearance procedures, monitoring geopolitical conflicts, actively monitoring changes in sanctions regimes along with identification of alternative strategic sourcing options.
Inequitable Terms of Trade	The Company partners with multiple stakeholders in executing projects and the terms agreed upon with these parties have become more stringent over the years. Joint and several liability, long tenor of defect liability periods, cost overruns, back-ended payment structure, working capital challenges and claim management challenges will have an effect on the performance and cash flows.	The Company relies on its leadership position in the businesses it operates, strong internal processes, back-to-back arrangements with vendors / subcontractors, project & business level working capital monitoring policies, and pre-bid reviews as appropriate risk mitigation strategies. Project teams also maintain the required documentation and follow redressal mechanisms with clients / vendors / subcontractors to address terms and disputes on a case-by-case basis.
Cyber Security	The Company is undergoing digital transformation and cybersecurity has become a key concern for the continuity of business. Vulnerabilities such as targeted attacks, ransomware threats, and phishing have raised the importance of protecting the information technology infrastructure and data of the Company.	The Company has a Chief Information Security Officer in place, who, under the guidance of the risk management committee oversees the implementation of strong enterprise wide cybersecurity practices. These practices are grouped into people, process and technology control areas under the Company-wide Cyber Security Assurance Framework. Employee awareness on cybersecurity is being enhanced through initiatives such as awareness courses, information security day, quizzes, and the creation of infotoons. Maturity of security controls is continually being measured to ensure they maintain the desired benchmarks.

FINANCIAL RISKS

Economic growth has remained a challenge on account of the unforeseen disruption of economic activity due to the Covid-19 pandemic. Post the complete disruption of the logistics and supply chain as well as the reverse migration of the labour force, Q1 FY 2020-21 saw the India GDP slip by ~24%. With the phased easing of lockdown restrictions during Q2, Q3 and Q4 witnessing a return to near normalcy, the India GDP decline for FY21 at 7.3%. However, concerns on the second wave of the Covid-19 pandemic and the slow pace of the vaccination drive have again given rise to concerns on resumption of lockdown-like measures that will once again result in consumption slowdown causing, again, a spectre of asset quality challenges for the financial sector. Inflation in India rose sharply in the first 9 months of FY 2020-21 mainly on account of higher food prices led by supply-side disruption in the lockdown phase.

The global economy shrank by 3.3% in 2020. Amid the various waves of Covid-19 stretching across different geographies, there was a broad-based contraction of various large economies, with the exception of China. Global trade has declined and there has been a marked slow-down in services activities, even though the manufacturing sector activity has gradually picked up. Governments across the globe responded with unprecedented fiscal stimulus to avert this crisis. Further, central banks eased monetary policy and also provided liquidity to levels not seen since the global financial crisis of 2008. As a result, the asset prices have recovered after the initial Covid-19 fears-led fall, and have remained buoyant since. The pandemic has led to an uneven recovery and many sectors are still struggling to reach the performance seen before the onset of the pandemic. Fragility in the financial sector in a number of economies continues to remain a concern, though with stimulus and liquidity pumped in by Governments, led to higher consumption of goods (in lieu of services) by people. A combination of higher consumption of goods, infrastructure build-up expenditure driven by fiscal boosts and catch-up on lost time being attempted by various industries upon reopening of the economies led to a boost in the demand for raw materials such as steel, cement, base metals, semi-conductors, etc. The supply of raw material could not be increased at the same pace due to the spread of the pandemic in regions where the ores are mined, restricted supply chains, etc. This created a demand / supply gap leading to a sharp increase in commodity prices in the second half of FY 2020-21.

With the execution progress being impacted in the first quarter of FY 2020-21 due to the pandemic, the Company focussed on collection of receivables, making good progress, and also stepped up its support to the vendors during the crisis period. This has led to a decrease in the absolute level of working capital.

Capital structure, liquidity and interest rate risks

The start of FY 2020-21 saw the Company facing huge uncertainty in terms of liquidity as the duration of the lockdown and disruption of work at sites as well as at the client offices was uncertain. This meant uncertainty of cash inflows while the Company had its short term and long-term debt repayments, vendor payments and other fixed costs to provide for. To mitigate these, the Company raised a significant amount of long-term liquidity at the beginning of the year through debt capital markets.

The Company also concluded the divestment of its Electrical & Automation business and used its proceeds to reduce its gearing, thereby maintaining a conservative capital structure. The proceeds were also used for investing ₹ 1900 crore in the form of rights issuance of its subsidiary L&T Finance Holdings and about ₹ 1000 crore to support its subsidiary L&T Metro Rail Hyderabad Ltd. (L&T MRHL) whose operations were impacted severely due to the pandemic.

With the business conditions improving progressively in the 2nd half of FY 2020-21, till the onset of the second wave, the Company ended the year with significant liquidity on the balance sheet, aided by the divestment and lower working capital. Low gearing levels and high cash balances will equip the Company to deal with business uncertainty in the face of the ongoing second wave of Covid-19. The Company plans to maintain the higher liquidity buffer on the balance sheet to deal with the lingering pandemic crisis and possible downturn in economic conditions. With the Large Exposure Framework guideline of RBI implemented from April 1, 2019, the Company has been focusing on ensuring sufficient available limits to retain the ability to bid for large-value projects, though currently it has adequate banking facilities to cater to the business requirements. The Government's initiative to reduce the performance bank guarantee requirement in projects from 10% to 3% has also enabled the Company to retain adequate headroom in its non-funded facilities.

The Company judiciously deploys its surplus funds in short-term investments in line with the Corporate Treasury policy. It constantly monitors the liquidity levels, economic and capital market conditions and maintains access to the lowest cost means of sourcing liquidity through banking lines, trade finance and capital markets. The Company managed its higher-than-usual treasury investments during the year to generate investment return to neutralise the higher interest cost due to extra borrowings raised in the beginning of the year. Given the extra liquidity buffer planned to be kept on the balance sheet due to the ongoing Covid-19 situation and long-term debt raised, both the debt and investments on the balance sheet are likely to remain elevated in FY 2021-22 as well. The Company dynamically manages interest rate risks through a mix of fund-raising products, investment products and derivative products across maturity profiles and currencies within a robust risk management framework.

Foreign Exchange and Commodity Price Risks

The businesses of the Company are exposed to fluctuations in foreign exchange rates and commodity prices. Additionally, it has exposures to foreign currency denominated financial assets and liabilities. The business-related financial risks, especially involving commodity prices, by and large, are managed contractually through price variation clauses, while the foreign exchange risks and residual commodity price risks are managed by appropriate hedging products.

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

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

Despite a sharp rally in commodity prices during the year, the Company's robust financial risk management processes ensured that input costs impact on Company's profits remained under control.

Disclosure of commodity exposures as required under clause 9(n) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr No	Commodity Name	Exposure in INR towards the particular commodity (₹ crore)	Exposure in Quantity terms towards the particular commodity (Tn)	% of such exposure hedged through commodity derivatives				
				Domestic market		International market		Total
				OTC	Exchange	OTC	Exchange	
1	Silver (Buy)	35	7	–	–	–	–	–
2	Copper (Buy)	1264	21,255	–	–	59.31	–	59.31
3	Copper (Sell)	(639)	(9,957)	–	–	100		100.00
4	Steel (Buy)	11679	23,90,829	–	–	–	–	–
5	Aluminium (Buy)	1143	72,758	–	–	29.15	–	29.15
6	Aluminium (Sell)	(179)	(11,000)	–	–	56.24	–	56.24
7	Iron Ore (Buy)	50	93,169	–	–	78.64	–	78.64
8	Coking Coal (Buy)	32	38,364	–	–	30.11	–	30.11
9	Zinc (Buy)	140	7,070	–	–	100.00	–	100.00
10	Lead (Buy)	70	5,091	–	–	100.00	–	100.00
11	Cement (Buy)	2776	48,82,763	–	–	–	–	–
12	Nickel (Buy)	22	208	–	–	–	–	–

V. INTERNAL CONTROLS AND SAFEGUARDS

The Company maintains adequate internal controls, appropriate to the nature and size of the business, and commensurate with the scale and complexity of its operations. The Company has implemented robust policies and procedures, which *inter alia*, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The efficacy of the various policies is evaluated for the dynamic and ever-evolving business environment.

The Board of Directors and management at all levels of the Company demonstrate through their directives, actions and behaviours the importance of integrity and ethical values to support the functioning of the system of internal control. The 'Code of Conduct' and the 'Whistle-blower / Vigil Mechanism' policies form an integral component of the internal control system. The Code of Conduct compliance is mandatory for employees and vendors and the Whistle-blower / Vigil Mechanism policies enables employees and vendors to raise genuine concerns about any actual or suspected ethical / legal violations or misconduct or fraud, with adequate safeguards against victimisation, fear of punishment or unfair treatment.

The internal financial controls operate at the entity and process levels, and are aligned with the requirements of the Companies Act, 2013 and the globally accepted framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. The Corporate Policy on internal controls serves as the foundation for sound internal controls. The internal control teams at the corporate and business levels assist the executive management, who are responsible for establishing, operating and upgrading the internal controls system. The corporate team shares best practices across the organisation, reviews and assesses the processes, formulates and updates the policies, guidance notes and advisories.

The Audit Committee of the Board reviews the annual internal audit plan prepared by the Corporate Audit Services department, covering core business operations, corporate departments as well as support functions. Corporate Audit Services conducts independent internal audits and the significant audit observations are presented to the Audit Committee every quarter along with update on implementation of recommended remedial measures and agreed actions by the management.

The effectiveness of internal controls was tested during the year by the Statutory Auditors as well as by the Corporate Audit Services team and no reportable material weaknesses either in their design or operations were observed. The evaluation included documentation review, enquiries, testing and other procedures considered to be appropriate in the circumstances.

The Company also has an institutionalised mechanism of dealing with complaints of sexual harassment through a formal committee constituted in line with the Company's Policy on the 'Protection of Women's Rights at Workplace' under relevant statutory guidelines. This policy has been widely disseminated across the Company and all complaints are addressed in a time-bound manner.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
One International Center, Tower 3
27th – 32nd Floor,
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400013.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LARSEN & TOUBRO LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Larsen & Toubro Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, which includes 31 joint operations accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the joint operation referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition – accounting for construction contracts	
Key audit matter description	As described in Note No. 1(ii)(e) of the standalone financial statements, the Company recognises revenue from contracts with customers when it satisfies its performance obligations. There are significant accounting judgements in estimating revenue to be recognised on contracts with customers, including estimation of costs to complete and determining the timing of revenue recognition. The Company recognises revenue on the basis of stage of completion in proportion of the contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract. Significant judgements are also involved in determining the expected losses, when such losses become probable based on the expected total contract cost.

<table>
<tr><td colspan="2">Revenue recognition – accounting for construction contracts</td></tr>
<tr><td></td><td>Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the life of the contract and adjusted where appropriate.

The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the recovery of such consideration is highly probable.</td></tr>
<tr><td>Principal Audit Procedures</td><td>Our audit procedures related to the (1) identification of distinct performance obligations, (2) evaluation of the process for estimation of costs to complete (3) evaluation of implications of change orders on costs estimates of costs to complete and revenue and (4) evaluation of any variable consideration included the following, amongst others:

1. We tested the effectiveness of controls relating to the (a) evaluation of performance obligations and identification of those that are distinct; (b) estimation of costs to complete each of the performance obligations including the contingencies in respect thereof, as work progresses and the impact thereon as a consequence of change orders; (c) the impact of change orders on the transaction price of the related contracts; and (d) evaluation of the impact of variable consideration on the transaction price.

2. We selected a sample of contracts with customers and performed the following procedures:

a. Obtained and read contract documents for each selection, change orders, and other documents that were part of the agreement.

b. Identified significant terms and deliverables in the contract to assess management's conclusions regarding the (i) identification of distinct performance obligations; (ii) changes to costs to complete as work progresses and as a consequence of change orders; (iii) the impact of change orders on the transaction price; and (iv) the evaluation of the adjustment to the transaction price on account of variable consideration.

c. Compared costs incurred with Company's estimates of costs incurred to date to identify significant variations and evaluated whether those variations have been considered appropriately in estimating the remaining costs to complete the contract.

d. Tested the estimate for consistency with the status of delivery of milestones and customer acceptance to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligation.</td></tr>
<tr><td colspan="2">Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices.</td></tr>
<tr><td>Key audit matter description</td><td>The Company, in its contract with customers, promises to transfer distinct services to its customers, which may be rendered in the form of engineering, procurement, and construction (EPC) services through design-build contracts, and other forms of construction contracts. The recognition of revenue is based on contractual terms, which could be based on agreed unit price or lump-sum revenue arrangements. At each reporting date, revenue is accrued for costs incurred against work performed that may not have been invoiced.

Identifying whether the Company's performance has resulted in a service that would be billable and collectable where the works carried out have not been acknowledged by customers as of the reporting date, or in the case of certain defence contracts, where the evidence of work carried out and cost incurred are covered by confidentiality arrangements, involves a significant amount of judgement.

Assessing the recoverability of contract assets related to overdue milestones and amounts overdue against invoices raised which have remained unsettled for a significantly long period after the end of the contractual credit period also involves a significant amount of judgement.

Refer to Note Nos. 1(ii)(e) and 1(ii)(m) to the standalone financial statements.</td></tr>
<tr><td>Principal Audit Procedures</td><td>Our audit procedures related to the (1) evaluation of evidence supporting the execution of work; (2) evaluation of recoverability of the overdue amounts including the impact on the expected credit loss allowance; and (3) assessment of adjusting events after the reporting date i.e. March 31, 2021 and the date when the financial statements are approved by the Parent's Board of Directors included the following amongst others:

1. We tested the effectiveness of controls relating to the (a) gathering and evaluation of evidence supporting the execution of work; (b) evaluation of recoverability of the overdue amounts including the impact on the expected credit loss allowance; and (c) assessment of adjusting events after the reporting date i.e. March 31, 2021 and the date when the financial statements are approved by the Board of Directors and the impact thereof on the carrying amount of the related contract assets.</td></tr>
</table>

<table>
<tr><th colspan="2">Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices.</th></tr>
<tr><td></td><td>2. We selected a sample of contracts assets with corresponding trade receivables that were overdue and evaluated the basis for management's conclusions regarding the (1) evidence supporting the execution of work for which the contract assets were recognised; (2) reasons for the delays in recovery of invoices and the basis on which recoverability of the contract assets was assessed; (3) impact on the allowance for expected credit losses; and (4) adjusting events after the reporting date i.e. March 31, 2021 and the date when the financial statements are approved by the Board of Directors and the impact thereof on the carrying amount of the related contract assets.
3. We compared previous estimates relating to recoverability of contract assets and compared it with actual collections during the year.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

The respective Board of Directors of the Company and its Joint Operations are responsible for the preparation of other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial information of 30 joint operations included in the standalone financial statements, whose financial information reflect total assets of ₹ 3839.10 crore as at 31st March, 2021, total revenues of ₹ 3129.20 crore, total net loss after tax (net) of ₹ 287.32 crore, total comprehensive loss (net) of ₹ 287.32 crore and net cash inflows (net) of ₹ 71.01 crore for the year ended 31st March, 2021, respectively, as considered in the standalone financial statements. The financial information of these joint operations have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the standalone financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

h. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)
UDIN: 21039826AAAAEI1765

Place: Mumbai
Date: May 14, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of Larsen and Toubro Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of one of the Company's 31 joint operations which is a company incorporated in India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its joint operations company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing ("SA"s) prescribed under Section 143(10) of the Companies Act, 2013 (the "Act"), to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the joint operations which is a company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on internal financial controls system over financial reporting of the joint operation referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one joint operation which is a company incorporated in India, is based on the corresponding reports of the other auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)
UDIN: 21039826AAAAEI1765

Place: Mumbai
Date: May 14, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Larsen & Toubro Limited of even date)

(i) In respect of the Company's property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of physical verification of its property, plant and equipment to cover all the items of property, plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

₹ crore

Type of asset	Total no. of cases	Leasehold/ Freehold	Gross block as at March 31, 2021	Net block as at March 31, 2021	Remarks
Land	2	Freehold	1.14	1.14	Conveyance deed pending for execution as the matter is sub judice.
Building	1	Freehold	0.15	0.12	

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management, at reasonable intervals, and no material discrepancies were noticed on physical verification between the physical stock and the books of accounts.

(iii) According to the information and explanations given to us, during the year ended March 31, 2021 the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act").

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities during the year, as applicable.

(v) The Company has not accepted any deposits during the year ended March 31, 2021 and does not have any unclaimed deposits as of that date. Therefore, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty and corresponding cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved (₹ crore)	Amount Unpaid (₹ crore)
The Central Excise Act,1944, Service Tax under Finance Act, 1994 and Customs Act, 1962	Dispute regarding questions of law, classification dispute and other matters	High Court	1999-00 to 2012-13	105.27	103.53
	Disallowance of CENVAT credit, short payment of service tax, Valuation disputes, dispute regarding classification of services/ goods, disallowances of excise duty exemption, Non Maintenance of Separate Books of Accounts, Export rebate disallowance, and other matters.	CESTAT	1991-92, 2001-02 to 2016-17	326.67	320.54
	Disallowance of CENVAT credit, short payment of service tax, pending forms, service tax rate dispute, valuation dispute and other matters	Commissioner (Appeal)	2006-07, 2008-09 to 2011-12, 2014-15 to 2017-18	3.46	3.34
	Disallowance of CENVAT credit, short payment of service tax, pending forms, service tax rate dispute, valuation dispute and other matters	Deputy Commissioner	2014-15 to 2017-18	0.25	0.25
	Differential Custom Duty	DGFT	2016-17	1.05	0.79
The Central Sales Tax Act, Entry tax, Local Sales Tax Act, Works Contract Tax Act and Goods & Services Tax Act	Taxability of sub- contractor turnover, rate of tax for declared goods, disallowance of labour turnover and non- submission of forms	Supreme Court	2000-01 to 2006-07, 2009-10 to 2012-13	503.40	494.36
	Dispute regarding questions of law, classification dispute, local VAT and Works contract disputes.	High Court	1986-87, 1987-88, 1993-94, 1994-95, 1997-98 to 2008-09, 2010-11 to 2012-13, and 2015-16	61.58	55.40
	Non submission of Forms, classification disputes, inter-state sale turnover, Rate of tax of declared goods, Labour & service charges disallowed, Disallowance of exemptions claimed for imports & Sales in transit, Sale mismatch & levy of tax on import of goods through Way bill, Road permit issue and other	Sales Tax/VAT Tribunal	1989-90, 1991-92 1994-2018,	529.58	446.25
	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods and other matters	Commissioner (Appeal)	1996-97, 1999-00 to 2017-18	3,101.69	3,000.83

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved (₹ crore)	Amount Unpaid (₹ crore)
The Central Sales Tax Act, Entry tax, Local Sales Tax Act, Works Contract Tax Act and Goods & Services Tax Act	Dispute regarding questions of law, classification dispute, sales in transit, high sea sales, non-submission of C forms & E1 forms, disallowance of ITC, valuation of goods and other matters	Commissioner	2004-05 to 2016-17	3.38	3.37
		Additional Commissioner (Appeal)	2007-2008, 2010-11 to 2017-18	3.56	3.56
		Additional Commissioner	1999-00 and 2001-02	0.10	0.10
		Joint Commissioner	2007-08, 2008-09	1.08	1.08
		Joint Commissioner (Appeal)	1995-96 to 2016-17	260.06	198.86
		Additional Deputy Commissioner (Appeals)	2012-13	0.50	0.34
		Deputy Commissioner	2012-13	7.17	3.82
		Deputy Commissioner (Appeals)	2006-07, 2008-09 to 2017-18	18.71	16.66
		Assistant Commissioner	1996-97 to 1998-99, 2001-02, to 2004-05, 2007-08 to 2009-10, 2015-16 to 2017-18	1.17	1.10
		Assistant Commissioner (Appeal)	2010-11 to 2017-18	388.25	361.79
		Deputy Excise & Taxation Commissioner	2012-13 to 2013-14	69.28	56.92
		Special Objection Hearing Authority	2012-13 to 2015-16	0.58	0.56
		State Revenue Board	2011-2012	2.02	0.68
		Assessing Officer	2001-02 to 2003-04, 2005-06, 2007-08 to 2010-11, 2012-13 to 2017-18	7.75	7.03
Goods and Services Tax Act	Disallowance of credits claimed in Tran-1	Assistant Joint Commissioner	2017-18	16.25	14.86
	Disallowance of Input Tax Credit	Commissioner (Appeals)	2018-19	0.08	0.07
Income Tax Act, 1961	Demand arising out of Regular assessment/Reassessment	ITAT	2004-05 & 2009-10 to 2012-2013	719.86	256.16
	Demand arising out of Regular Assessment/Reassessment	CIT(A)	2014-15 to 2016-17	1,248.37	1,124.16

(viii) In our opinion and according to the information and explanations given to us, during the year, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not borrowed any funds from the government during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Therefore, reporting under paragraph 3(ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, during the year, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, reporting under paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with related parties undertaken during the year and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, during the year ended March 31, 2021 the Company has not entered into any non-cash transactions with its directors or persons connected with any of them.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

SANJIV V. PILGAONKAR
(Partner)
(Membership No. 39826)
UDIN: 21039826AAAAEI1765

Place: Mumbai
Date: May 14, 2021

Balance Sheet as at March 31, 2021

	Note	As at 31-3-2021 ₹ crore	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*	*As at 31-3-2020 ₹ crore*
ASSETS:					
Non-current assets					
Property, plant and equipment	**2**		7462.21		*6853.43*
Capital work-in-progress	**2**		236.12		*796.55*
Investment property	**3**		421.61		*490.40*
Intangible assets	**4**		55.39		*83.72*
Intangible assets under development	**4**		48.01		*0.66*
Right-of-use assets	**54 (b)**		417.37		*412.82*
Financial assets					
Investments	**5**	28569.12		*27975.28*	
Loans	**6**	2567.05		*3507.00*	
Other financial assets	**7**	403.84		*304.48*	
			31540.01		*31786.76*
Deferred tax assets (net)	**44 (e)**		494.00		*1428.20*
Other non-current assets	**8**		3646.05		*4068.94*
Current assets					
Inventories	**9**		2858.56		*2769.90*
Financials assets					
Investments	**10**	18454.40		*6059.15*	
Trade receivables	**11**	29948.24		*27912.96*	
Cash and cash equivalents	**12**	3112.69		*3262.83*	
Other bank balances	**13**	650.59		*675.56*	
Loans	**14**	434.91		*515.14*	
Other financial assets	**15**	1693.05		*1997.59*	
			54293.88		*40423.23*
Other current assets	**16**		46479.35		*49661.61*
Group(s) of assets classified as held for sale	**39**		–		*2780.37*
TOTAL ASSETS			147952.56		*141556.59*

Balance Sheet as at March 31, 2021 (contd.)

	Note	As at 31-3-2021 ₹ crore	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*	*As at 31-3-2020 ₹ crore*
EQUITY AND LIABILITIES:					
Equity					
Equity share capital	**17**	280.91		*280.78*	
Other equity	**18**	60132.63		*51894.57*	
Total equity			60413.54		*52175.35*
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	**19**	15868.21		*7185.71*	
Lease liability		59.99		*24.18*	
Other financial liabilities	**20**	82.63		*179.62*	
			16010.83		*7389.51*
Provisions	**21**		639.02		*611.23*
Other non-current liabilities	**22**		–		*0.22*
Current liabilities					
Financial liabilities					
Borrowings	**23**	6940.94		*15044.11*	
Current maturities of long-term borrowings	**24**	999.56		*3555.48*	
Lease liability		104.18		*132.27*	
Trade payables:					
Due to micro enterprises and small enterprises		351.47		*379.88*	
Due to others	**25**	37118.33		*36249.51*	
Other financial liabilities	**26**	2159.41		*1709.09*	
			47673.89		*57070.34*
Other current liabilities	**27**		21499.49		*20758.05*
Provisions	**28**		1320.01		*1555.39*
Current tax liabilities(net)			395.78		*628.92*
Liabilities associated with the group(s) of assets classified as held for sale	**39**		–		*1367.58*
TOTAL EQUITY AND LIABILITIES			147952.56		*141556.59*
CONTINGENT LIABILITIES	**29**				
COMMITMENTS (capital and others)	**30**				
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 63**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)
Mumbai

R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer
(DIN 00019798)
Mumbai

M. M. CHITALE
Independent Director
(DIN 00101004)
Mumbai

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939
Mumbai

Mumbai, May 14, 2021

Statement of Profit and Loss for the year ended March 31, 2021

	Note	2020-21 ₹ crore	2020-21 ₹ crore	*2019-20 ₹ crore*	*2019-20 ₹ crore*
Continuing operations					
INCOME:					
Revenue from operations	**31**		73315.59		*82383.65*
Other income (net)	**32**		3435.44		*2807.87*
Total Income			76751.03		*85191.52*
EXPENSES:					
Manufacturing, construction and operating expenses	**33**				
Cost of raw materials components consumed		5693.94		*5486.99*	
Construction materials consumed		22426.38		*28632.03*	
Purchase of stock-in-trade		1226.68		*855.63*	
Stores, spares and tools consumed		1418.59		*1520.47*	
Sub-contracting charges		19625.19		*22488.74*	
Changes in inventories of finished goods, stock-in-trade and work-in-progress		342.53		*(64.01)*	
Other manufacturing, construction and operating expenses		7556.80		*7962.36*	
			58290.11		*66882.21*
Employee benefits expense	**34**		5485.38		*5955.98*
Sales, administration and other expenses	**35**		2273.95		*2707.34*
Finance costs	**36**		2419.55		*2266.56*
Depreciation, amortisation, impairment and obsolescence			1025.62		*1020.51*
Total Expenses			69494.61		*78832.60*
Profit before exceptional items and tax			7256.42		*6358.92*
Tax expenses	**44 (a)**				
Current tax		1434.27		*1508.92*	
Deferred tax		317.01		*(564.45)*	
			1751.28		*944.47*
Net profit after tax (before exceptional items) from continuing operations			5505.14		*5414.45*
Exceptional items before tax	**59**		(2818.65)		*626.99*
Deferred tax	**44 (a)**		–		*16.68*
Exceptional items (net of tax)			(2818.65)		*610.31*
Net profit after tax from continuing operations			2686.49		*6024.76*
Discontinued operations					
Profit before tax from discontinued operations	**39(a)(i)**		11199.23		*865.38*
Tax expense of discontinued operations	**44(a)**		2548.75		*210.93*
Net profit after tax from discontinued operations			8650.48		*654.45*
Net profit after tax from continuing operations & discontinued operations			11336.97		*6679.21*
Other comprehensive income					
A Items that will not be reclassified to Profit or Loss :					
Equity instruments through other comprehensive income			–		*(382.17)*
Gain/(loss) on remeasurement of the net defined benefits plan		42.82		*(174.60)*	
Income tax (expenses)/income on remeasurment of the defined benefits plan		(10.78)		*43.81*	
			32.04		*(130.79)*
Carried forward - other comprehensive income			32.04		*(512.96)*

Statement of Profit and Loss for the year ended March 31, 2021 (contd.)

	Note	2020-21 ₹ crore	2020-21 ₹ crore	2019-20 ₹ crore	2019-20 ₹ crore
Brought forward - other comprehensive income			32.04		(512.96)
B Items that will be reclassified to Profit and Loss					
Debt instruments through other comprehensive income		239.46		157.07	
Income tax (expenses)/income on debt instruments through other comprehensive income		(54.79)		(34.28)	
			184.67		122.79
Exchange differences in translating the financial statements of foreign operations		17.56		(14.28)	
Income tax (expenses)/income on exchange differences in translating the financial statements of foreign operations		(4.42)		4.45	
			13.14		(9.83)
Effective portion of gains/(losses) on hedging instruments in a cash flow hedge		355.91		(147.87)	
Income tax (expenses)/income on effective portion of gains/(losses) on hedging instruments in a cash flow hedge		(104.34)		47.60	
			251.57		(100.27)
Cost of hedging reserve		13.54		(25.76)	
Income tax (expenses)/income on cost of hedging reserve		(3.41)		7.11	
			10.13		(18.65)
Other comprehensive income for the year [net of tax]			491.55		(518.92)
Total comprehensive income for the year			11828.52		6160.29
Earnings per share (EPS) of ₹ 2 each from continuing operations :					
Basic earnings per equity share (₹)	**49**		19.13		42.93
Diluted earnings per equity share (₹)	**49**		19.11		42.87
Earnings per share (EPS) of ₹ 2 each from discontinued operations :					
Basic earnings per equity share (₹)	**49**		61.61		4.66
Diluted earnings per equity share (₹)	**49**		61.54		4.66
Earnings per share (EPS) of ₹ 2 each from continuing operations & discontinued operations:					
Basic earnings per equity share (₹)	**49**		80.74		47.59
Diluted earnings per equity share (₹)	**49**		80.65		47.53
Face value per equity share (₹)			2.00		2.00
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 63**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)
Mumbai

R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer
(DIN 00019798)
Mumbai

M. M. CHITALE
Independent Director
(DIN 00101004)
Mumbai

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939
Mumbai

Mumbai, May 14, 2021

Statement of changes in Equity for the year ended March 31, 2021

A. Equity share capital

Particulars	2020-21 Number of shares	2020-21 ₹ crore	*2019-20 Number of shares*	*2019-20 ₹ crore*
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,40,38,92,022	280.78	*1,40,27,29,385*	*280.55*
Add: Shares issued on exercise of employee stock options during the year	6,63,275	0.13	*7,83,249*	*0.16*
Add: Shares issued on conversion of foreign currency convertible bonds during the year	–	–	*3,79,388*	*0.07*
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,45,55,297	280.91	*1,40,38,92,022*	*280.78*

B. Other equity

(₹ crore)

Particulars	*Equity component of foreign currency convertible bonds*	*Reserves and surplus: Capital reserve*	*Reserves and surplus: Capital reserve on business combination*	*Reserves and surplus: Securities premium*	*Reserves and surplus: Employee share options (net)*	*Reserves and surplus: Debenture redemption reserve*	*Reserves and surplus: General reserve*	*Reserves and surplus: Retained earnings*	*Items of other comprehensive income: Foreign currency translation reserve*	*Items of other comprehensive income: Hedging reserve*	*Items of other comprehensive income: Debt instruments through other comprehen-sive income*	*Items of other comprehensive income: Equity instruments through other comprehen-sive income*	*Total Other equity*
Balance as at 31-3-2019	*153.20*	*10.52*	*(25.77)*	*8471.99*	*106.91*	*440.26*	*25507.91*	*15046.99*	*5.69*	*57.41*	*(7.24)*	–	*49767.87*
Change in accounting policy [Ind AS 116]	–	–	–	–	–	–	–	*(3.97)*	–	–	–	–	*(3.97)*
Restated balance at 1-4-2019	*153.20*	*10.52*	*(25.77)*	*8471.99*	*106.91*	*440.26*	*25507.91*	*15043.02*	*5.69*	*57.41*	*(7.24)*	–	*49763.90*
Profit for the year (a)	–	–	–	–	–	–	–	*6679.21*	–	–	–	–	*6679.21*
Other comprehensive income (b)	–	–	–	–	–	–	–	*(130.79)*	*(9.83)*	*(118.92)*	*122.79*	*(382.17)*	*(518.92)*
Total comprehensive income for the year (a+b)	–	–	–	–	–	–	–	*6548.42*	*(9.83)*	*(118.92)*	*122.79*	*(382.17)*	*6160.29*
Issue of equity shares	–	–	–	*127.61*	–	–	–	–	–	–	–	–	*127.61*
Settlement of foreign currency convertible bonds	*(153.20)*	–	–	–	–	–	*153.20*	–	–	–	–	–	–
Transfer to non- financial assets/liability	–	–	–	–	–	–	–	–	–	*0.20*	–	–	*0.20*
Transfer from/(to) general reserve/retained earnings during the year	–	–	–	–	*(8.39)*	*93.27*	*8.39*	*(475.44)*	–	–	–	*382.17*	–
Employee share options (net)	–	–	–	–	*1.40*	–	–	–	–	–	–	–	*1.40*
Interim equity dividend	–	–	–	–	–	–	–	*(1403.89)*	–	–	–	–	*(1403.89)*
Dividend paid for previous year	–	–	–	–	–	–	–	*(2525.72)*	–	–	–	–	*(2525.72)*
Dividend distribution tax paid for previous year	–	–	–	–	–	–	–	*(229.22)*	–	–	–	–	*(229.22)*
Balance as at 31-3-2020	–	*10.52*	*(25.77)*	*8599.60*	*99.92*	*533.53*	*25669.50*	*16957.17*	*(4.14)*	*(61.31)*	*115.55*	–	*51894.57*

Statement of changes in Equity for the year ended March 31, 2021 (contd.)

(₹ crore)

Particulars	Equity component of foreign currency convertible bonds	Reserves and surplus: Capital reserve	Capital reserve on business combination	Securities premium	Employee share options (net)	Debenture redemption reserve	General reserve	Retained earnings	Items of other comprehensive income: Foreign currency translation reserve	Hedging reserve	Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Total Other equity
Balance as at 1-4-2020	–	10.52	(25.77)	8599.60	99.92	533.53	25669.50	16957.17	(4.14)	(61.31)	115.55	–	51894.57
Profit for the year (c)	–	–	–	–	–	–	–	11336.97	–	–	–	–	11336.97
Other comprehensive income (d)	–	–	–	–	–	–	–	32.04	13.14	261.70	184.67	–	491.55
Total comprehensive income for the year (c+d)	–	–	–	–	–	–	–	11369.01	13.14	261.70	184.67	–	11828.52
Issue of equity shares	–	–	–	68.05	–	–	–	–	–	–	–	–	68.05
Transfer to non- financial assets/liability	–	–	–	–	–	–	–	–	–	(1.86)	–	–	(1.86)
Transfer from/(to) general reserve/retained earnings during the year	–	–	–		(6.54)	(394.88)	401.42	–	–	–	–	–	–
Employee share options (net)	–	–	–	–	(5.76)	–	–	–	–	–	–	–	(5.76)
Special dividend	–	–	–	–	–	–	–	(2527.66)	–	–	–	–	(2527.66)
Dividend paid for previous year	–	–	–	–	–	–	–	(1123.23)	–	–	–	–	(1123.23)
Balance as at 31-3-2021	–	10.52	(25.77)	8667.65	87.62	138.65	26070.92	24675.29	9.00	198.53	300.22	–	60132.63

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)
Mumbai

R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer
(DIN 00019798)
Mumbai

M. M. CHITALE
Independent Director
(DIN 00101004)
Mumbai

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939
Mumbai

Mumbai, May 14, 2021

Statement of Cash Flows for the year ended March 31, 2021

		2020-21	2019-20
		₹ crore	₹ crore
A.	**Cash flow from operating activities:**		
	Profit before tax (excluding exceptional items) from:		
	Continuing operations	7256.42	*6358.92*
	Discontinued operations	11199.23	*865.38*
	Profit before tax including discontinued operations (excluding exceptional items)	18455.65	*7224.30*
	Adjustments for:		
	Gain on transfer of discontinued operations	(11078.33)	–
	Dividend received	(1261.42)	*(1387.29)*
	Depreciation, amortisation, impairment and obsolescence (net)	1025.62	*1020.51*
	Exchange difference on items grouped under financing/investing activities	(46.47)	*(39.14)*
	Effect of exchange rate changes on cash and cash equivalents	51.27	*(46.52)*
	Interest expense	2419.55	*2266.56*
	Interest income	(912.27)	*(561.48)*
	(Profit)/loss on sale of fixed assets (net)	(474.91)	*30.92*
	(Profit)/loss on sale of investments (net) (including fair valuation)	(956.72)	*(503.71)*
	Impairment of investments	0.01	*100.00*
	Employee stock option-discount forming part of employee benefits expense	40.31	*47.40*
	Non-cash items related to discontinued operations	2.83	*45.85*
	Operating profit before working capital changes	7265.12	*8197.40*
	Adjustments for:		
	(Increase)/decrease in trade and other receivables	1448.02	*(6572.53)*
	(Increase)/decrease in inventories	30.09	*(183.14)*
	Increase/(decrease) in trade payables and customer advances	1205.73	*173.27*
	Cash (used in)/generated from operations	9948.96	*1615.00*
	Direct taxes refund/(paid) [net]	(1598.17)	*(1736.30)*
	Net cash (used in)/from operating activities	8350.79	*(121.30)*
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets	(720.26)	*(1370.51)*
	Sale of fixed assets (including advance received)	625.33	*61.50*
	Investment in subsidiaries, associates and joint venture companies	(2272.05)	*(10231.82)*
	Divestment of stake in subsidiaries, associates and joint venture companies	260.00	*734.53*
	Sale of non-current investments	–	*24.46*
	Net proceeds from transfer of discontinued operations (net of tax)	10845.76	–
	(Purchase)/sale of current investments (net)	(10987.27)	*(788.79)*
	Change in other bank balance and cash not availabe for immediate use	14.89	*4226.96*
	Long-term deposits/loans (given) - subsidiaries, associates, joint venture companies and third parties	(1632.26)	*(8802.99)*
	Long-term deposits/loans repaid - subsidiaries, associates, joint venture companies and third parties	1052.90	*7452.98*
	Short-term deposits/loans (given)/repaid (net) - subsidiaries, associates, joint venture companies and third parties	158.58	*(41.97)*
	Interest received	804.10	*516.20*
	Dividend received from subsidiaries and joint venture companies	1244.15	*1383.95*
	Dividend received from other investments	14.24	*1.76*
	Net cash (used in)/from investing activities	(591.89)	*(6833.74)*

Statement of Cash Flows for the year ended March 31, 2021 (contd.)

	2020-21	*2019-20*
	₹ crore	*₹ crore*
C. Cash flow from financing activities:		
Proceeds from fresh issue of share capital (including share application money)[net]	15.85	*17.56*
Proceeds from non-current borrowings [refer Note 43]	9117.73	*6617.46*
Repayment of non-current borrowings [refer Note 43]	(3396.88)	*(4209.10)*
(Repayments)/proceeds from other borrowings (net) [refer Note 43]	(7959.32)	*10804.33*
Settlement of derivative contracts related to borrowings	66.73	*308.29*
Interest paid on lease liability	(11.32)	*(12.65)*
Principal repayment on lease liability [refer Note 43]	(91.45)	*(67.95)*
Dividends paid	(3650.89)	*(3929.61)*
Additional tax on dividend	–	*(229.22)*
Interest paid (including cash flows from interest rate swaps)	(1942.22)	*(1880.49)*
Net cash (used in)/from financing activities	(7851.77)	*7418.62*
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(92.87)	*463.58*
Cash and cash equivalents at beginning of the year	3187.28	*2723.77*
Cash and cash equivalents for discontinued operations (asset held for sale)	–	*(0.07)*
Cash and cash equivalents at end of the year	3094.41	*3187.28*

Notes:

1. Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as prescribed in the Companies (Indian Accounting Standards) Rules, 2015.
2. Fixed assets include property, plant and equipment, investment property and intangible assets adjusted for movement of (a) Capital work-in-progress for property, plant and equipment and investment property and (b) Intangible assets under development during the year.
3. Cash and cash equivalents included in the Statement of Cash Flows comprise the following :

	2020-21	*2019-20*
	₹ crore	*₹ crore*
(a) Cash and cash equivalents disclosed under current assets [refer Note 12]	3112.69	*3262.83*
(b) Other bank balances disclosed under current assets [refer Note 13]	650.59	*675.56*
(c) Cash and bank balance disclosed under non-current assets [refer Note 7]	283.85	*273.76*
Total Cash and cash equivalents as per Balance Sheet	4047.13	*4212.15*
Add: Unrealised exchange (gain)/loss on cash and cash equivalents (reflected in Statement of Profit and Loss)	12.39	*(38.88)*
Add: Unrealised exchange (gain)/loss on cash and cash equivalents (reflected in other comprehensive income)	(30.67)	*(36.67)*
Less: Other bank balances disclosed under current assets [refer Note 13]	650.59	*675.56*
Less: Cash and bank balance disclosed under non-current assets [refer Note 7]	283.85	*273.76*
Total Cash and cash equivalents as per Statement of Cash Flows	3094.41	*3187.28*

4. Previous year's figures have been regrouped/reclassified wherever applicable.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
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M. M. CHITALE
Independent Director
(DIN 00101004)
Mumbai

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939
Mumbai

Mumbai, May 14, 2021

Notes forming part of the Financial Statements

NOTE [1](i)

Company overview

Larsen & Toubro Limited ("the Company") is a major technology, engineering, construction, manufacturing and financial services conglomerate, with global operations. The Company addresses critical needs in key sectors - Hydrocarbon, Infrastructure, Power, Process Industries and Defence - for customers in over 50 countries around the world.

The Company is engaged in core, high impact sectors of the economy and its integrated capabilities span the entire spectrum of 'design to deliver'. With 8 decades of a strong, customer focused approach and a continuous quest for world-class quality, it has unmatched expertise across Technology, Engineering, Construction, Infrastructure Projects and Manufacturing, and maintains a leadership in all its major lines of business. Every aspect of the Company's businesses is characterised by professionalism and high standards of corporate governance. Sustainability is embedded into its long-term strategy for growth.

The Company's manufacturing footprint extends across eight countries in addition to India. The Company has several international offices and a supply chain that extends around the globe.

NOTE [1](ii)

Significant Accounting Policies

(a) Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on May 14, 2021.

(b) Basis of accounting

The Company maintains its accounts on accrual basis following historical cost convention, except for certain assets and liabilities that are measured at fair value in accordance with Ind AS.

Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

(c) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Amounts in the financial statements are presented in Indian Rupee in crore [1 crore = 10 million] rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimals places.

(d) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project or contract or product line or service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

(e) Revenue recognition

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

(i) the customer simultaneously consumes the benefit of Company's performance or

(ii) the customer controls the asset as it is being created/enhanced by the Company's performance or

(iii) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents.

In all other cases, performance obligation is considered as satisfied at a point in time.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
3. Determining the method to be applied to arrive at the variable consideration requiring an adjustment to the transaction price.

(i) Revenue from operations

Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

A. Revenue from sale of manufactured and traded goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Revenue is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods. Revenue from commissioning of complex plant and equipment is recognised either 'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract.

B. Revenue from construction/project related activity is recognised as follows:

1. Cost plus contracts: Revenue from cost plus contracts is recognised over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

2. Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

For contracts where the aggregate of contract cost incurred to-date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognised in the Statement of Profit and Loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). The Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

C. Revenue from property development activities is recognised when performance obligation is satisfied, customer obtains control of the property transferred and a reasonable expectation of collection of the sale consideration from the customer exists.

D. Revenue from rendering of services is recognised over time as the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

E. Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (B) *supra*.

F. Commission income is recognised as the terms of the contract are fulfilled.

G. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

(ii) Other income

A. Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.

B. Dividend income is accounted in the period in which the right to receive the same is established.

C. Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the Company, are recognised as other income/reduced from underlying expenses in the Statement of Profit and Loss in the period in which such costs are incurred. Government grant receivable in the form duty credit scrips is recognised as other income in the Statement of Profit and Loss in the period in which the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.

D. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

(f) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

(g) Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any less accumulated depreciation and cumulative impairment, if any. All directly attributable costs related to the acquisition of PPE and, borrowing costs in case of qualifying assets are capitalised in accordance with the Company's accounting policy.

Own manufactured PPE is capitalised at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalised as a part of the cost of the PPE.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to the policies on leases, borrowing costs, impairment of assets and foreign currency transactions *infra*).

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

PPE is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.

(h) Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs and borrowing costs capitalised for qualifying assets, in accordance with the Company's accounting policy. Policies with respect to depreciation, useful life and derecognition are followed on the same basis as stated for PPE *supra*.

(i) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. All directly attributable costs and other administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Research and development expenditure on new products:

(i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.

(ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

A. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

B. the Company has intention to complete the intangible asset and use or sell it;

C. the Company has ability to use or sell the intangible asset;

D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

F. the Company has ability to reliably measure the expenditure attributable to the intangible asset during its development. Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each financial year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

(j) Impairment of assets

As at the end of each financial year, the carrying amounts of PPE, investment property, intangible assets and investments in subsidiary, associate and joint venture companies are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the fair value less costs to sell and the value in use; and

(ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs to sell and the value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(k) Employee Benefits

(i) Short-term employee benefits:

Employee benefits such as salaries, wages, short-term compensated absences, bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

(ii) Post-employment benefits:

A. Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the service.

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

B. Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation towards defined benefit plans is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance costs. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long-term employee benefits:

The obligation recognised in respect of long-term benefits such as compensated absences, long service award etc. is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii)(B) *supra*.

Long-term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in long-term employee benefit cost is recognised in the Statement of Profit and Loss under finance costs.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit can no longer be withdrawn or when the Company recognises the related restructuring costs whichever is earlier.

(l) Leases

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is recognised at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, as reduced by any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

Lease payments associated with following leases are recognised as expense on straight-line basis:

(i) Low value leases; and

(ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Asset held under finance lease is initially recognised in Balance Sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its Balance Sheet under the respective class of asset.

(Also refer to policy on depreciation, *supra*).

(m) Financial instruments

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such financial assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

In case of funding to subsidiary companies in the form of interest free or concession loans and preference shares, the excess of the actual amount of the funding over initially measured fair value is accounted as an equity investment.

A financial asset and a financial liability is offset and presented on net basis in the Balance Sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets:

A. All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value as follows:

1. Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.

2. Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same designated as fair value through profit or loss):

   - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

   - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Investment in debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)

   - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

   - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. Investment in equity instruments issued by subsidiary, associate and joint venture companies are measured at cost less impairment.

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

5. Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.

6. Investments in equity instruments issued by other than subsidiaries are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

7. Trade receivables, security deposits, cash and cash equivalents, employee and other advances – at amortised cost

B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

C. A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or

2. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss.

D. Impairment of financial assets: Impairment loss on trade receivables is recognised using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109. Impairment loss on investments is recognised when the carrying amount exceeds its recoverable amount. For all other financial assets, expected credit losses are measured at an amount equal to 12-month expected credit losses or at an amount equal to lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Financial liabilities:

A. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

(iii) The Company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

B. Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

in equity as hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

In case of time period related hedges, the premium element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as cost of hedging reserve. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

The cash flow hedges are allocated to the forecast transactions on gross exposure basis. Where the hedged forecast transaction results in the recognition of a non-financial asset, such gains/losses are transferred from hedge reserve (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised in profit or loss.

(iv) Compound financial instruments issued by the Company which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(n) Inventories

Inventories are valued after providing for obsolescence, as under:

(i) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

(ii) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.

(iii) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location. Taxes which are subsequently recoverable from taxation authorities are not included in the cost.

(iv) Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

Assessment of net realisable value is made at each reporting period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

(o) Cash and bank balances

Cash and bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(p) Securities premium

(i) Securities premium includes:

A. The difference between the face value of the equity shares and the consideration received in respect of shares issued.

B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium.

(q) Borrowing Costs

Borrowing costs include finance costs calculated using the effective interest method, finance charges in respect of assets acquired on lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to finance costs. In cases where hedging instruments are acquired for protection against exchange rate risk related to borrowings and are accounted as hedging a time-period related hedge item, the borrowing costs also include the amortisation of premium element of the forward contract and foreign currency basis spread as applicable, over the period of the hedging instrument.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventorised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

(r) Share-based payment arrangements

The stock options granted to employees in terms of the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The fair value of the stock options granted to employees of the Company by the Company's subsidiaries is accounted as employee compensation cost over the vesting period and where such fair value is not recovered by the subsidiaries, the same is treated as dividend declared by them. The share- based payment equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant.

(s) Foreign currencies

(i) The functional currency and presentation currency of the Company is Indian Rupee.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not translated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for:

A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when such exchange differences are regarded as an adjustment to finance costs on those foreign currency borrowings; and

B. exchange differences on transactions entered into to hedge certain foreign currency risks.

(iii) exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, expense or income.

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

(iv) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rate for the reporting period; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

(t) Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including inter segment revenue.

ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.

iii) Most of the common costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.

iv) Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income/(expenditure)(net)".

v) Segment result represents profit before interest and tax and includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Company.

vi) Segment result includes the finance costs incurred on interest bearing advances with corresponding credit included in "unallocable corporate income/(expenditure)(net)".

vii) Segment results have not been adjusted for any exceptional item.

viii) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole.

ix) Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options which is accounted as employee compensation cost [refer Note 1(ii)(r) *supra*] and is allocated to the segment.

x) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.

(u) Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates as per laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

(v) Interests in joint operations

The Company as a joint operator recognises in relation to its interest in a joint operation, its share in the assets/liabilities held/incurred jointly with the other parties of the joint arrangement. Revenue is recognised for its share of revenue from the sale of output by the joint operation. Expenses are recognised for its share of expenses incurred jointly with other parties as part of the joint arrangement.

Interests in joint operations are included in the segments to which they relate.

(w) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) the Company has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

(x) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(i) estimated amount of contracts remaining to be executed on capital account and not provided for;

(ii) uncalled liability on shares and other investments partly paid;

(iii) funding related commitment to subsidiary, associate and joint venture companies; and

(iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

(y) Discontinued operations and non-current assets held for sale

Discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a major line of business.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Notes forming part of the Financial Statements (contd.)

NOTE [1](ii)

Significant Accounting Policies *(contd.)*

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(z) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

(i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

(aa) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions made by management are explained under respective policies. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value/recoverable amount measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

(ab) Business Combination

Common control business combination is accounted using the pooling of interest method where the Company is transferee. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statement of the transferor company. The excess between the amount of consideration paid over the share capital of the transferor company is recognised as a negative amount and the same is disclosed as capital reserve on business combination.

The financial information in the financial statements in respect of prior periods is restated from the beginning of the preceding period in the financial statements if the business combination date is prior to that date. However, if business combination date is after that date, the financial information in the financial statements is restated from the date of business combination.

NOTE [1](iii)

Based on assessment of the impact of COVID-19 pandemic on the business/economic conditions, the Company expects to recover the carrying value of its assets. The Company will continue to evaluate the pandemic-related uncertainty arising from the on-going second wave and update its assessment.

Notes forming part of the Financial Statements (contd.)

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress

₹ *crore*

Class of assets	Cost/Valuation								Depreciation								Impairment		Book value	
	As at 1-4-2020	Additions	Assets held for sale	Trf to ROU asset	Trf (to)/ from investment property	Foreign currency fluctuation	Deductions	As at 31-3-2021	*Up to 31-3-2020*	For the year [1]	Assets held for sale	Trf to ROU asset	Trf (to)/ from investment property	Foreign currency fluctuation	Deductions	Up to 31-3-2021	As at 31-3-2021	*Up to 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
Land																				
Freehold	*737.82*	6.38	–	–	(12.20)	–	3.49	728.51	–	–	–	–	–	–	–	–	–	–	728.51	*737.82*
Leasehold	*51.92*	–	–	–	–	–	0.34	51.58	*2.92*	0.69	–	–	–	–	0.02	3.59	–	–	47.99	*49.00*
Sub total -Land	*789.74*	6.38	–	–	(12.20)	–	3.83	780.09	*2.92*	0.69	–	–	–	–	0.02	3.59	–	–	776.50	*786.82*
Buildings	*2511.48*	587.18	–	–	(37.35)	(2.29)	104.88	2954.14	*484.36*	84.38	–	–	(8.04)	(2.29)	93.70	464.71	87.35	*89.30*	2402.08	*1937.82*
Plant & equipment																				
Owned	*5699.75*	795.11	–	–	–	(3.40)	135.94	6355.52	*2859.89*	590.65	–	–	–	(3.16)	105.20	3342.18	15.02	*15.05*	2998.32	*2824.81*
Leased out	*162.72*	–	–	–	–	–	–	162.72	*153.23*	4.00	–	–	–	–	–	157.23	–	–	5.49	*9.49*
Sub total- Plant & equipment	*5862.47*	795.11	–	–	–	(3.40)	135.94	6518.24	*3013.12*	594.65	–	–	–	(3.16)	105.20	3499.41	15.02	*15.05*	3003.81	*2834.30*
Computers	*424.42*	40.86	–	–	–	(0.10)	31.10	434.08	*286.65*	63.42	–	–	–	(0.09)	30.84	319.14	–	–	114.94	*137.77*
Office equipment	*208.11*	48.91	–	–	–	(0.30)	9.48	247.24	*146.87*	26.97	–	–	–	(0.27)	8.94	164.63	0.01	*0.01*	82.60	*61.23*
Furniture & fixtures	*139.65*	17.67	–	–	–	(0.25)	16.11	140.96	*90.44*	12.90	–	–	–	(0.23)	13.14	89.97	0.24	*0.24*	50.75	*48.97*
Vehicles	*247.61*	12.68	–	–	–	(0.46)	23.24	236.59	*118.94*	28.96	–	–	–	(0.40)	16.84	130.66	–	–	105.93	*128.67*
Other assets																				
Ships	*84.34*	78.40	–	–	–	–	0.18	162.56	*26.89*	8.44	–	–	–	–	0.18	35.15	–	–	127.41	*57.45*
Ship lift	*693.25*	0.02	–	–	–	–	13.59	679.68	*200.93*	32.97	–	–	–	–	–	233.90	–	–	445.78	*492.32*
Breakwater Structures	*226.18*	–	–	–	–	–	0.18	226.00	*26.42*	5.01	–	–	–	–	–	31.43	–	–	194.57	*199.76*
Aircraft	*195.22*	–	–	–	–	–	–	195.22	*26.90*	10.48	–	–	–	–	–	37.38	–	–	157.84	*168.32*
Sub total - Other assets	*1198.99*	78.42	–	–	–	–	13.95	1263.46	*281.14*	56.90	–	–	–	–	0.18	337.86	–	–	925.60	*917.85*
Total	*11382.47*	1587.21	–	–	(49.55)	(6.80)	338.53	12574.80	*4424.44*	868.87	–	–	*(8.04)*	(6.44)	268.86	5009.97	102.62	*104.60*	7462.21	*6853.43*
Previous year	*12170.45*	*857.92*	*(1009.74)*	*(282.10)*	*153.19*	*29.00*	*229.88*	*11382.47*	*4085.92*	*905.02*	*(414.82)*	*(12.54)*	*0.12*	*22.56*	*161.57*	*4424.44*	*104.60*	*102.51*		
Add: Capital work-in-progress																			236.12	*796.55*
[1] ₹ 0.04 crore *(previous year: ₹ 1.38 crore)* pertains to foreign currency fluctuation																			7698.33	*7649.98*

a) Cost of freehold land includes ₹ 1.14 crore *(previous year: ₹ 1.14 crore)* for which conveyance is yet to be completed.

b) Cost of buildings includes ownership accommodations:

(i) A. in various co-operative societies, shop-owners' associations and non-trading corporations : ₹ 68.26 crore, including 2615 shares of ₹ 50 each, 75 shares of ₹ 100 each. *(previous year: in various co-operative societies, shop-owners' associations and non-trading corporations: ₹ 68.26 crore, including 2615 shares of ₹ 50 each, 75 shares of ₹ 100 each).*

B. in various apartments : ₹ 8.82 crore. *(previous year: ₹ 9.42 crore).*

C. in various co-operative societies : ₹ 0.36 crore *(previous year: ₹ 0.36 crore)* for which share certificates are yet to be issued.

D. in proposed co-operative societies ₹ 30.59 crore. *(previous year: ₹ 30.59 crore).*

(ii) ownership accommodations of ₹ 0.15 crore in respect of which the deed of conveyance is yet to be executed. *(previous year: ₹ 0.29 crore).*

(iii) ownership accommodations of ₹ 11.75 crore representing undivided share in properties at various locations. *(previous year: ₹ 11.75 crore).*

Notes forming part of the Financial Statements (contd.)

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress *(contd.)*

c) Additions during the year and capital work-in-progress include ₹ 27.75 crore *(previous year: ₹ 23.10 crore)* being borrowing cost capitalised in accordance with Ind AS 23 "Borrowing Costs". Asset class wise break-up of borrowing costs capitalised during the year is as follows:

₹ crore

Class of assets	2020-2021	*2019-2020*
Buildings	27.75	*23.09*
Plant and Equipment	–	*0.01*
Total	27.75	*23.10*

d) The rate used to determine the amount of borrowing costs eligible for capitalisation is 5.83% *(previous year: 6.24%)*.

e) Depreciation for the year includes ₹ 6.95 crore *(previous year: ₹ 4.30 crore)* on account of obsolescence.

f) Owned assets given on operating lease have been presented separately under respective class of assets as "Leased out" pursuant to Ind AS 116 "Leases".

g) Cost as at April 1, 2020 of individual assets has been reclassified wherever necessary.

h) Out of its leasehold land at Hazira, the Company has given certain portion of land for the use to its joint venture company and the lease deed is under execution.

i) Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

a. Estimated useful life of the following assets is in line with useful life prescribed in schedule II of the Companies Act, 2013:

Sr. No	Asset Class	Minimum useful life (in years)	Maximum useful life (in years)
1.	Buildings	3	60
2.	Plant & equipment	8	15
3.	Computer	3	6
4.	Office equipment	4	5
5.	Furniture & fixture	10	10
6.	Vehicles	8	10
7.	Ships	14	14

b. Estimated useful life of following assets is different than useful life as prescribed in schedule II of the Companies Act, 2013.

Sr. No	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Aircrafts	–	20	18
2.	Vehicles	Motor cars	8	7

A Assets used in Heavy Engineering Business:

Sr. No	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Plant & Equipment General	Boring/Rolling/Drilling/Milling machines		10-30
		Modular furnace		5-15
		Other furnaces		5-30
		Horizontal autoclaves	15	10-30
		Load bearing structures		50
		Flushing facility		3
		Cranes		10-30
2.	Roads	Carpeted roads-other than RCC	5	5-15

Notes forming part of the Financial Statements (contd.)

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress *(contd.)*

B Assets used in Shipbuilding Business:

Sr. No	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Breakwater structures	Breakwater & Rock bund	30 [1]	50
2.	Ship lift	Ship lift structures, Control system, Chiller units, Condition monitoring system, Ship position system, Ship transfer system, other ship lift related structures	30 [1]	20
		Land berth and piled platforms	30 [1]	40
		Tower cranes	15	25
3.	Plant and equipment	Rails	15	20
		Diesel Generator	15	12
		Air-Conditioner & refrigeration equipment	15	12
4.	Buildings	Production shops	30	50
		Internal roads	5	15
5.	Vehicles	Motor Cars	8	7

[1] Represents licence period as per agreement executed with the Tamil Nadu Maritime Board.

C Assets used in Defence Business:

Sr. No	Category of assets	Sub-category of assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Buildings	Factory buildings	30	5 - 50
2.	Buildings	Non-factory buildings	3 - 60	2 - 60
3.	Plant & equipment-general		8 - 15	1 - 30
4.	Plant & equipment	Canteen equipment	8	1 - 8
		Photographic equipment	15	5 - 8
		Laboratory equipment	10	1 - 8
		Electrical installation	10	1 - 21
		Air conditioning and refrigeration equipment	12	1 - 12
5.	Computer		3 - 6	1 - 8
6.	Office equipment		4 - 5	1 - 15
7.	Furniture & fixture		10	1 - 20

Notes forming part of the Financial Statements (contd.)

NOTE [2]

Property, Plant and Equipment & Capital work-in-progress *(contd.)*

D Assets used in Construction business:

Sr. No	Category of Assets	Sub-category of Assets	Useful life as per Schedule II (in years)	Useful life adopted (in years)
1.	Office equipment	Assets deployed at project site	5	3
2.	Air conditioning and refrigeration equipment	Assets deployed at project site	15	3
3.	Canteen equipment	Assets deployed at project site	15	3
4.	Laboratory equipment	Assets deployed at project site	10	3
5.	Photographic equipment	Assets deployed at project site	15	3

In addition to above, any assets purchased for project site with acquisition value less than ₹ 50,000 for above 5 categories of Asset, full cost is depreciated in the same financial year.

j) Carrying value of Property, plant and equipment hypothecated as collateral for certain borrowings and/or commitments as at March 31, 2021 - ₹ 1476.49 crore *(as at March 31, 2020: ₹ 1718.30 crore)*

NOTE [3]

Investment property *₹ crore*

Class of assets	Cost					Depreciation					Book Value	
	As at 1-4-2020	Additions	Transferred from PPE/(to) inventories	Deductions	As at 31-3-2021	*As at 31-3-2020*	For the year	Transferred from PPE/(to) inventories	Deductions	As at 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
Land	*53.95*	–	12.20	18.47	47.68	–	–	–	–	–	47.68	*53.95*
Buildings	*501.72*	–	37.35	92.57	446.50	*65.27*	17.48	8.04	18.22	72.57	373.93	*436.45*
Total	*555.67*	–	49.55	111.04	494.18	*65.27*	17.48	8.04	18.22	72.57	421.61	*490.40*
Previous year	*409.97*	*0.33*	*153.15*	*7.77*	*555.67*	*48.79*	*16.63*	*0.08*	*0.22*	*65.27*		
											421.61	*490.40*

(a) Additions during the year and capital work-in-progress include NIL *(previous year: ₹ 0.33 crore)* being borrowing cost capitalised in accordance with Ind AS 23 "Borrowing Costs". Asset class wise break-up of borrowing costs capitalised during the year is as follows:

₹ crore

Class of assets	2020-2021	*2019-2020*
Buildings	–	*0.33*

(b) Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
Buildings	3	60

Notes forming part of the Financial Statements (contd.)

NOTE [3]

Investment property *(contd.)*

(c) Disclosure pursuant to Ind AS 40 "Investment Property"

(i) Amount recognised in the Statement of Profit and Loss for investment property:

₹ crore

Sr. No	Particulars	2020-21	*2019-20*
1	Rental income derived from investment property	124.40	*137.81*
2	Direct operating expenses pertaining to investment property that generated rental income	58.21	*79.14*
3	Direct operating expenses pertaining to investment property that did not generate rental income	4.24	*0.63*

(ii) Fair value of investment property as at March 31, 2021 amounts to ₹ 2082.07 crore *(as at March 31, 2020 ₹ 2644.31 crore).*

(iii) The fair value of investment property has been determined by internal architectural department or independent valuer, as appropriate. Fair value of properties that are evaluated by independent valuers as at March 31, 2021 amounts to ₹ 1216.41 crore *(as at March 31, 2020 ₹ 1216.41 crore).* Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

NOTE [4]

Intangible assets & Intangible assets under development

₹ crore

Class of assets	Cost					Amortisation					Book value	
	As at 1-4-2020	Additions	Assets held for sale	Deductions	As at 31-3-2021	*Up to 31-3-2020*	For the year	Assets held for sale	Deductions	Up to 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
Specialised software	*207.22*	4.66	–	0.91	210.97	*170.45*	11.57	–	0.83	181.19	29.78	*36.77*
Technical knowhow	*100.69*	2.78	–	3.62	99.85	*53.74*	24.14	–	3.64	74.24	25.61	*46.95*
New product design and development	*6.26*	–	–	–	6.26	*6.26*	–	–	–	6.26	–	–
Total	*314.17*	7.44	–	4.53	317.08	*230.45*	35.71	–	4.47	261.69	55.39	*83.72*
Previous year	*562.62*	*74.44*	*(322.88)*	–	*314.17*	*333.90*	*45.63*	*(149.08)*	–	*230.45*		
Add: Intangible assets under development											48.01	*0.66*
											103.40	*84.38*

(a) Additions during the year

₹ crore

Class of assets	FY 2020-21			*FY 2019-20*		
	Internal Development	Acquired - External	Total	*Internal Development*	*Acquired - External*	*Total*
Specialised software	–	4.66	4.66	–	*12.02*	*12.02*
Technical knowhow	–	2.78	2.78	*8.34*	–	*8.34*
New product design and development	–	–	–	*54.08*	–	*54.08*
Total	–	7.44	7.44	*62.42*	*12.02*	*74.44*

(b) Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Sr. No	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1.	Specialised software	1	10
2.	Technical knowhow	1	10
3.	New product design and development	1	6

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Non-current Assets: Financial Assets - Investments

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*
Investment in equity instruments		
(a) Subsidiary companies	26954.57	*26357.53*
(b) Associate companies	4.42	*4.42*
(c) Joint venture companies	1539.91	*1539.91*
(d) Other companies	70.22	*73.42*
	28569.12	*27975.28*

Details of Non-current Assets: Financial Assets - Investments

Particulars	Face value per unit	Number of units As at 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
	₹		₹ crore	*₹ crore*
(A) Investments in fully paid equity instruments				
(a) Subsidiary companies:				
(i) Investments in fully paid equity instruments:				
L&T Valves Limited	100	18,00,000	161.23	*161.23*
Bhilai Power Supply Company Limited	10	49,950	0.05	*0.05*
Hi-Tech Rock Products & Aggregates Limited	10	50,000	0.05	*0.05*
Kesun Iron & Steel Company Private Limited [Net of provision ₹ 95,000 *(previous year: Nil)*]	10	9,500	–	*0.01*
L&T Aviation Services Private Limited	10	4,56,00,000	45.60	*45.60*
L&T Capital Company Limited	10	50,000	0.05	*0.05*
L&T Cassidian Limited *[previous year provision: ₹ 0.05 crore]*	10	–	–	*–*
L&T Finance Holdings Limited (quoted)	10	1,57,10,04,573	5375.82	*3468.17*
L&T Metro Rail (Hyderabad) Limited	10	2,43,89,99,999	2439.00	*2439.00*
L&T Power Development Limited [Net of provision ₹ 829.00 crore *(previous year: Nil)*]	10	3,11,27,00,000	2283.70	*3112.70*
L&T Power Limited	10	51,157	0.05	*0.05*
L&T Realty Developers Limited [1]	10	16,71,60,700	107.72	*107.72*
L&T Seawoods Limited	10	1,65,45,50,000	1654.55	*1654.55*
Mindtree Limited (quoted)	10	10,05,27,734	9567.93	*9567.93*
L&T Electricals and Automation Limited	10	74,38,796	40.36	*40.36*
L&T Hydrocarbon Engineering Limited	10	1,00,00,50,000	1000.05	*1000.05*
L&T Technology Services Limited (quoted)	2	7,79,86,899	805.25	*805.25*
Larsen & Toubro Infotech Limited (quoted)	1	12,97,84,034	108.05	*108.05*
L&T Geostructure Private Limited	10	2,47,50,000	318.50	*18.50*
Larsen & Toubro Hydrocarbon International Limited LLC *[previous year provision: ₹ 0.68 crore]*	SAR 1000	–	–	*–*
Larsen & Toubro LLC	USD 1	50,000	0.23	*0.23*
L&T Construction Equipment Limited [1]	10	19,91,42,091	22.27	*22.27*
Larsen & Toubro (Saudi Arabia) LLC	SAR 1000	625	1.05	*1.05*
L&T Infrastructure Engineering Limited	10	36,00,000	21.85	*21.85*
L&T Global Holdings Limited	USD 100	80,000	53.16	*53.16*
			24006.52	*22627.88*

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Non-current Assets: Financial Assets - Investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
	₹		₹ crore	*₹ crore*
(ii) Preference share considered equity as per terms:				
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, March 30, 2022	2	82,60,00,000	826.00	*826.00*
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, May 12, 2022	2	4,80,00,000	48.00	*48.00*
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, July 14, 2022	2	4,22,50,000	42.25	*42.25*
L&T Seawoods Limited -10% Non-cumulative, optionally convertible redeemable preference shares, September 3, 2022	2	4,20,00,000	42.00	*42.00*
L&T Hydrocarbon Engineering Ltd -10% Non-cumulative, optionally convertible redeemable at par preference shares, February 6, 2029	10	50,00,00,000	500.00	*500.00*
L&T Hydrocarbon Engineering Ltd -12% Non-cumulative, optionally convertible, redeemable at par preference shares, October 19, 2030	10	–	–	*130.00*
L&T Hydrocarbon Engineering Ltd -12% Non-cumulative,optionally convertible, redeemable at par preference shares, March 30, 2031	10	–	–	*130.00*
L&T Uttaranchal Hydropower Limited - 10% Non-cumulative, optionally convertible redeemable preference shares, July 17, 2029 [Net of provision ₹ 586.00 crore *(previous year: Nil)*]	2	1,42,68,50,000	840.85	*1362.45*
L&T Realty Developers Limited - 12% Non-cumulative and optionally convertible redeemable at par preference shares, May 26, 2025 [1]	10	64,83,00,000	648.30	*648.30*
			2947.40	*3729.00*
(iii) Other equity investments:				
L&T Aviation Services Private Limited			0.65	*0.65*
			0.65	*0.65*
Total - (a) = (i)+(ii)+(iii)			26954.57	*26357.53*
(b) Associate companies:				
Gujarat Leather Industries Limited [Net of provision ₹ 0.56 crore *(previous year ₹ 0.56 crore)*]	10	7,35,000	–	–
Magtorq Private Limited	100	9,000	4.42	*4.42*
			4.42	*4.42*
(c) Joint Venture companies:				
(i) Investments in fully paid equity instruments:				
Ahmedabad-Maliya Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Chennai-TADA Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Halol-Shamlaji Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Howden Private Limited	10	1,50,30,000	15.03	*15.03*
L&T Infrastructure Development Projects Limited [Net of provision ₹ 1723.00 crore *(previous year: ₹ 1723.00 crore)*]	10	32,10,59,096	1021.48	*1021.48*
L&T - MHI Power Boilers Private Limited	10	11,93,91,000	119.39	*119.39*
L&T - MHI Power Turbine Generators Private Limited	10	36,24,06,000	362.41	*362.41*
L&T Rajkot-Vadinar Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
L&T Samakhiali Gandhidham Tollway Limited	10	13,000	0.01	*0.01*
L&T Special Steels and Heavy Forgings Private Limited [Net of provision ₹ 419.28 crore *(previous year: ₹ 419.28 crore)*]	10	41,92,84,000	–	–
L&T Transportation Infrastructure Limited	10	1,08,64,000	10.86	*10.86*
L&T-Sargent & Lundy Limited	10	27,82,736	0.82	*0.82*
PNG Tollway Limited [₹ 1000 *(previous year: ₹ 1000)*]	10	100	–	–
Raykal Aluminum Company Private Limited	10	37,750	0.04	*0.04*
L&T MBDA Missile Systems Limited	10	5,10,000	0.51	*0.51*
			1530.55	*1530.55*

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Non-current Assets: Financial Assets - Investments *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
	₹		₹ crore	*₹ crore*
(ii) Other equity investments:				
L&T - MHI Power Boilers Private Limited			2.24	*2.24*
L&T - MHI Power Turbine Generators Private Limited			7.13	*7.13*
			9.36	*9.36*
(iii) Preference shares-(equity portion):				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024 [Net of provision ₹ 78.33 crore *(previous year: ₹ 78.33 crore)*]	10	15,54,00,000	–	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025 [Net of provision ₹ 97.91 crore *(previous year: ₹ 97.91 crore)*]	10	17,76,00,000	–	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026 [Net of provision ₹ 84.41 crore *(previous year: ₹ 84.41 crore)*]	10	14,20,80,000	–	–
			–	–
Total - (c) = (i)+(ii)+(iii)			1539.91	*1539.91*
(d) Other companies:				
International Seaport Dredging Limited [Net of provision ₹ 15.90 crore *(previous year: ₹ 15.90 crore)*]	10000	15,899	–	–
BBT Elevated Road Private Limited	10	1,00,000	0.10	*0.10*
Utmal Multi Purpose Service Co-operative Society Limited (B Class) [₹ 30,000 *(previous year: ₹ 30,000)*]	100	300	–	–
Tidel Park Limited [refer Note 53(f)]	10	40,00,000	63.23	*68.30*
VP Global Fibre and Yarns Private Limited [₹ 22,900 *(previous year: ₹ 22,900)*]	100	229	–	–
New Vision Wind Power Private Limited [₹ 27,000 *(previous year: ₹ 27,000)*]	10	2,700	–	–
The New India Assurance Company Limited	10	4,45,803	6.88	*5.01*
Total - (d)			70.22	*73.42*
Total - (A) =(a)+(b)+(c)+(d)			28569.12	*27975.28*
(B) Investment in preference shares of Joint venture companies:				
(Fair value debt portion):				
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2024 [Net of provision ₹ 77.77 crore *(previous year: ₹ 77.77 crore)*]	10	15,54,00,000	–	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2025 [Net of provision ₹ 79.12 crore *(previous year: ₹ 79.12 crore)*]	10	17,76,00,000	–	–
L&T Special Steels & Heavy Forgings Private Limited - 6% Cumulative, non-convertible redeemable at par preference shares, December 8, 2026 [Net of provision ₹ 56.28 crore *(previous year: ₹ 56.28 crore)*]	10	14,20,80,000	–	–
Total - (B)			–	–
Total Non-current Investment =(A)+(B)			28569.12	*27975.28*

Notes forming part of the Financial Statements (contd.)

NOTE [5]

Details of Non-current Assets: Financial Assets - Investments *(contd.)*

Details of quoted/unquoted investments:

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted investments and market value thereof;		
Book Value	15874.88	*13954.41*
Market Value	109342.27	*42534.94*
(b) Aggregate amount of unquoted investments;		
Book Value	12694.24	*14020.87*
(c) Aggregate amount of Impairment in value of investments	4047.57	*2633.29*

[1] The composite scheme of amalgamation and arrangement between L&T Realty Limited and L&T Construction Equipment Limited and L&T Construction Machinery Limited was approved by National Company Law Tribunal on April 23,2020 with appointed date as April 1, 2018. Pursuant to the scheme:

a. Pursuant to amalgamation of L&T Realty Limited with L&T Constructure Equipment Limited, L&T Construction Equipment Limited issued 4,71,60,700 equity shares of ₹ 10 each and 64,83,00,000, 12% non-cumulative redeemable preference shares of ₹ 10 each to Larsen & Toubro Limited as a consideration towards the transfer of all assets and liabilities by L&T Realty Limited. The cost of acquisition of shares issued was deemed to be the cost at which Larsen & Toubro Limited acquired shares of L&T Realty Limited. Accordingly, the value of investment in L&T Construction Equipment Limited was increased by ₹ 47.16 crore towards equity shares and ₹ 648.30 crore towards preference shares w.e.f. April 1, 2018 and correspondingly investment in equity and preference shares of L&T Realty Limited stood cancelled.

b. Pursuant to the approval of the Registrar of Companies, L&T Construction Equipment Limited is renamed as L&T Realty Developers Limited and L&T Construction Machinery Limited is renamed as L&T Construction Equipment Limited.

c. Pursuant to demerger of Manufacturing business of L&T Construction Equipment Limited, L&T Construction Machinery Limited issued 19,91,32,091 equity shares of ₹ 10 each to Larsen & Toubro Limited as a consideration towards transfer of certain assets and liabilities by L&T Construction Equipment Limited. The cost of acquisition of these shares issued was derived based on book value of assets transferred to the total value of assets of L&T Construction Equipment Limited as at appointed date. Accordingly, the value of investment in L&T Construction Machinery Limited was increased by ₹ 22.26 crore and reduced in L&T Construction Equipment Limited w.e.f. April 1, 2018.

Notes forming part of the Financial Statements (contd.)

NOTE [6]

Non-current Assets: Financials Assets - Loans

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured security deposits, considered good :	155.45		*152.45*	
Less: Allowance for expected credit loss	37.79		*36.54*	
		117.66		*115.91*
Unsecured loan and advances to related parties:				
Subsidiary companies, considered good [refer Note 57& 58(A)]		2449.00		*2074.59*
Joint venture companies, considered good [refer Note 57& 58(A)]	1730.38		*1578.79*	
Less: Allowance for expected credit loss	1730.38		*263.00*	
		–		*1315.79*
Unsecured other loans,considered good:		0.39		*0.71*
		2567.05		*3507.00*

NOTE [7]

Non-current Assets: Financial Assets - Others

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
Cash and bank balances not available for immediate use [refer Note 7(a)]	283.85	*273.76*
Forward contract receivables	108.52	*19.87*
Premium receivable on financial guarantee contracts	8.33	*10.53*
Fixed deposits with banks (maturity more than 12 months)	2.89	*0.32*
Other receivables	0.25	*–*
	403.84	*304.48*

Note 7(a)

Particulars of cash and bank balances not available for immediate use

₹ crore

Sr. No.	Particulars	As at 31-3-2021	*As at 31-3-2020*
1	Amount received (including interest accrued thereon) from customers of property development business – to be handed over to housing society on its formation.	27.02	*26.02*
2	Contingency deposit (including interest accrued thereon) received from customers of property development business towards their sales tax liability - to be refunded/adjusted depending on the outcome of the legal case.	27.78	*26.49*
3	Other bank balances (including interest accrued thereon) not available for immediate use being security offered for bids submitted, loans availed, acquisition etc.	616.43	*575.28*
	Total	671.23	*627.79*
	Less: Amount reflected under current assets [refer Note 13]	387.38	*354.03*
	Amount reflected under other financial assets - non-current [refer Note 7]	283.85	*273.76*

Notes forming part of the Financial Statements (contd.)

NOTE [8]

Other non-current assets

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020* *₹ crore*
Capital advances:		
Secured	0.61	*0.15*
Unsecured	31.02	*237.94*
Advance recoverable other than in cash	1646.37	*1758.01*
Current tax receivable (net)	1968.05	*2072.84*
	3646.05	*4068.94*

NOTE [9]

Current Assets: Inventories

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020* *₹ crore*
Raw materials [includes goods-in-transit ₹ 3.86 crore *(previous year: ₹ 1.12 crore)*]	392.65	*377.44*
Components [includes goods-in-transit ₹ 1.48 crore *(previous year: ₹ 10.58 crore)*]	96.24	*82.04*
Construction materials [includes goods-in-transit ₹ 39.17 crore *(previous year: ₹ 17.11 crore)*]	59.78	*48.34*
Manufacturing work-in-progress	212.23	*367.48*
Finished goods	3.57	*18.12*
Stock-in-trade [includes goods-in-transit ₹ 44.34 crore *(previous year: ₹ 37.10 crore)*]	361.31	*308.36*
Stores and spares [includes goods-in-transit ₹ 4.60 crore *(previous year: ₹ 1.14 crore)*]	148.31	*133.60*
Loose tools	2.71	*2.96*
Property development related work-in-progress	1567.90	*1431.56*
Property development project - completed property	13.86	*–*
	2858.56	*2769.90*

Note: During the year ₹ 5.19 crore *(previous year: ₹ 73.98 crore)* was recognised as expense towards write-down of inventories (net).

Notes forming part of the Financial Statements (contd.)

NOTE [10]

Current Assets: Financial Assets - Investments

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
(a) Government and trust securities		869.51		*757.82*
(b) Debentures and bonds				
(i) Subsidiary companies	2659.72		*331.40*	
(ii) Joint venture companies	884.37		*836.53*	
(ii) Other debentures & bonds	5731.81		*2132.58*	
		9275.90		*3300.51*
(c) Mutual funds		8009.01		*2000.82*
(d) Collateral borrowing and lending obligation (CBLO)		299.98		–
		18454.40		*6059.15*

Details of current investments in Subsidiary companies and Joint venture companies

Particulars	Face value per unit	Number of units As at 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
	₹		₹ crore	*₹ crore*
Debentures and Bonds (quoted):				
(i) Subsidiary companies:				
9.10% L&T Finance Limited NCD April 13, 2022	1000	200,000	21.06	*20.83*
9.00% L&T Finance Limited NCD April 15, 2024	1000	153,800	18.15	–
8.92% L&T Finance Limited NCD October 6, 2021	1000000	50	5.34	–
7.65% L&T Finance Limited NCD November 13, 2020	–	–	–	*20.81*
7.75% L&T Finance Limited NCD July 10, 2025	1000000	1,450	162.02	–
8.93% L&T Finance Limited NCD August 8, 2022	1000000	250	26.84	–
8.25% L&T Finance Limited NCD June 24, 2023	1000000	250	27.03	–
8.50% L&T Finance Limited Sr.C NCD March 17, 2023	1000000	750	80.66	–
7.95% L&T Finance Limited NCD July 28, 2025	1000000	1,300	145.30	–
7.90% L&T Finance Limited NCD July 13, 2024	1000000	2,000	223.28	–
7.30% L&T Finance Limited NCD September 8, 2023	1000000	5,000	541.76	–
8.50% L&T Finance Limited NCD January 17, 2023	1000000	700	75.07	–
8.50% L&T Finance Limited NCD February 17, 2023	1000000	150	16.11	–
8.55% L&T Finance Limited NCD November 29 2022	1000000	1,000	108.92	–
7.15% L&T Finance Limited NCD September 16, 2024	1000000	1,000	107.25	–
6.75% L&T Finance Limited NCD November 3, 2024	1000000	2,000	205.27	–
7.85% L&T Finance Limited NCD July 9, 2025	1000000	900	100.36	–
6.55% L&T Finance Limited NCD November 3, 2028	1000000	3,000	304.15	–
9.81% L&T Metro Rail (Hyderabad) Limited June 18,2035	1000000	750	91.51	–
9.81% L&T Metro Rail (Hyderabad) Limited November 2, 2035	1000000	500	61.57	–
9.85% L&T Metro Rail (Hyderabad) Limited January 28, 2036	1000000	250	30.27	–
9.50% L&T Metro Rail (Hyderabad) Limited SR-F NCD November 26, 2030	1000000	1,500	183.50	*172.96*
9.55% L&T Metro Rail (Hyderabad) Limited SR-F NCD September 28, 2030	1000000	1,000	124.30	*116.81*
Total- (i)			2659.72	*331.40*

Notes forming part of the Financial Statements (contd.)

NOTE [10]

Details of current investments in Subsidiary companies and Joint venture companies *(contd.)*

Particulars	Face value per unit	Number of units As at 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
	₹		₹ crore	*₹ crore*
(ii) Joint venture companies:				
8.50% Kudgi Transmission Limited SR-D NCD April 25, 2021	1000000	140	15.16	*–*
8.50% Kudgi Transmission Limited SR-E NCD April 25, 2022	1000000	120	13.48	*–*
9.14% Kudgi Transmission Limited SR-K NCD April 25, 2028	1000000	230	28.39	*27.20*
9.14% Kudgi Transmission Limited SR-L NCD April 25, 2029	1000000	240	29.74	*28.52*
9.14% Kudgi Transmission Limited SR-M NCD April 25, 2030	1000000	270	33.61	*32.01*
9.14% Kudgi Transmission Limited SR-N NCD April 25, 2031	1000000	280	34.73	*33.35*
9.14% Kudgi Transmission Limited SR-O NCD April 25, 2032	1000000	290	35.21	*34.50*
9.50% Kudgi Transmission Limited SR-P NCD April 25, 2033	1000000	310	38.72	*37.85*
9.50% Kudgi Transmission Limited SR-Q NCD April 25, 2034	1000000	330	41.42	*40.37*
9.50% Kudgi Transmission Limited SR-R NCD April 25, 2035	1000000	360	45.12	*43.90*
9.50% Kudgi Transmission Limited SR-S NCD April 25, 2036	1000000	390	48.74	*47.83*
9.50% Kudgi Transmission Limited SR-T NCD April 25, 2037	1000000	410	51.33	*50.56*
9.50% Kudgi Transmission Limited SR-U NCD April 25, 2038	1000000	350	43.90	*43.36*
9.50% Kudgi Transmission Limited SR-V NCD April 25, 2039	1000000	960	120.67	*119.34*
9.50% Kudgi Transmission Limited SR-W NCD April 25, 2040	1000000	250	31.50	*31.15*
8.60% LTIDPL NCD December 26, 2026	1000000	2,500	272.65	*266.60*
Total- (ii)			884.37	*836.53*

Details of quoted/unquoted investments:

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
(a) Aggregate amount of quoted current investments and market value thereof;		
Book Value	10145.41	*4058.33*
Market Value	10145.41	*4058.33*
(b) Aggregate amount of unquoted current investments;		
Book Value (Accounted based on NAV)	8009.01	*2000.82*
Book Value	299.98	-

NOTE [11]

Current Assets: Financial Assets - Trade receivables

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured,considered good	31629.67		*29056.56*	
Less: Allowance for expected credit loss	1808.16		*1313.12*	
		29821.51		*27743.44*
Credit Impaired	797.55		*1234.68*	
Less: Allowance for expected credit loss	670.82		*1065.16*	
		126.73		*169.52*
		29948.24		*27912.96*

Notes forming part of the Financial Statements (contd.)

NOTE [12]
Current Assets: Financials Assets - Cash and cash equivalents

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*
Balance with banks	2876.33	*2130.13*
Cheques and draft on hand	183.13	*66.04*
Cash on hand	3.21	*4.16*
Fixed deposits with banks (maturity less than 3 months)	50.02	*1062.50*
	3112.69	*3262.83*

NOTE [13]
Current Assets: Financials Assets - Other bank balances

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*
Fixed deposits with banks	109.39	*185.35*
Earmarked balances with banks-unclaimed dividend	127.78	*114.27*
Earmarked balances with banks-Section4(2)(1)(D)RERA	3.46	*0.15*
Margin money deposits with banks	22.58	*21.76*
Cash and bank balances not available for immediate use [refer Note 7(a)]	387.38	*354.03*
	650.59	*675.56*

NOTE [14]
Current Assets: Financials Assets - Loans

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Unsecured security deposits, considered good	347.81		*312.81*	
Less: Allowance for expected credit loss	0.57		*0.97*	
		347.24		*311.84*
Unsecured loan and advances to related parties:				
Subsidiary companies, considered good [refer Note 57&58(A)]		87.67		*176.67*
Joint venture companies, considered good [refer Note 57&58(A)]		–		*26.56*
Other secured loans, considered good		–		*0.07*
		434.91		*515.14*

Notes forming part of the Financial Statements (contd.)

NOTE [15]

Current Assets: Financial Assets - Others

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Advances to related parties:				
Subsidiary companies	513.78		*642.18*	
Associate companies	1.63		*0.93*	
Joint venture companies	33.92		*48.25*	
		549.33		*691.36*
Advances recoverable in cash		584.56		*671.69*
Premium receivable on financial guarantee contracts		10.91		*12.51*
Forward contract receivable		537.80		*567.57*
Embedded derivative receivable		10.45		*54.46*
Doubtful advances:				
Deferred credit sale of ships	27.11		*27.11*	
Other loans and advances	246.77		*219.51*	
	273.88		*246.62*	
Less: Allowance for doubtful loans and advances	273.88		*246.62*	
		–		*–*
		1693.05		*1997.59*

NOTE [16]

Other current assets

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Contract Assets [refer Note 41(d)]				
Due from customers (construction and project related activity)	28828.37		*31750.52*	
Retention money including unbilled revenue	12840.17		*13238.42*	
		41668.54		*44988.94*
Advance recoverable other than in cash		4747.32		*4601.02*
Government grants receivable		63.49		*71.65*
Other loans and advances - Doubtful	11.72		*7.00*	
Less: Provision for doubtful advances	11.72		*7.00*	
		–		*–*
		46479.35		*49661.61*

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Authorised: [1]				
Equity shares of ₹ 2 each	25,12,50,00,000	5,025.00	*25,12,50,00,000*	*5,025.00*
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	1,40,45,55,297	280.91	*1,40,38,92,022*	*280.78*

[1] Pursuant to the approval of the Scheme of Amalgamation of L&T Shipbuilding Limited with the Company, the authorised share capital of L&T Shipbuilding Limited is added to the authorised share capital of the Company, w.e.f appointed date i.e. April 1, 2019.

(b) Reconciliation of the number of equity shares and share capital:

Particulars	2020-21		*2019-20*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,40,38,92,022	280.78	*1,40,27,29,385*	*280.55*
Add: Shares issued on exercise of employee stock options during the year	6,63,275	0.13	*7,83,249*	*0.16*
Add: Shares issued on conversion of foreign currency convertible bonds during the year	–	–	*3,79,388*	*0.07*
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,45,55,297	280.91	*1,40,38,92,022*	*280.78*

(c) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

(d) Shareholder holding more than 5% of equity shares:

Name of the shareholders	As at 31-3-2021		*As at 31-3-2020*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	19,24,67,386	13.70	*20,91,83,856*	*14.90*
L&T Employees Trust	19,25,58,158	13.71	*18,55,24,682*	*13.22*

(e) Shares reserved for issue under options outstanding on un-issued share capital:

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	*Number of equity shares to be issued as fully paid*	*₹ crore (at face value)*
Employee stock options granted and outstanding [1]	17,81,564	0.36 [2]	*25,21,389*	*0.50* [2]

[1] Note 17 (h) for terms of employee stock option schemes

[2] The equity shares will be issued at a premium of ₹ 42.74 crore *(previous year: ₹ 63.06 crore).*

(f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2021 are 46,67,64,755 *(period of five years ended March 31, 2020: 46,67,64,755 shares).*

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital *(contd.)*

(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended on March 31, 2021 – Nil *(period of five years ended March 31, 2020: Nil).*

(h) Stock option schemes

i. Terms:

A. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested equally over a period of 4 years [5 years in the case of series 2006(A)], subject to the discretion of the management and fulfillment of certain conditions.

B. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

ii. The details of the grants under the aforesaid schemes under various series are summarised below:

Sr. No.	Series reference	2003(B)		2006(A)	
		2020-21	*2019-20*	2020-21	*2019-20*
1	Grant price - (₹)	7.80	*7.80*	267.10	*267.10*
2	Grant dates	23-5-2003 onwards		1-7-2007 onwards	
3	Vesting commences on	23-5-2004 onwards		1-7-2008 onwards	
4	Options granted and outstanding at the beginning of the year	1,45,935	*1,73,309*	23,75,454	*27,11,931*
5	Options lapsed	4,875	*13,837*	1,75,675	*2,64,380*
6	Options granted	1,04,000	*38,700*	-	*6,58,915*
7	Options exercised	71,910	*52,237*	5,91,365	*7,31,012*
8	Options granted and outstanding at the end of the year, of which	1,73,150	*1,45,935*	16,08,414	*23,75,454*
	Options vested	23,575	*49,762*	4,84,082	*6,51,653*
	Options yet to vest	1,49,575	*96,173*	11,24,332	*17,23,801*
9	Weighted average remaining contractual life of options (in years)	5.74	*4.63*	4.23	*4.61*

iii. The number and weighted average exercise price of stock options are as follows:

Particulars	2020-21		*2019-20*	
	No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
(A) Options granted and outstanding at the beginning of the year	25,21,389	252.09	*28,85,240*	*251.52*
(B) Options granted	1,04,000	7.80	*6,97,615*	*252.72*
(C) Options allotted	6,63,275	238.99	*7,83,249*	*249.81*
(D) Options lapsed	1,80,550	260.10	*2,78,217*	*254.20*
(E) Options granted and outstanding at the end of the year	17,81,564	241.90	*25,21,389*	*252.09*
(F) Options exercisable at the end of the year out of (E) *supra*	5,07,657	255.06	*7,01,415*	*248.70*

iv. Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1001.47 *(previous year: ₹ 1065.30)* per share.

v. A. In respect of stock options granted under the stock option scheme, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.

Notes forming part of the Financial Statements (contd.)

NOTE [17]

Equity share capital *(contd.)*

B. Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2020-21 is ₹ 42.05 crore *(previous year: ₹ 49.44 crore)* net of recoveries of ₹ 0.40 crore *(previous year: ₹ 0.46 crore)* from its group companies towards the stock options granted to deputed employees, pursuant to the employee stock option schemes (refer Note 40). The entire amount pertains to equity-settled employee share-based payment plans. [expense related to discontinued operations ₹ 2.14 crore *(previous year: ₹ 2.33 crore)*]

vi. During the year, the Company has recovered ₹ 4.82 crore *(previous year: ₹ 5.54 crore)* from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.

vii. Weighted average fair values of options granted during the year is ₹ 834.24 *(previous year: ₹ 804.63)* per option

viii. The fair value of the options granted during the year has been calculated as per the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Sr. No.	Particulars	2020-21	*2019-20*
(i)	Weighted average risk-free interest rate	4.81 %	*6.23 %*
(ii)	Weighted average expected life of options	2.85 years	*4.12 years*
(iii)	Weighted average expected volatility	35.39%	*25.40%*
(iv)	Weighted average expected dividends over the life of the option	₹ 51.22 per option	*₹ 74.07 per option*
(v)	Weighted average share price	₹ 884.83 per option	*₹ 1056.34 per option*
(vi)	Weighted average exercise price	₹ 7.80 per option	*₹ 252.72 per option*
(vii)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

ix. The balance in share options (net) account as at March 31, 2021 is ₹ 87.62 crore *(previous year: ₹ 99.92 crore)*, including ₹ 38.78 crore *(previous year: ₹ 47.54 crore)* for which the options have been vested to employees as at March 31, 2021.

(i) Capital Management

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also enable the Company to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 0.39:1 as at March 31, 2021 *(as at March 31, 2020 0.49:1)*.

During the year ended March 31, 2021, the Company paid the final dividend of ₹ 8 per equity share for the year ended March 31, 2020 amounting to ₹ 1123.23 crore

During the year ended March 31, 2021, the Company paid special dividend of ₹ 18 per equity share amounting to ₹ 2527.66 crore.

The Board of Directors, at their meeting held on May 14, 2021 recommended a final dividend of ₹ 18 per equity share for the year ended March 31, 2021, subject to approval of shareholders. On approval, the dividend outgo is expected to be ₹ 2528.20 crore based on number of shares outstanding as at March 31, 2021.

Notes forming part of the Financial Statements (contd.)

NOTE [18]

Other equity

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Capital reserve [1]		10.52		*10.52*
Capital reserve on business combination [2]		(25.77)		*(25.77)*
Securities premium		8667.65		*8599.60*
Employee share options (net)				
Employee share options outstanding	124.48		*166.80*	
Deferred employee compensation expense	(36.86)		*(66.88)*	
		87.62		*99.92*
Debenture redemption reserve [3]		138.65		*533.53*
General reserve [4]		26070.92		*25669.50*
Retained earnings		24675.29		*16957.17*
Foreign currency translation reserve		9.00		*(4.14)*
Hedging reserve				
Cash flow hedging reserve	202.87		*(46.83)*	
Cost of hedging reserve	(4.34)		*(14.48)*	
		198.53		*(61.31)*
Debt instruments through other comprehensive income		300.22		*115.55*
		60132.63		*51894.57*

[1] **Capital reserve:** It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years.

[2] **Capital reserve on business combination:** It arises on transfer of business between entities under common control. It represents the difference, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor [refer Note 1(ii)(ab)].

[3] **Debenture redemption reserve (DRR):** The Ministry of Corporate Affairs vide notification dated August 16, 2019, amended the Companies (Share capital and Debenture) Rules, 2014 by which the Company is no longer required to create DRR towards the debentures issued. Earlier to this amendment, the Company was required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis and the amounts credited to the DRR was not to be utilised by the Company except to redeem debentures. The above amount represents the DRR created out of profits of the Company prior to the said notification.

[4] **General reserve:** The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits were required to be transferred to General reserve before declaring dividends. As per the Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Non-current liabilities: Financial Liabilities - Borrowings

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures [refer Note 19(a)(i) & (ii)]	1328.48	13263.90	14592.38	*1380.78*	*5034.13*	*6414.91*
Redeemable non-convertible inflation linked debentures [refer Note 19(a)(iii)]	–	126.15	126.15	–	*124.11*	*124.11*
Term loan from banks [refer Note 19(b)]	–	1149.68	1149.68	–	*646.69*	*646.69*
	1328.48	14539.73	15868.21	*1380.78*	*5804.93*	*7185.71*

19(a) (i) Secured redeemable non-convertible fixed rate debentures (privately placed):

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*	Interest for the year 2020-21	Terms of repayment for debentures outstanding as at 31-3-2021
1	10,00,000	October 25, 2012	301.84	*301.77*	9.10% p.a. payable annually	Redeemable at face value at the end of 15 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
2	10,00,000	October 25, 2012	269.69	*269.67*	9.10% p.a. payable annually	Redeemable at face value at the end of 14 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
3	10,00,000	October 25, 2012	269.73	*269.72*	9.10% p.a. payable annually	Redeemable at face value at the end of 13 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
4	10,00,000	October 25, 2012	269.79	*269.78*	9.10% p.a. payable annually	Redeemable at face value at the end of 12 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
5	10,00,000	October 25, 2012	269.86	*269.85*	9.10% p.a. payable annually	Redeemable at face value at the end of 11 years from the date of allotment or on exercise of call option. The Company has call option to redeem debentures at the end of 10th year from the date of allotment.
Total			1380.91	*1380.78*		
Less:			52.43	–		Current maturity of long-term borrowings [refer Note 24]
			1328.48	*1380.78*		Borrowings non-current [refer Note 19]

Security

13,310 fully paid redeemable non-convertible debentures having face value of 10,00,000 /- each issued on private placement basis are secured by :

(i) First pari-passu charge over the assets of the Company with an asset cover of 1.25 times; and

(ii) Charge on the designated account under the Debenture Trust Deed.

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Non-current liabilities: Financial Liabilities - Borrowings *(contd.)*

19(a) (ii) Unsecured redeemable non-convertible fixed rate debentures (privately placed):

Sr. No.	Face value per debenture (₹)	Date of allotment	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*	Interest for the year 2020-21	Terms of repayment for debentures outstanding as at 31-3-2021
1	10,00,000	April 10, 2012	273.49	*273.69*	9.75% p.a. payable annually	Redeemable at face value at the end of 10th year from the date of allotment.
2	10,00,000	May 26, 2011	–	*322.81*		
3	10,00,000	May 11, 2010	–	*324.35*		
4	10,00,000	April 13, 2010	–	*216.96*		
5	10,00,000	September 24, 2015	–	*1043.66*		
6	10,00,000	April 18, 2019	1612.04	*1611.87*	7.87% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
7	10,00,000	May 22, 2019	2137.13	*2136.82*	8.02% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
8	10,00,000	August 19, 2019	–	*1458.36*		
9	10,00,000	January 24, 2020	1062.47	*1011.36*	6.72% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
10	10,00,000	April 20, 2020	1330.66	–	7.20% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
11	10,00,000	May 6, 2020	1538.23	–	7.25% p.a. payable annually	Redeemable at face value at the end of 4th year from the date of allotment.
12	10,00,000	April 28, 2020	2661.09	–	7.70% p.a. payable annually	Redeemable at face value at the end of 5th year from the date of allotment.
13	10,00,000	April 23, 2020	477.91	–	6.60% p.a. payable annually	Redeemable at face value at the end of 1st year from the date of allotment.
14	10,00,000	April 23, 2020	479.55	–	7.00% p.a. payable annually	Redeemable at face value at the end of 2nd year from the date of allotment.
15	10,00,000	April 23, 2020	2611.51	–	7.25% p.a. payable annually	Redeemable at face value at the end of 3rd year from the date of allotment.
16	10,00,000	April 23, 2020	483.78	–	8.00% p.a. payable annually	Partly paid Redeemable at face value at the end of 10th year from the date of allotment
Total			14667.86	*8400.28*		
Less:			926.05	*3366.15*		Current maturities of long-term borrowings [refer Note 24]
Less:			477.91	–		Short-term Unsecured Debentures [refer Note 23]
			13263.90	*5034.13*		Borrowings – non-current [refer Note 19]

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Non-current liabilities: Financial Liabilities - Borrowings *(contd.)*

19 (a) (iii) Unsecured redeemable non-convertible inflation linked debentures:

Face value per debenture (₹)	Date of allotment	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*	Interest for the year 2020-21	Terms of repayment for debentures outstanding as at 31-3-2021
10,00,000	May 23,2013	127.75[1]	*124.11[1]*	1.65% p.a. payable on Inflation Adjusted Principal as on the date of coupon payment	Redeemable at the end of 10th year from the date of allotment. Redemption value calculated as [{Average Ref WPI (on Maturity Date) / Average Ref WPI (on Issue Date)} x Face Value] with Floor Rate as 3 % and Cap Rate as 12%. WPI here refers to Wholesale Price Index
	Less:	1.60	–	Current Liabilities: Financial Liabilities-Current maturities of Long-term borrowings [refer Note 24]	
		126.15	*124.11*	Non- current liabilities: Financial liabilities – Borrowings [refer Note 19]	

[1] The principal amount has been calculated as [{Average Ref WPI as at reporting period/Average Ref WPI (as at 23/5/2013)} x Face Value]

19(b) Details of term loans (unsecured):

Sr. No.	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*	Rate of Interest for the year 2020-21	Terms of repayment of term loan outstanding as at 31-3-2021
1	1087.56	*556.02*	USD LIBOR + Spread [1]	Repayable on April 14, 2025
2	52.99	*58.88*	9.00% p.a. payable monthly	Repayable on October 19, 2023
3	28.61	*31.79*	8.40% p.a. payable monthly	Repayable on May 7, 2023
4	730.86	–	USD LIBOR + Spread [1]	Repayable on October 21, 2021
5	–	*189.33*	USD LIBOR + Spread [1]	Repaid on July 20, 2020
Total	1900.02	*836.02*		
Less:	19.48	*189.33*	Current maturities of long-term borrowings [refer Note 24]	
Less:	730.86	–	Short-term Unsecured Loan [refer Note 23]	
	1149.68	*646.69*	Borrowings non-current [refer Note 19]	

[1] Represents unsecured term loans obtained in foreign currency.

19(c) Annual disclosure as Large Corporate pursuant to SEBI circular dated November 26, 2018.

Annexure A

Sr. No.	Particulars	Details
1	Name of the company	Larsen & Toubro Limited
2	CIN	L99999MH1946PLC004768
3	Outstanding borrowing of Company as on 31st March 2021, as applicable in (in ₹ crore)	₹ 23808.71 crore
4	Highest Credit Rating During the previous financial year along with name of the Credit Rating Agency	CRISIL, ICRA & India Ratings AAA (Stable)
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

Notes forming part of the Financial Statements (contd.)

NOTE [19]

Non-current liabilities: Financial Liabilities - Borrowings *(contd.)*

Annexure B

Sr No.	Particulars	Amount ₹ crore
1	Incremental borrowing done in financial year 2020-21(a)	8599.92 [1]
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	2149.98
3	Actual borrowings done through debt securities in financial year 2020-21(c)	8550.00
4	Shortfall in the mandatory borrowing through debt securities if any (d) = (b) - (c) {If the calculated value is zero or negative, the shortfall considered is "Nil"}	NIL
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	Not applicable

[1] Incremental borrowing represents actual long-term borrowing raised by the Company during financial year 2020-21

NOTE [20]

Non current liabilities: Other financial liabilities

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020* *₹ crore*
Forward contract payables	39.80	*133.44*
Financial guarantee contracts	8.45	*10.98*
Due to others	34.38	*35.20*
	82.63	*179.62*

NOTE [21]

Non-current liabilities: Provisions

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020* *₹ crore*
Employee pension scheme	348.86	*339.63*
Post-retirement medical benefits plan	290.16	*271.60*
	639.02	*611.23*

NOTE [22]

Other non-current liabilities

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020* *₹ crore*
Other Payables (Deferred income on day one fair valuation of financial instrument)	–	*0.22*

Notes forming part of the Financial Statements (contd.)

NOTE [23]

Current liabilities: Financial Liabilities - Borrowings

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand from banks	22.74	–	22.74	*746.37*	*–*	*746.37*
Short-term loan and advances from banks	–	3376.32	3376.32	*41.71*	*7697.54*	*7739.25*
Short-term debentures [refer Note 19(a)(ii)]	–	477.91	477.91	*–*	*–*	*–*
Commercial paper	–	2737.40	2737.40	*–*	*4702.36*	*4702.36*
Loans from related parties:						
Subsidiary companies	–	235.66	235.66	*–*	*1796.45*	*1796.45*
Joint venture companies	–	90.91	90.91	*–*	*59.68*	*59.68*
	22.74	6918.20	6940.94	*788.08*	*14256.03*	*15044.11*

23(a) Loans guaranteed by directors ₹ Nil *(previous year: ₹ Nil).*

23(b) Loans repayable on demand from banks include fund based working capital facilities viz. cash credits and demand loans .

The secured portion of loans repayable on demand from banks, short-term loans and advances from the banks, working capital facilities and other non-fund based facilities viz. bank guarantees and letter of credit, are secured by hypothecation of inventories and trade receivables. Amount of inventories and trade receivables that are hypothecated as collateral: ₹ 6932 crore as at March 31, 2021 *(March 31,2020 : ₹ 6041.61 crore).*

NOTE [24]

Current liabilities: Financial liabilities - Current maturities of long-term borrowings

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
Secured:		
Redeemable non-convertible fixed rate debentures [refer Note 19(a)(i)]	52.43	*–*
Unsecured:		
Redeemable non-convertible fixed rate debentures [refer Note 19(a)(ii)]	926.05	*3366.15*
Term loans from banks [refer Note 19(b)]	19.48	*189.33*
Redeemable non-convertible floating rate debentures [refer Note 19(a)(iii)]	1.60	*–*
	999.56	*3555.48*

24(a) Loans guaraneed by directors ₹ Nil *(previous year: ₹ Nil)*

Notes forming part of the Financial Statements (contd.)

NOTE [25]

Current liabilities: Financial liabilities - Other trade payables

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Acceptances		345.23		*243.50*
Due to related parties:				
Subsidiary companies	534.76		*1071.65*	
Associate companies	13.97		*13.04*	
Joint venture companies	1703.37		*1183.55*	
		2252.10		*2268.24*
Due to others		34521.00		*33737.77*
		37118.33		*36249.51*

NOTE [26]

Current liabilities - Other financial liabilities

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
Unclaimed dividend	127.78	*114.27*
Forward contract payable	292.24	*458.23*
Embedded derivative payable	47.51	*95.11*
Financial guarantee contracts	11.24	*12.99*
Due to others [1]	1680.64	*1028.49*
	2159.41	*1709.09*

[1] Due to others include due to directors ₹ 34.83 crore *(previous year: ₹ 29.13 crore)*

NOTE [27]

Other current liabilities

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Contract liabilities [refer Note 41(d)]				
Due to customers (Construction and project related activity)	6692.39		*6277.21*	
Advances from customers	13717.71		*13780.04*	
		20410.10		*20057.25*
Other payables		1089.39		*700.80*
		21499.49		*20758.05*

Notes forming part of the Financial Statements (contd.)

NOTE [28]

Current liabilities - provisions

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits:				
Gratuity	80.04		*87.01*	
Compensated absences	551.05		*621.76*	
Employee pension scheme	25.17		*25.64*	
Post-retirement medical benefits plan	13.22		*13.01*	
		669.48		*747.42*
Other provisions (Ind AS 37 related) [refer Note 50]		650.53		*807.97*
		1320.01		*1555.39*

NOTE [29]

Contingent liabilities

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
(a) Claims against the Company not acknowledged as debts	2989.58	*3005.42*
(b) Sales tax/GST liability that may arise in respect of matters in appeal	289.43	*186.16*
(c) Excise duty/service tax/customs duty liability that may arise including those in respect of matters in appeal/challenged by the Company in Writ	172.99	*164.44*
(d) Income tax liability that may arise in respect of which the Company is in appeal	357.98	*922.89*
(e) Corporate and bank guarantees for debt given on behalf of subsidiary companies/joint venture companies	6316.95	*6130.39*
(f) Corporate and bank guarantees for performance given on behalf of subsidiary companies/joint venture companies	15230.24	*27894.61*
(g) Contingent liabilities, incurred in relation to interests in joint operations	7042.11	*7460.44*
(h) Share in contingent liabilities of joint operations for which the Company is contingently liable	61.95	*64.05*
(i) Contingent liabilities in respect of liabilities of other joint operators of joint operations	4875.31	*5464.89*
(j) Indemnities for performance given on behalf of third parties	479.43	*–*

Notes:

1. The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matters at (j)
2. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings. Further, the liability mentioned in (a) to (d) above includes interest except in cases where the Company has determined that the possibility of such levy is remote.
3. In respect of matters at (e), the cash outflows, if any, could generally occur up to ten years, being the period over which the validity of the guarantees extends except in a few cases where the cash outflows, if any, could occur any time during the subsistence of the borrowing to which the guarantees relate.
4. In respect of matters at (f), the cash outflows, if any, could generally occur up to ten years, being the period over which the validity of the guarantees extends.
5. In respect of matters at (g) to (i), the cash outflows, if any, could generally occur up to completion of projects undertaken by the respective joint operations.
6. In respect of matters at (j), the cash outflows, if any, is fully reimbursable by the third parties under an agreement entered in to with them.

Notes forming part of the Financial Statements (contd.)

NOTE [30]

Commitments

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances)				
(i) Estimated amount of contracts remaining to be executed on Property,plant & equitpment	1628.30		*758.85*	
(ii) Estimated amount of contracts remaining to be executed on Intangible assets	–		*1.79*	
		1628.30		*760.64*
(b) Funding committed by way of equity/loans to subsidiary companies		14.00		*93.00*

NOTE [31]

Revenue from operations

Particulars	2020-21		*2019-20*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Sales and service:				
Construction and project related activity	68101.14		*78091.00*	
Manufacturing and trading activity	2637.64		*2065.73*	
Property development activity	62.25		*174.82*	
Engineering and service fees	81.03		*46.87*	
Servicing	1037.87		*1141.31*	
Commission	116.56		*98.25*	
		72036.49		*81617.98*
Other operational income:				
Profit/(loss) on sale of investment properties	426.21		*–*	
Lease rentals	78.36		*78.70*	
Income from services to Group companies	73.82		*62.61*	
Premium earned (net) on related forward exchange contracts	50.50		*38.59*	
Miscellaneous Income	650.21		*585.77*	
		1279.10		*765.67*
		73315.59		*82383.65*

Notes forming part of the Financial Statements (contd.)

NOTE [32]

Other income

Particulars	2020-21		*2019-20*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income:				
Subsidiary, associate and joint venture companies	194.53		*214.63*	
Others	719.72		*405.07*	
		914.25		*619.70*
Dividend income:				
Subsidiary companies	1113.30		*1373.00*	
Joint venture companies	133.88		*12.53*	
Others	14.24		*1.76*	
		1261.42		*1387.29*
Net gain/(loss) on sale or fair valuation of investments		956.72		*503.71*
Net gain/(loss) on derivatives at fair value through profit or loss		(52.11)		*–*
Net gain/(loss) on sale of property, plant and equipment		48.70		*(30.92)*
Lease rentals		118.39		*110.30*
Miscellaneous income (net of expenses)		188.07		*217.79*
		3435.44		*2807.87*

Notes forming part of the Financial Statements (contd.)

NOTE [33]

Manufacturing, construction and operating expenses

Particulars	2020-21		2019-20	
	₹ crore	₹ crore	₹ crore	₹ crore
Materials consumed:				
Raw materials and components	5758.93		*5537.59*	
Less: Scrap sales	64.99		*50.60*	
		5693.94		*5486.99*
Construction materials consumed		22426.38		*28632.03*
Purchase of stock-in-trade		1226.68		*855.63*
Stores, spares and tools consumed		1418.59		*1520.47*
Sub-contracting charges		19625.19		*22488.74*
Changes in inventories of finished goods,work-in-progress and stock-in-trade and property development :				
Closing stock:				
Finished goods	3.57		*18.12*	
Stock-in-trade	360.03		*308.36*	
Work-in-progress	5198.49		*5578.14*	
	5562.09		*5904.62*	
Less: Opening stock:				
Finished goods	18.12		*2.74*	
Stock-in-trade	308.36		*291.28*	
Work-in-progress	5578.14		*5546.59*	
	5904.62		*5840.61*	
		342.53		*(64.01)*
Other manufacturing, construction and operating expenses:				
Power and fuel	1338.83		*1700.02*	
Royalty and technical know-how fees	57.44		*119.51*	
Packing and forwarding	477.61		*522.74*	
Rent and hire charges	1615.55		*1948.27*	
Engineering, technical and consultancy fees	903.19		*898.98*	
Insurance	360.41		*244.33*	
Rates and taxes	551.31		*568.57*	
Travelling and conveyance	613.49		*744.57*	
Repairs to plant and equipment	56.69		*67.48*	
Repairs to buildings	21.28		*20.87*	
General repairs and maintenance	470.37		*560.36*	
Bank guarantee charges	261.10		*223.62*	
Provision/(reversal) for foreseeable losses on construction contracts	32.20		*(14.50)*	
Other provisions	117.56		*23.58*	
Miscellaneous expenses	679.77		*333.96*	
		7556.80		*7962.36*
		58290.11		*66882.21*

Notes forming part of the Financial Statements (contd.)

NOTE [34]

Employee benefits expense

Particulars	2020-21		*2019-20*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Salaries,wages and bonus		4989.16		*5294.89*
Contribution to and provision for :				
Provident funds and pension fund	133.63		*145.87*	
Superannuation/employee pension schemes	11.33		*10.14*	
Gratuity funds	69.71		*69.42*	
		214.67		*225.43*
Expenses on employees stock option schemes		40.31		*47.40*
Insurance expenses - medical and others		90.43		*100.10*
Staff welfare expenses		458.00		*584.16*
Recoveries on account of deputation		(307.19)		*(296.00)*
		5485.38		*5955.98*

Employee benefits expense includes remuneration paid to employees engaged in CSR activities ₹ 11.32 crore *(previsous year: ₹ 16.52 crore)*. Refer Note 60 for details of CSR expenses.

NOTE [35]

Sales, administration and other expenses

Particulars	2020-21		*2019-20*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Power and fuel		42.18		*55.50*
Packing and forwarding		43.18		*44.68*
Professional fees		267.54		*409.40*
Audit fees		6.11		*5.84*
Insurance		56.91		*51.15*
Rent & Hire charges		101.96		*128.59*
Rates and taxes		77.93		*117.64*
Travelling and conveyance		123.94		*225.97*
Repairs to buildings		17.81		*16.68*
General repairs and maintenance		184.19		*274.52*
Directors' fees		1.17		*1.72*
Telephone, postage and telegrams		86.44		*93.05*
Advertising and publicity		29.39		*54.14*
Stationery and printing		31.41		*35.48*
Commission :				
Distributors and agents		16.95		*20.67*
Others		2.17		*0.79*
Bank charges		69.00		*101.51*
Miscellaneous expenses [1]		498.61		*888.37*
Bad debts and advances written off(net of written back)	387.70		*(48.58)*	
Less: Allowance for expected credit loss written back	375.97		*118.37*	
		11.73		*(166.95)*
Allowance for expected credit loss (net)		653.55		*597.58*
Exchange (gain)/loss (net)		25.02		*(175.72)*
Other provisions		97.60		*121.70*
Recoveries from subsidiary and associates		(170.84)		*(194.97)*
		2273.95		*2707.34*

[1] Miscellaneous expenses include expenditure incurred on CSR activities ₹ 137.13 crore *(previous year: ₹ 182.00 crore)*. Refer Note 60 for details of CSR expenses.

Notes forming part of the Financial Statements (contd.)

NOTE [36]

Finance costs

Particulars	2020-21 ₹ crore	2019-20 ₹ crore
Interest expenses	2414.82	2225.99
Other borrowing costs	0.10	7.30
Exchange loss	4.63	33.27
	2419.55	2266.56

NOTE [37]

Aggregation of expenses disclosed vide Note 33 - Manufacturing, construction and operating expenses, Note 34 - Employee benefits expense and Note 35 - Sales, administration and other expenses.

₹ crore

Sr. No.	Nature of expenses	2020-21				2019-20			
		Note 33	Note 34	Note 35	Total	Note 33	Note 34	Note 35	Total
1	Power and fuel	1338.83	–	42.18	1381.01	1700.02	–	55.50	1755.52
2	Packing and forwarding	477.61	–	43.18	520.79	522.74	–	44.68	567.42
3	Insurance	360.41	90.43	56.91	507.75	244.33	100.10	51.15	395.58
4	Rent hire charges	1615.55	–	101.96	1717.51	1948.27	–	128.59	2076.86
5	Rates and taxes	551.31	–	77.93	629.24	568.57	–	117.64	686.21
6	Travelling and conveyance	613.49	–	123.94	737.43	744.57	–	225.97	970.54
7	Repairs to buildings	21.28	–	17.81	39.09	20.87	–	16.68	37.55
8	General repairs and maintenance	470.37	–	184.19	654.56	560.36	–	274.52	834.88
9	Miscellaneous expenses	679.77	–	498.61	1178.38	333.96	–	888.37	1222.33

NOTE [38]

Disclosure pursuant to Ind AS 103 "Business Combinations":

During the previous year, L&T Shipbuilding Limited (LTSB), a wholly owned subsidiary, was merged with the Company under a scheme of amalgamation approved by National Company Law Tribunal, Chennai on March 10, 2020 and National Company Law Tribunal, Mumbai on April 24, 2020. The merger was effective from the appointed date April 1, 2019. LTSB had a registered office in Chennai, India and was engaged in the business of Shipbuilding and Ship related activities.

No fresh shares were issued to effect the merger as LTSB was a wholly owned subsidiary of the Company. Further the merger was accounted using pooling of interest method, involving the following:

i. The assets and liabilities of LTSB were reflected at their carrying amounts. No adjustment was made to reflect the fair values, or recognise any new asset or liability.

ii. The balance of the Retained earnings appearing in the financial statements of the LTSB was aggregated with the corresponding balance appearing in the financial statements of the Company.

iii. The excess of amount of investment by the Company in LTSB over the share capital of LTSB was treated as Capital reserve in Company's financial statements and the same was presented separately from other capital reserves [refer Note 18].

iv. Restating the financials of the Company from April 1, 2018.

Notes forming part of the Financial Statements (contd.)

NOTE [39]

Disclosure pursuant to Ind AS 105 "Non-current assets held for sale and discontinued operations":

₹ crore

Particulars	As at 31-03-2021	*As at 31-03-2020*
Group(s) of assets classified as held for sale	–	*2780.37*
Liabilities associated with the group(s) of assets classified as held for sale	–	*1367.58*

(a) On May 1, 2018, the Company signed, subject to regulatory approvals, definitive agreements with Schneider Electric India Private Limited for transfer of its Electrical and Automation (E&A) business [refer Note 40 for description of E&A business]. The Competition Commission of India (CCI) accorded on April 18, 2019 its approval (the detailed order was uploaded on its website on June 6, 2019) for acquisition of the Company's Electrical & Automation (E&A) business by Schneider Electric India Private Limited subject to fulfilment of certain conditions. The E&A business was classified as discontinued operations.

During the year 2020-21, the Company transferred the E&A business for a cash consideration of ₹ 13300 crore. The operating profit from E&A business upto the date of transfer and the gain on transfer have been shown below. The post closing adjustments are under discussion.

i. Financial performance related to discontinued operations:

₹ crore

Particulars	2020-21	*2019-20*
(i) Revenue from operations	1262.74	*4557.34*
(ii) Total expense	1141.83	*3691.96*
(iii) Profit before tax (i)-(ii)	120.91	*865.38*
(iv) Tax expense	27.21	*210.93*
(v) Profit after tax (iii)-(iv)	93.70	*654.45*
(vi) Gain on transfer of E&A business before tax	11078.32	–
(vii) Tax on above (including related deferred tax reversal)	(2521.54)	–
(viii) Gain on transfer E&A business (net of tax) (vi)-(vii)	8556.78	–

ii. Major classes of assets and liabilities of Electrical & Automation business transferred:

₹ crore

Particulars	As at date of sale
Group(s) of assets classified as held for sale:	
Property, plant and equipment	655.04
Capital work-in-progress	11.22
Intangible assets	174.97
Intangible assets under development	130.46
Loans	2.03
Inventories	641.50
Trade receivables	701.11
Other assets	231.69
Total	2548.02
Liabilities related to group(s) of assets classified as held for sale:	
Trade payables	591.74
Provisions	91.32
Other liabilities	347.67
Total	1030.73
Carrying amount of net assets sold	1517.29

Notes forming part of the Financial Statements (contd.)

NOTE [39]

Disclosure pursuant to Ind AS 105 "Non-current assets held for sale and discontinued operations" *(contd.)*

iii. Summarised Statement of Cash Flows of discontinued operations:

₹ *crore*

Particulars	2020-21	*2019-20*
Cash flow from operating activities	(2.48)	*560.79*
Cash flow from investing activities[1]	(60.37)	*(110.13)*
Cash flow from financing activities	–	–

Activities related to borrowings and investments of surplus funds have been managed at Corporate and accordingly form part of unallocable corporate assets/liabilities (refer Note 40). There are no borrowings or investments specifically allocable to EAIC business.

[1] represents additions & deletions to property, plant and equipment and intangible assets adjusted for movement of (a) capital work-in-progress for property, plant and equipment and investment property and (b) Intangible assets under development during the year.

iv. Major classes of assets and liabilities classified as held for sale:

₹ *crore*

Particulars	As at 31-3-2021	*As at 31-3-2020*
Group(s) of assets classified as held for sale:		
Property, plant and equipment	–	*594.72*
Capital work-in-progress	–	*21.79*
Intangible assets	–	*173.80*
Intangible assets under development	–	*122.25*
Loans	–	*1.78*
Inventories	–	*763.30*
Trade receivables	–	*905.29*
Cash and bank balances	–	*0.07*
Other assets	–	*196.74*
Total	–	*2779.74*
Liabilities related to group(s) of assets classified as held for sale:		
Trade payables	–	*937.95*
Provisions	–	*126.53*
Other liabilities	–	*303.10*
Total	–	*1367.58*
Amount recognised in OCI (cumulative) related to disposal group assets		
Hedging Reserve (net of tax) [gain/(loss)]	(1.08)	*1.08*
Gain/(loss) on remeasurement of the defined benefits plan (net of tax)	(1.55)	*(6.18)*

Above assets and liabilities form part "Electrical & Automation" segment [refer Note 40].

(b) Assets held for sale as of March 31, 2020 also included:

i. Plant & Equipment of ₹ 0.20 crore situated at Hazira, Gujarat. The asset forms part of "Defence Engineering" Segment [refer Note 40].

ii. Building of ₹ 0.43 crore situated at Chennai, Tamil Nadu. The asset forms part of Realty business which is reported under "Others" segment [refer Note 40].

Notes forming part of the Financial Statements (contd.)

NOTE [40]

Disclosure pursuant to Ind AS 108 "Operating Segment"

(a) Information about reportable segment

₹ crore

Particulars	For the year ended 31-3-2021			*For the year ended 31-3-2020*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Revenue						
Infrastructure	58111.66	252.49	58364.15	*68852.94*	*341.47*	*69194.41*
Power	3177.24	15.40	3192.64	*2300.06*	*18.40*	*2318.46*
Heavy Engineering	3016.98	1.25	3018.23	*3197.96*	*6.95*	*3204.91*
Defence Engineering	3409.99	0.13	3410.12	*3693.41*	*5.75*	*3699.16*
Electrical & Automation (discontinued operations) (refer Note 39(a)(i))	1239.01	23.73	1262.74	*4463.78*	*93.56*	*4557.34*
Others	5599.72	61.14	5660.86	*4339.28*	*27.87*	*4367.15*
Sub-total	74554.60	354.14	74908.74	*86847.43*	*494.00*	*87341.43*
Less: Revenue of discontinued operations	1239.01	23.73	1262.74	*4463.78*	*93.56*	*4557.34*
Less: Inter-segment revenue	–	330.41	330.41	*–*	*400.44*	*400.44*
Total	73315.59	–	73315.59	*82383.65*	*–*	*82383.65*
Segment result [Profit /(loss) before interest and tax]						
Infrastructure			4274.16			*4815.64*
Power			111.42			*235.68*
Heavy Engineering			489.47			*565.15*
Defence Engineering			616.98			*544.98*
Electrical & Automation (discontinued operations) (refer Note 39(a)(i))			120.91			*865.38*
Others			773.64			*436.52*
Total			6386.58			*7463.35*
Result of discontinued operations			(120.91)			*(865.38)*
Inter-segment margins on capital jobs			(11.11)			*(44.27)*
Unallocable corporate income net of expenditure			3421.41			*2071.78*
Interest expense			(2419.55)			*(2266.56)*
Exceptional items [refer Note 59]			(2818.65)			*626.99*
Profit before tax			4437.77			*6985.91*
Current tax			(1434.27)			*(1525.60)*
Deferred tax			(317.01)			*564.45*
Net profit after tax from continuing operations			2686.49			*6024.76*
Profit before tax from discontinued operations			11199.23			*865.38*
Tax expense of discontinued operations			(2548.75)			*(210.93)*
Net profit after tax from discontinued operations			8650.48			*654.45*
Net profit after tax from continuing operations & discontinued operations			11336.97			*6679.21*

₹ crore

Particulars	Segment assets		Segment liabilities	
	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
Infrastructure	71165.62	*72389.10*	48169.76	*47589.89*
Power	5518.52	*5000.45*	4672.13	*4381.75*
Heavy Engineering	3165.37	*3255.02*	1430.07	*1415.24*
Defence Engineering	5843.61	*7112.25*	3766.93	*4119.88*
Electrical & Automation (discontinued operations) (refer Note 39(a)(iv))	–	*2779.74*	–	*1367.58*
Others	6967.26	*6493.24*	4377.18	*3105.39*
Total	92660.38	*97029.80*	62416.07	*61979.73*
Unallocable corporate assets/liabilities	56162.14	*45167.17*	25992.91	*28041.89*
Inter- segment assets/liabilities	(869.96)	*(640.38)*	(869.96)	*(640.38)*
Total assets/liabilities	147952.56	*141556.59*	87539.02	*89381.24*

Notes forming part of the Financial Statements (contd.)

NOTE [40]

Disclosure pursuant to Ind AS 108 "Operating Segment" *(contd.)*

₹ crore

Particulars	Depreciation, amortisation, impairment & obsolescence included in segment expenses		Other non-cash expenses included in segment expense		Finance cost included in segment expense		Interest income included in segment expense		Additions to non-current assets	
	For the year ended 31-3-2021	*For the year ended 31-3-2020*	For the year ended 31-3-2021	*For the year ended 31-3-2020*	For the year ended 31-3-2021	*For the year ended 31-3-2020*	For the year ended 31-3-2021	*For the year ended 31-3-2020*	For the year ended 31-3-2021	*For the year ended 31-3-2020*
Infrastructure	667.67	*652.91*	33.53	*39.76*	276.08	*379.58*	6.02	*20.08*	1111.21	*1234.84*
Power	35.58	*38.07*	0.48	*0.94*	–	–	–	*58.21*	55.88	*97.67*
Heavy Engineering	47.21	*46.29*	0.82	*1.18*	–	–	–	–	36.32	*176.76*
Defence Engineering	136.69	*139.65*	1.14	*1.40*	–	–	–	–	56.83	*157.72*
Electrical & Automation [Discontinued operations]	0.69	*43.35*	2.14	*2.50*	–	–	–	–	66.58	*201.05*
Others	43.01	*34.77*	2.39	*1.22*	–	–	–	–	600.10	*379.37*
Total	930.85	*955.04*	40.50	*47.00*	276.08	*379.58*	6.02	*78.29*	1926.92	*2247.41*
Unallocated corporate	95.46	*108.82*	1.95	*2.90*	(276.08)	*(379.58)*	(6.02)	*(78.29)*	1809.22	*852.08*
Inter-segment	–	–	–	–	–	–	–	–	(1020.78)	*(8.64)*
Total	1026.31	*1063.86*	42.45	*49.90*	–	–	–	–	2715.36	*3090.85*

Note : There is no impairment in non-financial assets of the segments. Unallocable corporate expenses include impairment loss of ₹ 0.10 crore for the year ended March 31,2021 *(previous year: ₹ 2.09 crore)*

(b) Geographical information

₹ crore

Particulars	Revenue by location of project	
	For the year ended 31-3-2021	*For the year ended 31-3-2020*
India (i)	57501.79	*68216.73*
Foreign countries:		
United Arab Emirates	1643.01	*3073.72*
Saudi Arabia	2723.65	*1549.48*
Qatar	1620.10	*3559.21*
Kuwait	2603.47	*2327.60*
Other countries	8462.58	*8120.69*
Total foreign countries (ii)	17052.81	*18630.70*
Total (i+ii)	74554.60	*86847.43*
Less: Discontinued operations	1239.01	*4463.78*
Total	73315.59	*82383.65*

₹ crore

Particulars	Non-current assets	
	As at 31-3-2021	*As at 31-3-2020*
India (i)	12016.40	*12402.07*
Foreign countries (ii)	270.36	*304.45*
Total (i+ii)	12286.76	*12706.52*

(c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.

Notes forming part of the Financial Statements (contd.)

NOTE [40]

Disclosure pursuant to Ind AS 108 "Operating Segment" *(contd.)*

(d) The Company's reportable segments are organised based on the nature of products and services offered by these segments.

(e) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:

(i) Basis of identifying Operating segments:

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components); (b) whose operating results are regularly reviewed by the Company's executive management to make decisions about resource allocation and performance assessment; and (c) for which discrete financial information is available.

The Company has five reportable segments as described under "Segment composition" below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

ii) Reportable segments

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

iii) Segment profit

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the corporate executive management.

iv) Segment composition

- **Infrastructure segment** comprises engineering and construction of building and factories, transportation infrastructure, heavy civil infrastructure, power transmission & distribution, water & effluent treatment and metallurgical & material handling systems.
- **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages.
- **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas and Thermal & Nuclear Power.
- **Defence engineering segment** comprises (a) design, development, serial production and through life-support of equipment, systems and platforms for Defence and Aerospace sectors and (b) design, construction, and repair/refit of defence vessels.
- **Electrical & Automation segment** (disclosed as discontinued operation) comprises manufacture and sale of low and medium voltage switchgear components, custom-built low and medium voltage switchboards, electronic energy meters/ protection (relays) systems and control & automation products [upto the date of transfer].
- **Others segment** includes realty, smart world & communication projects (including military communications), hydrocarbon, marketing and servicing of construction & mining machinery and parts thereof and manufacture and sale of rubber processing machinery.

Notes forming part of the Financial Statements (contd.)

NOTE [41]

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

(a) Disaggregation of revenue into Operating Segments and Geographical areas

i. For the year ended March 31, 2021:

₹ crore

Segment	Revenue as per Ind AS 115			Other Revenue	Total as per Profit and Loss/Segment reporting
	Domestic	Foreign	Total		
Infrastructure	45169.72	12579.42	57749.14	362.52	58111.66
Power	3004.35	148.25	3152.60	24.64	3177.24
Heavy Engineering	1482.23	1491.86	2974.09	42.89	3016.98
Defence Engineering	2579.36	823.24	3402.60	7.39	3409.99
Electrical & Automation (discontinued operations)	1071.33	158.23	1229.56	9.45	1239.01
Others	3333.41	1830.45	5163.86	435.86	5599.72
Total	56640.40	17031.45	73671.85	882.75	74554.60
Less: Electrical & Automation (discontinued operations)	1071.33	158.23	1229.56	9.45	1239.01
Revenue for continuing operations	55569.07	16873.22	72442.29	873.30	73315.59

ii. For the year ended March 31, 2020:

₹ crore

Segment	Revenue as per Ind AS 115			Other Revenue	Total as per Profit and Loss/Segment reporting
	Domestic	Foreign	Total		
Infrastructure	*53817.17*	*14812.74*	*68629.91*	*223.03*	*68852.94*
Power	*1849.87*	*385.96*	*2235.83*	*64.23*	*2300.06*
Heavy Engineering	*1735.83*	*1428.48*	*3164.31*	*33.65*	*3197.96*
Defence Engineering	*3347.80*	*342.42*	*3690.22*	*3.19*	*3693.41*
Electrical & Automation (discontinued operations)	*3963.15*	*493.46*	*4456.61*	*7.17*	*4463.78*
Others	*3165.93*	*1164.62*	*4330.55*	*8.73*	*4339.28*
Total	*67879.75*	*18627.68*	*86507.43*	*340.00*	*86847.43*
Less: Electrical & Automation (discontinued operations)	*3963.15*	*493.46*	*4456.61*	*7.17*	*4463.78*
Revenue for continuing operations	*63916.60*	*18134.22*	*82050.82*	*332.83*	*82383.65*

(b) Out of the total revenue recognised under Ind AS 115 during the year, ₹ 68472.64 crore *(previous year: ₹ 78785.01 crore)* is recognised over a period of time and ₹ 5199.21 crore *(previous year: ₹ 7722.42 crore)* is recognised at a point in time.

Notes forming part of the Financial Statements (contd.)

NOTE [41]

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers" *(contd.)*

(c) Movement in Expected Credit Loss during the year:

₹ crore

Particulars	Provision on Trade Receivables covered under Ind AS 115		Provision on Contract Assets	
	2020-21	*2019-20*	2020-21	*2019-20*
Balance as at April 1	2378.28	*2270.62*	765.39	*639.20*
Changes in loss allowance for expected credit loss:				
Provision/(reversal) of allowance for expected credit loss	261.83	*334.21*	125.89	*127.12*
Additional provision (net) towards credit impaired receivables	206.47	*32.69*	19.45	*–*
Written off as bad debts	(367.60)	*(157.19)*	–	*–*
Less: Balance classified as held for sale	–	*102.05*	–	*0.93*
Balance as at March 31	2478.98	*2378.28*	910.73	*765.39*

(d) Contract balances:

i. Movement in contract balances during the year.

₹ crore

Particulars	2020-21			*2019-20*		
	Contract Assets	Contract Liabilities	Net contract balances	*Contract Assets*	*Contract Liabilities*	*Net contract balances*
Opening balance as at April 01	44988.94	20057.25	24931.69	*40264.90*	*21272.46*	*18992.44*
Closing balance as at March 31	41668.54	20410.10	21258.44	*44988.94*	*20057.25*	*24931.69*
Net Increase/(decrease)	(3320.40)	352.85	(3673.25)	*4724.04*	*(1215.21)*	*5939.25*

Balances do not include balances classified as held for sale.

i. During the current year, decrease in net contract balances is primarily due to higher progress bills raised as compared to revenue recognition.

During the previous year, increase in net contract balances is primarily due to higher revenue recognition as compared to progress bills raised.

ii. Revenue recognised from opening balance of contract liabilities amounts to ₹ 4270.78 crore *(previous year: ₹ 4689.36 crore).*

iii. Revenue recognised from the performance obligation satisfied (or partially satisfied) upto previous year (arising out of contract modifications) amounts to ₹ 26.40 crore *(previous year: ₹ 19.25 crore).*

(e) Cost to obtain the contract:

i. Amortisation in Statement of Profit and Loss: Nil *(previous year: Nil)*

ii. Recognised as contract assets at March 31, 2021: Nil *(previous year: Nil)*

Notes forming part of the Financial Statements (contd.)

NOTE [41]

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers" *(contd.)*

(f) Reconciliation of contracted price with revenue during the year:

₹ crore

Particulars	2020-21	2019-20
Opening contracted price of orders as at start of the year [1]	596908.10	*541935.92*
Add:		
Fresh orders/change orders received (net)	116231.68	*113725.79*
Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction-net	(20645.59)	*(23309.98)*
Increase/(decrease) due to exchange rate movements (net)	(556.37)	*3712.25*
Less:		
Orders completed during the year	65867.70	*39155.88*
On account of business transfer	2603.95	–
Closing contracted price of orders as at the end of the year[1]	623466.17	*596908.10*
Total Revenue recognised during the year:	73671.75	*86507.43*
a. Revenue out of orders completed during the year	5731.96	*8236.06*
b. Revenue out of orders under execution at the end of the year (I)	67939.79	*78271.37*
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	283190.65	*265885.42*
Increase/(decrease) due to exchange rate movements (III)	(321.75)	*1260.01*
Balance revenue to be recognised in future viz. Order book (IV)	272657.48	*251491.30*
Closing contracted price of orders as at the end of the year[1] (I+II+III+IV)	623466.17	*596908.10*
Closing contracted price of orders as at the end of the year - Continuing operations	623466.17	*594723.33*
Closing contracted price of orders as at the end of the year - Discontinued operations		*2184.77*

[1] including full value of partially executed contracts.

(g) Outstanding performance and Time for its expected conversion to Revenue:

₹ crore

Outstanding performance		Total	Time for expected conversion to Revenue					
			Upto 1 Year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Beyond 5 years
As at 31-3-2021	Continuing operations	272657.48	97046.33	89355.85	56865.02	16906.38	5676.23	6807.67
As at 31-3-2020	*Total*	*251491.30*	*89106.26*	*85065.38*	*52195.32*	*17343.83*	*3951.19*	*3829.32*
	Continuing operations	*250162.34*	*87947.19*	*85018.42*	*52165.14*	*17320.66*	*3933.74*	*3777.19*
	Discontinued operations	*1328.96*	*1159.07*	*46.96*	*30.18*	*23.17*	*17.45*	*52.13*

Notes forming part of the Financial Statements (contd.)

NOTE [42]

Disclosure pursuant to Ind AS 1 "Presentation of financial statements":

a. Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

₹ crore

Particulars	Note	As at 31-3-2021			*As at 31-3-2020*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
Inventories	9	2188.28	670.28	2858.56	*1521.49*	*1248.41*	*2769.90*
Trade receivables	11	28919.84	1028.40	29948.24	*27352.66*	*560.30*	*27912.96*
Loans	14	433.69	1.22	434.91	*515.13*	*0.01*	*515.14*
Other financial assets	15	1693.04	0.01	1693.05	*1997.58*	*0.01*	*1997.59*
Other current assets	16	38638.76	7840.59	46479.35	*41457.51*	*8204.10*	*49661.61*

b. Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

₹ crore

Particulars	Note	As at 31-3-2021			*As at 31-3-2020*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
Trade payables:							
Due to micro enterprises and small enterprises		278.34	73.13	351.47	*323.62*	*56.26*	*379.88*
Due to others	25	35643.99	1474.34	37118.33	*34823.16*	*1426.35*	*36249.51*
Lease liability		65.52	38.66	104.18	*81.69*	*50.58*	*132.27*
Other financial liabilities	26	2136.89	22.52	2159.41	*1690.15*	*18.94*	*1709.09*
Other current liabilities	27	16831.46	4668.03	21499.49	*16060.48*	*4697.57*	*20758.05*
Provisions	28	1128.45	191.56	1320.01	*1375.38*	*180.01*	*1555.39*

NOTE [43]

Disclosure with regard to changes in liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows":

₹ crore

Sr. No.	Particulars	Non-current borrowings (Note 19)	Current borrowings (Note 23)	Current maturities of long-term borrowings (Note 24)	Lease liability	Total
1	Balance as at 1-4-2019	3772.07	4086.16	4131.46	–	11989.69
2	Lease liability recognised on Ind AS 116 transition	(0.07)	–	–	125.70	125.63
3	Additions to lease liability	–	–	–	98.70	98.70
4	Changes from financing cash flows	6617.46	10804.33	(4209.10)	(67.95)	13144.74
5	The effect of changes in foreign exchange rates	22.52	137.79	130.00	–	290.31
7	Interest accrued	146.20	15.83	185.46	–	347.49
8	Other changes (transfer within categories)	(3372.47)	–	3372.47	–	–
9	Conversion into Equity	–	–	(54.81)	–	(54.81)
10	Balance as at 31-3-2020	7185.71	15044.11	3555.48	156.45	25941.75

Notes forming part of the Financial Statements (contd.)

NOTE [43]

Disclosure with regard to changes in liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows": *(contd.)*

₹ crore

Sr. No.	Particulars	Non-current borrowings (Note 19)	Current borrowings (Note 23)	Current maturities of long-term borrowings (Note 24)	Lease liability	Total
11	Additions to lease liability	–	–	–	109.15	109.15
12	Changes from financing cash flows	9117.73	(7959.32)	(3396.88)	(91.45)	(2329.92)
13	Changes on account of lease termination/ lease concessions	–	–	–	(9.98)	(9.98)
14	The effect of changes in foreign exchange rates	(37.43)	(125.57)	(1.31)	–	(164.31)
15	Interest accrued	610.77	(18.28)	(166.30)	–	426.19
16	Other changes (transfer within categories)	(1008.57)	–	1008.57	–	–
17	Balance as at 31-3-2021	15868.21	6940.94	999.56	164.17	23972.88

Amounts reported in the Statement of Cash Flows under financing activities:

₹ crore

Particulars	2020-21	*2019-20*
Proceeds from non-current borrowings	9117.73	*6617.46*
Repayment of non-current borrowings	(3396.88)	*(4209.10)*
(Repayments)/proceeds from other borrowings (net)	(7959.32)	*10804.33*
Repayment of lease liability	(91.45)	*(67.95)*
Total changes from financing cash flows (refer to Sr.No 4 & 12 *supra*)	(2329.92)	*13144.74*

Notes forming part of the Financial Statements (contd.)

[NOTE 44]

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
1.	Profit or Loss section		
	(i) Current Income tax :		
	Current income tax expense	3604.55	*1756.13*
	Tax expense of earlier years	(68.95)	*(60.68)*
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	764.43	*(145.33)*
	Minimum alternate tax (MAT) credit	–	*230.23*
	Effect of previously unrecognised tax losses on which deferred tax benefit is recognised	–	*(787.94)*
	Effect on deferred tax balances due to the change in income tax rate	–	*179.67*
	Income tax expense reported in Profit or Loss [(i)+(ii)]	4300.03	*1172.08*
	Income tax expense is attributable to:		
	Profit from continuing operations (including exceptional items)	1751.28	*961.15*
	Profit from discontinued operation	2548.75	*210.93*
		4300.03	*1172.08*
2.	Other comprehensive income (OCI) Section:		
	(i) Items not to be reclassified to Profit or Loss in subsequent periods:		
	Current tax expense/(income):		
	On remeasurement of defined benefit plans	10.78	*(43.81)*
		10.78	*(43.81)*
	(ii) Items to be reclassified to Profit or Loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On gain/(loss) on cash flow hedges other than mark to market	(2.45)	*36.29*
	On foreign currency translation of joint operations	–	*–*
		(2.45)	*36.29*
	(B) Deferred Tax:		
	On mark to market gain/(loss) on cash flow hedges	106.79	*(83.89)*
	Net gain/(loss) on cost of hedge reserve	3.41	*(7.11)*
	On gain/(loss) fair value of debt securities	54.79	*34.28*
	On foreign currency translation of joint operations	4.42	*(4.45)*
		169.41	*(61.17)*
	Income tax expense reported in the OCI section [(i)+(ii)]	177.74	*(68.69)*
3.	Retained earnings:		
	Deferred Tax	–	*(1.86)*
	Income tax expense/(income) reported in retained earnings	–	*(1.86)*

Notes forming part of the Financial Statements (contd.)

[NOTE 44]

Disclosure pursuant to Ind AS 12 "Income Taxes" *(contd.)*

(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
(1)	Profit before tax from:		
	Continuing operations (including exceptional items)	4437.77	*6985.91*
	Discontinued operations	11199.23	*865.38*
		15637.00	*7851.29*
(2)	Corporate tax rate as per Income Tax Act, 1961	25.17%	*25.17%*
(3)	Tax on Accounting profit (3) = (1) * (2)	3935.52	*1976.01*
(4)	(i) Tax on Income exempt from tax :		
	(A) Dividend Income	–	*(347.18)*
	(B) Long-term capital gains exempt from tax	–	*(121.27)*
	(C) Interest on tax free bonds	–	*(1.04)*
	(ii) Tax on expenses not tax deductible:		
	(A) CSR expenses	36.63	*36.57*
	(B) Expenses in relation to exempt income	–	*36.42*
	(C) Tax on employee perquisites borne by the Company	2.52	*2.08*
	(iii) Effect of previously unrecognised tax losses used to reduce deferred tax expense	–	*(787.94)*
	(iv) Tax effect on impairment recognised on which deferred tax asset is not recognised	725.44	*–*
	(v) Effect on deferred tax balances due to the change in income tax rate	–	*179.67*
	(vi) Effect of current tax related to earlier years	(68.95)	*(60.68)*
	(vii) Effect of lower tax rate on long-term capital gains	(266.65)	*–*
	(viii) Tax effect of losses in joint operation of current year on which no deferred tax benefit is recognised	6.95	*3.87*
	(ix) Tax effect on various other items	(71.43)	*25.34*
	(x) Reversal of MAT credit entitlement	–	*230.23*
	Total effect of tax adjustments [(i) to (x)]	364.51	*(803.93)*
(5)	Tax expense recognised during the year (5)=(3)+(4)	4300.03	*1172.08*
(6)	Effective tax rate (6)=(5)/(1)	27.50%	*14.93%*

Notes forming part of the Financial Statements (contd.)

[NOTE 44]

Disclosure pursuant to Ind AS 12 "Income Taxes" *(contd.)*

(c) (i) Unused tax losses for which no deferred tax asset (DTA) is recognised in Balance Sheet:

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Base Amount (₹ crore)	Deferred Tax (₹ crore)	Expiry date	*Base Amount (₹ crore)*	*Deferred Tax (₹ crore)*	*Expiry date*
Business loss and unabsorbed depreciation[1]						
- Amount of losses having expiry	–	–	–	*2028.43*	*510.52*	*FY 2020-21 to FY 2027-28*
- Amount of losses having no expiry	–	–	–	*981.38*	*246.99*	
Total	–	–	–	*3009.81*	*757.51*	

[1] All unused losses as at March 31, 2020 have been set off while filing the Return of Income during the year.

(ii) Unrecognised deductible temporary differences for which no deferred tax asset (DTA) is recognised in Balance Sheet

₹ crore

Sr. No.	Particulars	As at 31-3-2021		*As at 31-3-2020*	
		Base Amount	Deferred Tax	*Base Amount*	*Deferred Tax*
1.	Deductible temporary differences towards provision for diminution in value of investments on which DTA not created	5849.36	1379.88	*2966.98*	*686.82*
2.	Temporary differences arising out of revaluation of tax base of assets (on account of indexation benefit)	7429.85	1699.95	*6541.94*	*1496.80*
3.	Other items giving rise to temporary differences	–	–	*78.08*	*19.65*
	Total	13279.21	3079.83	*9587.00*	*2203.27*

(d) Components of deferred tax (assets) and liabilities recognised in the Balance Sheet and Statement of Profit and Loss

₹ crore

Sr. No.	Particulars	Balance Sheet		Statement of Profit or Loss	
		As at 31-3-2021	*As at 31-3-2020*	2020-21	*2019-20*
1.	Disputed statutory liability claimed on payment basis u/s 43B of the Income Tax Act, 1961	165.51	*124.73*	40.78	*(30.84)*
2.	Items disallowed u/s 43B of Income Tax Act, 1961	(184.36)	*(243.05)*	58.69	*14.84*
3.	Provision for doubtful debt and advances	(900.19)	*(877.60)*	(22.59)	*170.65*
4.	Difference in book depreciation and income tax depreciation	288.14	*406.52*	(118.38)	*(101.23)*
5.	Gain/(Loss) on derivative transactions	65.60	*(44.97)*	–	*–*
6.	Minimum alternate tax credit	–	*–*	–	*230.23*
7.	Deferred tax on capital losses	–	*(787.94)*	787.94	*(787.94)*
8.	Other temporary differences	71.30	*(5.89)*	17.99	*(19.08)*
	Deferred tax expense/(income)			764.43	*(523.37)*
	Net deferred tax (assets)/liabilities	(494.00)	*(1428.20)*		

Notes forming part of the Financial Statements (contd.)

[NOTE 44]

Disclosure pursuant to Ind AS 12 "Income Taxes" *(contd.)*

(e) Reconciliation of deferred tax (assets)/liabilities

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
1.	Balance as at April 1	(1428.20)	*(841.86)*
2.	Tax (income)/expense recognised in opening Retained earnings	–	*(1.86)*
3.	Tax (income)/expense during the period recognised in:		
	(i) Statement of Profit and Loss in Profit or Loss section	764.43	*(523.37)*
	(ii) Statement of Profit and Loss under OCI section	169.41	*(61.17)*
	(iii) Hedge reserve (other than through OCI)	0.36	*0.06*
4.	Balance as at March 31	(494.00)	*(1428.20)*

NOTE [45]

Disclosure pursuant to Ind AS 19 "Employee Benefits"

i Defined contribution plans: [refer Note 1(ii)(k)(ii)(A)]: Amount of ₹ 85.63 crore *(previous year: ₹ 81.68 crore)* is recognised as an expense. Out of which ₹ 5.88 crore *(previous year: ₹ 6.54 crore)* pertains to discontinued operations.

ii Defined benefit plans: [refer Note 1(ii)(k)(ii)(B)]:

a) The amount recognised in Balance Sheet are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
A) Present value of defined benefit obligation								
-Wholly funded	574.00	*618.49*	–	–	–	–	2980.28	*2802.92*
-Wholly unfunded	80.04	*87.71*	303.38	*297.18*	374.03	*365.27*	–	–
	654.04	*706.20*	303.38	*297.18*	374.03	*365.27*	2980.28	*2802.92*
Less: Fair value of plan assets	573.58	*511.12*	–	–	–	–	3253.88	*2968.51*
Amount to be recognised as liability/(asset)	80.46	*195.08*	303.38	*297.18*	374.03	*365.27*	(273.60)	*(165.59)*
B) Amounts reflected in the Balance Sheet								
Liabilities	80.46	*194.38*	303.38	*284.60*	374.03	*365.27*	22.73	*25.55*
Assets	–	–	–	–	–	–	–	–
Net liability/(asset)	80.46	*194.38*	303.38	*284.60*	374.03	*365.27*	22.73	*25.55*
Net liability/(asset) - current	80.46	*194.38*	13.22	*13.01*	25.17	*25.64*	22.73 [1]	*25.55* [1]
Net liability/(asset) - Non-current	–	–	290.16	*271.60*	348.86	*339.63*	–	–
Net liability/(asset) classified as Held for sale	–	*0.70*	–	*12.57*	–	–	–	–

[1] Employer's and employee's contribution due towards Provident Fund.

Notes forming part of the Financial Statements (contd.)

NOTE [45]

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

b) The amounts recognised in Statement of Profit and Loss are as follows:

₹ *crore*

	Particulars	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
		2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*
1	Current service cost	71.91	*73.66*	11.57	*10.87*	3.91	*3.42*	70.43	*71.76*
2	Interest cost	35.44	*34.39*	18.76	*14.45*	23.37	*23.98*	236.27	*215.97*
3	Interest income on plan assets	(32.82)	*(31.41)*	–	*–*	–	*–*	(236.27)	*(215.97)*
4	Actuarial losses/(gains) - others	(3.30)	*79.87*	0.25	*86.60*	5.56	*27.25*	–	*–*
5	Actuarial losses/(gains) - difference between actual return on plan assets and interest income	(45.32)	*(19.12)*	–	*–*	–	*–*	(94.28)	*(134.52)*
6	Past service cost	–	*0.17*	–	*–*	–	*–*	–	*–*
7	Actuarial gain/(loss) not recognised in books	–	*–*	–	*–*	–	*–*	94.28	*134.52*
8	Amount capitalised out of the above/ recovered from S&A	(0.01)	*(0.10)*	(0.02)	*(0.03)*	–	*–*	–	*–*
	Total (1 to 8)	25.90	*137.46*	30.56	*111.89*	32.84	*54.65*	70.43	*71.76*
i	Amount included in "Employee benefits expense"	69.71	*69.42*	11.11	*9.97*	3.91	*3.42*	67.32	*64.83*
ii	Amount included as part of "Finance cost"	2.62	*3.01*	18.76	*14.45*	23.37	*23.98*	–	*–*
iii	Amount included as part of "Other comprehensive income"	(48.63)	*60.75*	0.25	*86.60*	5.56	*27.25*	–	*–*
iv	Amount included in "Profit from discontinued operations"	2.20	*4.28*	0.44	*0.87*	–	*–*	3.11	*6.93*
	Total (i+ii+iii+iv)	25.90	*137.46*	30.56	*111.89*	32.84	*54.65*	70.43	*71.76*
	Actual return on plan assets	78.14	*50.48*	–	*–*	–	*–*	330.55	*350.49*

c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

₹ *crore*

	Gratuity plan		Post-retirement medical benefit plan		Company pension plan		Trust-managed provident fund plan	
	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*
Opening balance of the present value of defined benefit obligation	706.20	*600.40*	297.18	*197.10*	365.27	*332.88*	2802.92	*2503.86*
Add: Current service cost	71.91	*73.66*	11.57	*10.87*	3.91	*3.42*	70.43	*71.76*
Add: Interest cost	35.44	*34.39*	18.76	*14.45*	23.37	*23.98*	236.27	*215.97*
Add: Contribution by plan participants								
i) Employee	–	*–*	–	*–*	–	*–*	212.80	*210.83*
ii) Transfer-in/(out)	(1.43)	*–*	–	*–*	–	*–*	55.00	*51.00*
Add/(less): Actuarial losses/(gains) arising from changes in:								
i) demographic assumptions	(1.18)	*(7.54)*	6.67	*6.11*	–	*(0.04)*	–	*–*
ii) financial assumptions	8.36	*74.56*	8.15	*32.29*	5.96	*23.97*	–	*–*
iii) experience adjustments	(10.48)	*12.85*	(14.57)	*48.20*	(0.40)	*3.32*	–	*–*
Less: Benefits paid	(151.59)	*(88.31)*	(24.38)	*(11.84)*	(24.08)	*(22.26)*	(397.14)	*(251.08)*
Add: Past service cost	–	*0.17*	–	*–*	–	*–*	–	*–*
Less: Business transfer	(0.70)	*–*	–	*–*	–	*–*	–	*–*
Add/(less): Translation adjustments	(2.49)	*6.02*	–	*–*	–	*–*	(0.001)	*0.58*
Closing balance of the present value of defined benefit obligation	654.04	*706.20*	303.38	*297.18*	374.03	*365.27*	2980.28	*2802.92*

Notes forming part of the Financial Statements (contd.)

NOTE [45]

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ *crore*

Particulars	Gratuity plan		Trust-managed provident fund plan	
	2020-21	*2019-20*	2020-21	*2019-20*
Opening balance of the fair value of the plan assets	511.12	*433.39*	2968.51	*2516.99*
Add: Interest income on plan assets[1]	32.82	*31.41*	236.27	*215.97*
Add/(less): Actuarial gains/(losses)				
Difference between actual return on plan assets and interest income	45.32	*19.12*	94.28	*134.52*
Add: Contribution by the employer	103.34	*62.22*	71.49	*76.99*
Add/(less): Transfer in/(out)	(0.82)	*0.09*	54.99	*51.00*
Add: Contribution by plan participants	–	*–*	225.48	*224.11*
Less: Benefits paid	(118.20)	*(35.11)*	(397.14)	*(251.07)*
Closing balance of the plan assets	573.58	*511.12*	3253.88	*2968.51*

[1] Basis used to determine interest income on plan assets: The Trust formed by the Company manages the investments of provident funds and gratuity fund. Interest income on plan assets is determined by multiplying the fair value of the plan assets by the discount rate determined at the start of the annual reporting period.

The Company expects to fund NIL *(previous year: ₹ 103.05 crore)* towards its gratuity plan and ₹ 81.06 crore *(previous year: ₹ 79.24 crore)* towards its trust-managed provident fund plan during the year 2021-22.

e) The fair value of major categories of plan assets are as follows:

₹ *crore*

Particulars	Gratuity plan					
	As at 31-3-2021			*As at 31-3-2020*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	48.60	48.60	*–*	*2.05*	*2.05*
Equity instruments	19.98	–	19.98	*10.24*	*–*	*10.24*
Debt instruments - Corporate Bonds	246.65	0.31	246.96	*229.45*	*–*	*229.45*
Debt instruments - Central Government Bonds	166.67	–	166.67	*140.89*	*–*	*140.89*
Debt instruments - State Government Bonds	97.14	–	97.14	*90.66*	*–*	*90.66*
Debt instruments - PSU Bonds	21.64	–	21.64	*8.74*	*–*	*8.74*
Mutual funds – Equity	20.00	19.90	39.90	*11.62*	*9.35*	*20.97*
Mutual funds – Debt	–	3.17	3.17	*–*	*–*	*–*
Mutual funds – Others	–	2.89	2.89	*0.25*	*2.62*	*2.87*
Insurer managed funds	–	–	–	*–*	*0.82*	*0.82*
Fixed Deposits	–	3.44	3.44	*–*	*3.00*	*3.00*
Special Deposit Scheme	–	1.48	1.48	*–*	*1.49*	*1.49*
Other (payables)/receivables	–	(78.29)	(78.29)	*–*	*(0.06)*	*(0.06)*
Closing balance of the plan assets	572.08	1.50	573.58	*491.85*	*19.27*	*511.12*

Notes forming part of the Financial Statements (contd.)

NOTE [45]

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

₹ crore

Particulars	Trust-managed provident fund plan					
	As at 31-3-2021			*As at 31-3-2020*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	31.22	31.22	*–*	*17.12*	*17.12*
Equity instruments	60.69	–	60.69	*11.84*	*–*	*11.84*
Debt instruments - Corporate Bonds	942.78	23.77	966.55	*841.07*	*–*	*841.07*
Debt instruments - Central Government Bonds	723.82	–	723.82	*646.52*	*–*	*646.52*
Debt instruments - State Government Bonds	724.52	–	724.52	*717.25*	*–*	*717.25*
Debt instruments - PSU Bonds	395.66	–	395.66	*454.38*	*–*	*454.38*
Mutual funds – Equity	67.82	86.63	154.45	*44.77*	*40.64*	*85.41*
Mutual funds – Debt	–	15.17	15.17	*–*	*–*	*–*
Mutual funds – Others	–	–	–	*6.48*	*–*	*6.48*
Special Deposit Scheme	–	181.78	181.78	*–*	*188.43*	*188.43*
Other (payables)/receivables	0.03	(0.01)	0.02	*0.01*	*–*	*0.01*
Closing balance of the plan assets	2915.32	338.56	3253.88	*2722.32*	*246.19*	*2968.51*

f) The average duration of the defined benefit plan obligations at the end of the reporting period is as follows:

	Plans	As at 31-3-2021	*As at 31-3-2020*
1)	Gratuity plan	7.77	*7.24*
2)	Post-retirement medical benefit plan	14.24	*13.88*
3)	Company pension plan	7.99	*7.78*

g) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	Particulars	As at 31-3-2021	*As at 31-3-2020*
i)	Discount rate:		
	a) Gratuity plan	6.44%	*6.63%*
	b) Company pension plan	6.44%	*6.63%*
	c) Post-retirement medical benefit plan	6.44%	*6.63%*
ii)	Annual increase in healthcare costs (refer note vii *infra*)	5.00%	*5.00%*
iii)	Salary growth rate:		
	a) Gratuity plan	6.00%	*6.00%*
	b) Company pension plan	9.00%	*8.00%*

iv) Attrition Rate:

a) For gratuity plan the attrition rate varies from 1% to 11% *(previous year: 1% to 11%)* for various age groups.

b) For company pension plan, the attrition rate varies from 0% to 2% *(previous year: 0% to 2%)* for various age groups.

c) For post-retirement medical benefit plan, the attrition rate varies from 1% to 11% *(previous year: 1% to 11%)* for various age groups.

v) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vi) The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long-term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and Loss.

vii) The obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits. At present, healthcare cost, as indicated in the principal actuarial assumption given *supra*, has been assumed to increase at 5.00% p.a.

Notes forming part of the Financial Statements (contd.)

NOTE [45]

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

viii) (A) One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of gratuity plan:

₹ *crore*

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2020-21	*2019-20*	2020-21	*2019-20*
Impact of change in salary growth rate	47.60	*47.34*	(42.20)	*(42.19)*
Impact of change in discount rate	(41.63)	*(41.58)*	47.88	*47.47*

(B) A one percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of Company pension plan:

₹ *crore*

Particular	Effect of 1% increase		Effect of 1% decrease	
	2020-21	*2019-20*	2020-21	*2019-20*
Impact of change in discount rate	(27.73)	*(27.14)*	31.98	*31.28*

(C) A one percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of post-retirement medical benefit plan:

₹ *crore*

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2020-21	*2019-20*	2020-21	*2019-20*
Impact of change in healthcare cost	21.30	*20.59*	(17.41)	*(16.91)*
Impact of change in discount rate	(39.10)	*(37.38)*	49.78	*47.25*

h) Characteristics of defined benefit plans and associated risks:

1 Gratuity plan:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary drawn for each completed year of service. The same is payable to vested employees at retirement, death while in employment or on termination of employment. The benefit vests after five years of continuous service. The Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972.

The defined benefit plan for gratuity of the Company is administered by separate gratuity funds that are legally separate from the Company. The trustees nominated by the Company are responsible for the administration of the plan. There are no minimum funding requirements of these plans. The funding of these plans are based on gratuity fund's actuarial measurement framework set out in the funding policies of the plan. These actuarial measurements are similar compared to the assumptions set out in (g) *supra*. Employees do not contribute to any of these plans.

Unfunded gratuity represents a small part of gratuity plan which is not material. Further, the unfunded portion includes amounts payable in respect of the Company's foreign operations which result in gratuity payable to employees engaged as per local laws of the country of operation.

2 Post-retirement medical care plan:

The post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

3 Company's pension plan:

In addition to contribution to state-managed pension plan (EPS scheme), the Company operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees. The quantum of pension depends on the cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

4 Trust managed provident fund plan:

The Company manages provident fund plan through a provident fund trust for its employees which is permitted under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan mandates contribution by employer at a fixed percentage of employee's salary. Employees also contribute to the plan at a fixed percentage of their salary as a minimum contribution and additional sums at their discretion. The plan guarantees interest at the rate notified by

Notes forming part of the Financial Statements (contd.)

NOTE [45]

Disclosure pursuant to Ind AS 19 "Employee Benefits" *(contd.)*

Employees' Provident Fund Organisation. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long-term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the Statement of Profit and Loss as actuarial loss. Any loss/gain arising out of the investment risk and actuarial risk associated with the plan is also recognized as expense or income in the period in which such loss/gain occurs.

All the above defined benefit plans expose the Company to general actuarial risks such as interest rate risk and market (investment) risk.

i) The Codes on Wages, 2019 and the Code on Social Security, 2020 have been enacted, however, the effective date from which changes are applicable are yet to be notified. The impact of the same would be given in the financial statements in the period in which the Codes become effective and the Rules/Schemes thereunder are notified.

NOTE [46]

Disclosure pursuant to Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance"

The Company's exports qualify for various export benefits offered in the form of duty credit scrips under foreign trade policy framed by Department General of Foreign Trade India (DGFT). Income accounted towards such export incentives and duty drawback amounts to ₹ 212.52 crore *(previous year: ₹ 119.68 crore)*.

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures"

(a) List of related parties over which control exist and status of transactions entered during the year:

Sr No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
1	L&T Realty Developers Limited [1]	Wholly Owned Subsidiary [WOS]	Yes
2	L&T Construction Equipment Limited [1]	WOS	Yes
3	L&T Realty Limited [1]	WOS	Yes
4	Bhilai Power Supply Company Limited	Subsidiary	No
5	L&T Electricals and Automation Limited	WOS	Yes
6	Kesun Iron and Steel Company Private Limited	Subsidiary	Yes
7	L&T Power Limited	Subsidiary	Yes
8	L&T Aviation Services Private Limited	WOS	Yes
9	L&T Capital Company Limited	WOS	Yes
10	L&T Infra Contractors Private Limited	WOS of L&T Capital Company Limited	No
11	Larsen & Toubro International FZE	WOS of L&T Global Holdings Limited	Yes
12	Larsen & Toubro (East Asia) SDN. BHD.	WOS of Larsen & Toubro International FZE	Yes
13	L&T Global Holdings Limited	WOS	Yes
14	L&T Cassidian Limited [2]	WOS	No
15	Larsen & Toubro Heavy Engineering LLC	Subsidiary of L&T Hydrocarbon Engineering Limited	Yes
16	L&T Hydrocarbon Engineering Limited	WOS	Yes
17	Larsen & Toubro Hydrocarbon International Limited LLC [3]	Subsidiary	No
18	L&T Modular Fabrication Yard LLC	Subsidiary of L&T Hydrocarbon Engineering Limited	Yes
19	L&T Overseas Projects Nigeria Limited [4]	WOS of Larsen & Toubro International FZE	No
20	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Subsidiary of L&T Hydrocarbon Engineering Limited	No
21	Larsen & Toubro Kuwait Construction General Contracting Company WLL	WOS of L&T Hydrocarbon Engineering Limited	Yes
22	Larsen Toubro Arabia LLC	Subsidiary	Yes
23	L&T Hydrocarbon Saudi Company	WOS of L&T Hydrocarbon Engineering Limited	Yes
24	Larsen & Toubro Electromech LLC	Subsidiary of L&T Hydrocarbon Engineering Limited	Yes

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

Sr No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
25	L&T Gulf Private Limited [5]	WOS of L&T Hydrocarbon Engineering Limited	Yes
26	Hi-Tech Rock Products and Aggregates Limited	WOS	Yes
27	L&T Geostructure Private Limited [6]	Subsidiary	Yes
28	L&T Geo – L&T JV for Maharatangarh project	WOS of L&T Geostructure Private Limited	No
29	L&T Geo – L&T UJV CMRL CS	WOS of L&T Geostructure Private Limited	No
30	L&T Infrastructure Engineering Limited	WOS	Yes
31	Larsen & Toubro (Oman) LLC	Subsidiary of Larsen & Toubro International FZE	Yes
32	Larsen & Toubro Qatar LLC [7]	WOS of Larsen & Toubro International FZE	Yes
33	Larsen & Toubro Saudi Arabia LLC	Subsidiary	Yes
34	Larsen & Toubro T&D SA (Proprietary) Limited	Subsidiary of Larsen & Toubro International FZE	No
35	L&T Seawoods Limited	WOS	Yes
36	L&T Asian Realty Project LLP	WOS of L&T Seawoods Limited	Yes
37	L&T Parel Project LLP	WOS of L&T Seawoods Limited	Yes
38	Chennai Vision Developers Private Limited	WOS of L&T Realty Developers Limited	Yes
39	L&T Vision Ventures Limited	Subsidiary of L&T Realty Developers Limited	Yes
40	L&T Westend project LLP	Subsidiary of L&T Realty Developers Limited	No
41	LTR SSM Private Limited [8]	Subsidiary	Yes
42	L&T Valves Limited	WOS	Yes
43	L&T Valves Arabia Manufacturing LLC [9]	WOS of L&T Valves Limited	No
44	L&T Valves USA LLC [10]	WOS of L&T Valves Limited	No
45	L&T Finance Holdings Limited	Subsidiary	Yes
46	L&T Finance Limited [30]	WOS of L&T Finance Holdings Limited	Yes
47	L&T Capital Markets Limited [11]	WOS of L&T Finance Holdings Limited	Yes
48	L&T Investment Management Limited	WOS of L&T Finance Holdings Limited	Yes
49	L&T Mutual Fund Trustee Limited	WOS of L&T Finance Holdings Limited	Yes
50	L&T Infra Debt Fund Limited	WOS of L&T Finance Limited	Yes
51	L&T Infra Investment Partners Advisory Private Limited	WOS of L&T Finance Limited	Yes
52	L&T Infra Investment Partners Trustee Private Limited	WOS of L&T Finance Limited	Yes
53	L&T Financial Consultants Limited	WOS of L&T Finance Holdings Limited	Yes
54	Mudit Cement Private Limited	WOS of L&T Financial Consultants Limited	Yes
55	L&T Infra Investment Partners	Subsidiary of L&T Finance Limited	No
56	L&T Capital Market (Middle East) Ltd [12]	WOS of L&T Finance Holdings Limited	No
57	Larsen & Toubro Infotech Limited	Subsidiary	Yes
58	L&T Technology Services Limited	Subsidiary	Yes
59	L&T Thales Technology Services Private Limited	Subsidiary of L&T Technology Services Limited	Yes
60	Esencia Technologies India Private Limited	WOS of Esencia Technologies Inc.	Yes
61	Syncordis Software Services India Private Limited	WOS of Larsen & Toubro Infotech Limited	Yes
62	Larsen & Toubro Infotech LLC	WOS of Larsen & Toubro Infotech Limited	No
63	Larsen & Toubro Infotech GmbH	WOS of Larsen & Toubro Infotech Limited	No
64	Larsen & Toubro Infotech Canada Limited	WOS of Larsen & Toubro Infotech Limited	No
65	Larsen & Toubro LLC	Subsidiary	No
66	L&T Infotech Financial Services Technologies Inc.	WOS of Larsen & Toubro Infotech Limited	No
67	Larsen & Toubro Infotech South Africa (Proprietary) Limited	Subsidiary of Larsen & Toubro Infotech Limited	No

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

Sr No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
68	L&T Information Technology Services (Shanghai) Co. Limited	WOS of Larsen & Toubro Infotech Limited	No
69	L&T Technology Services LLC	WOS of L&T Technology Services Limited	Yes
70	L&T Information Technology Spain SL	WOS of Larsen & Toubro Infotech Limited	No
71	Esencia Technologies Inc.	WOS of L&T Technology Services LLC	No
72	L&T Infotech S. DE R.L. DE C.V.	WOS of Larsen & Toubro Infotech Limited	No
73	Larsen & Toubro Infotech Norge AS	WOS of Larsen & Toubro Infotech Limited	No
74	Syncordis S.A.	WOS of Larsen & Toubro Infotech GmbH	No
75	Syncordis SARL	WOS of Syncordis S.A.	No
76	Syncordis Limited	WOS of Syncordis S.A.	No
77	Syncordis PSF S.A.	WOS of Syncordis S.A.	No
78	Graphene Semiconductor Services Private Limited	WOS of L&T Technology Services Limited	Yes
79	Graphene Solutions PTE Ltd.	WOS of Graphene Semiconductor Services Private Limited	No
80	Graphene Solutions SDN. BHD.	WOS of Graphene Semiconductor Services Private Limited	No
81	Graphene Solutions Taiwan Limited	WOS of Graphene Semiconductor Services Private Limited	No
82	Seastar Labs Private Limited	WOS of Graphene Semiconductor Services Private Limited	Yes
83	Nielsen+Partners Germany	WOS of Larsen & Toubro Infotech GmbH	No
84	Nielsen+Partners Switzerland	WOS of Nielsen+Partners Germany	No
85	Nielsen+Partners Singapore	WOS of Nielsen+Partners Germany	No
86	Nielsen+Partners Luxembourg [13]	WOS of Nielsen+Partners Germany	No
87	Nielsen+Partners Thailand	WOS of Nielsen+Partners Germany	No
88	Nielsen+Partners Australia	WOS of Nielsen+Partners Germany	No
89	Ruletronics Limited	WOS of Larsen & Toubro Infotech GmbH	No
90	Ruletronics Systems Inc.	WOS of Larsen & Toubro Infotech GmbH	No
91	Ruletronics Systems Private Limited [9]	WOS of Larsen & Toubro Infotech Limited	Yes
92	Mindtree Limited [14]	Subsidiary	Yes
93	Mindtree Software (Shanghai) Co. Limited [15]	WOS of Mindtree Limited	No
94	Bluefin Solutions SDN. BHD. [15]	WOS of Mindtree Limited	No
95	Bluefin Solutions Pte Limited [16]	WOS of Mindtree Limited	No
96	Bluefin Solutions Inc. [17]	WOS of Mindtree Limited	No
97	Lymbyc Solutions Inc. [18]	WOS of Lymbyc Solutions Private Limited	No
98	Lymbyc Solutions Private Limited [18]	WOS of Larsen & Toubro Infotech Limited	Yes
99	Powerup Cloud Technologies Private Limited [19]	WOS of Larsen & Toubro Infotech Limited	Yes
100	L&T Technology Services (Shanghai) Co. Ltd [20]	WOS of L&T Technology Services Limited	No
101	L&T Technology Services (Canada) Ltd [21]	WOS of L&T Technology Services LLC	No
102	L&T Power Development Limited	WOS	Yes
103	L&T Uttaranchal Hydropower Limited	WOS of L&T Power Development Limited	Yes
104	L&T Arunachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
105	L&T Himachal Hydropower Limited	WOS of L&T Power Development Limited	Yes
106	Nabha Power Limited	WOS of L&T Power Development Limited	Yes
107	L&T Metro Rail (Hyderabad) Limited	WOS	Yes
108	Sahibganj Ganges Bridge-Company Private Limited [22]	WOS of L&T Capital Company Limited	Yes
109	Thalest Limited	WOS of Larsen & Toubro International FZE	No
110	Servowatch Systems Limited [23]	WOS of Thalest Limited	Yes
111	L&T Electricals & Automation Saudi Arabia Company LLC [24]	WOS of Tamco Switchgear (Malaysia) SDN. BHD	Yes

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

Sr No.	Name of the Subsidiary Company	Nature of relationship	Transaction entered during the year (Yes/No)
112	Tamco Switchgear (Malaysia) SDN. BHD. [24]	WOS of Larsen & Toubro International FZE	Yes
113	Henikwon Corporation SDN. BHD. [24]	WOS of Tamco Switchgear (Malaysia) SDN. BHD	Yes
114	Tamco Electrical Industries Australia Pty Limited [24]	WOS of Larsen & Toubro International FZE	No
115	PT. Tamco Indonesia [24]	WOS of Larsen & Toubro International FZE	Yes
116	L&T Electrical & Automation FZE [24]	WOS of Larsen & Toubro International FZE	Yes
117	Kana Controls General Trading & Contracting Company W.L.L. [24]	WOS of L&T Electrical & Automation FZE	Yes
118	L&T Hydrocarbon International FZE	WOS of L&T Hydrocarbon Engineering Limited	No
119	Larsen & Toubro Infotech Austria GmbH [25]	WOS of Larsen & Toubro Infotech Limited	No
120	L&T Realty FZE [26]	WOS of L&T Realty Developers Limited	No
121	Larsen & Toubro Infotech UK Limited [27]	WOS of Larsen & Toubro Infotech Limited	No
122	LTI Middle East FZ-LLC [28]	WOS of Larsen & Toubro Infotech Limited	No
123	Orchestra Technology, Inc. [29]	WOS of L&T Technology Services LLC	No

[1] Refer to Note 5 [1]
[2] Dissolved on January 28, 2021
[3] Liquidated on May 16, 2020
[4] Dissolved on January 21, 2021
[5] Reclassified as subsidiary w.e.f. November 20, 2019 and merged with L&T Hydrocarbon Engineering Limited w.e.f. April 1, 2020
[6] L&T Geostructure LLP renamed as L&T Geostructure Private Limited
[7] In process of liquidation
[8] In process of being struck off from the register of companies.
[9] Incorporated on May 30, 2019
[10] Incorporated on May 28, 2019
[11] Divested on April 24, 2020
[12] Liquidated on December 17, 2020
[13] Merged with Syncordis PSF S.A. w.e.f. December 21, 2020
[14] The Company has acquired stake on July 2, 2019
[15] The Company through its subsidiary has acquired stake on July 2, 2019
[16] Liquidated on March 20, 2020. The Company through its subsidiary had acquired stake on July 2, 2019
[17] Liquidated on December 17, 2019. The Company through its subsidiary had acquired stake on July 2, 2019
[18] The Company through its subsidiary has acquired stake on August 29, 2019
[19] The Company through its subsidiary has acquired stake on October 25, 2019
[20] Incorporated on August 6, 2019
[21] Incorporated on August 20, 2019
[22] Dissolved on March 30, 2021
[23] Divested on December 1, 2020
[24] Divested on August 31, 2020
[25] Liquidated on August 20, 2019
[26] Liquidated on January 27, 2020
[27] Incorporated on August 17, 2020
[28] Incorporated on November 25, 2020
[29] The Company through its subsidiary has acquired stake on October 2, 2020
[30] L&T Housing Finance Limited and L&T Infrastructure Finance Company Limited merged with L&T Finance Limited w.e.f. April 1, 2020.

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

(b) (i) Name of associates and joint ventures with whom transactions were carried out during the year:

Sr. No	Associate Companies
1	L&T-Chiyoda Limited
2	Magtorq Private Limited

(ii) Names of joint ventures with whom transactions were carried out during the year:

Sr. No	Joint Venture Companies	Sr. No	Joint Venture Companies
1	L&T - MHI Power Boilers Private Limited [1]	2	L&T Samakhiali Gandhidham Tollway Limited
3	L&T - MHI Power Turbine Generators Private Limited [2]	4	Kudgi Transmission Limited
5	L&T Howden Private Limited	6	L&T Sambalpur-Rourkela Tollway limited
7	L&T-Sargent & Lundy Limited	8	Panipat Elevated Corridor Limited
9	L&T Special Steels and Heavy Forgings Private Limited	10	Vadodara Bharuch Tollway Limited
11	L&T MBDA Missile Systems Limited	12	L&T Transportation Infrastructure Limited
13	L&T Sapura Offshore Private Limited	14	L&T Interstate Road Corridor Limited
15	L&T Sapura Shipping Private Limited	16	Ahmedabad-Maliya Tollway Limited
17	L&T-Gulf Private Limited [3]	18	L&T Halol-Shamlaji Tollway Limited
19	L&T Infrastructure Development Projects Limited	20	L&T Kobelco Machinery Private Limited [4]
21	L&T Rajkot-Vadinar Tollway Limited	22	Raykal Aluminium Company Private Limited
23	L&T Deccan Tollways Limited		

[1] L&T-MHPS Boilers Private Limited renamed as L&T - MHI Power Boilers Private Limited

[2] L&T-MHPS Turbine Generators Private Limited renamed as L&T - MHI Power Turbine Generators Private Limited

[3] Re-classified as subsidiary w.e.f. November 20, 2019 due to purchase of additional stake

[4] The Company has sold its stake on April 17, 2019

(iii) Name of post-employment benefit plans with whom transactions were carried out during the year

Sr. No	Provident Fund Trust
1	Larsen & Toubro Officers & Supervisory Staff Provident Fund
2	Larsen & Toubro Limited Provident Fund of 1952
3	Larsen & Toubro Limited Provident Fund
4	L&T Kansbahal Officers & Supervisory Provident Fund
5	L&T Kansbahal Staff & Workmen Provident Fund

Sr. No	Gratuity Trust
1	Larsen & Toubro Officers & Supervisors Gratuity Fund
2	Larsen & Toubro Gratuity Fund
3	L&T Shibuilding Limited Employees Group Gratuity Assurance Scheme

Superannuation Trust
Larsen & Toubro Limited Senior Officers' Superannuation Scheme

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

(iv) Name of key management Personnel and their relatives with whom transactions were carried out during the year:

(i) Executive Directors

Sr. No.		Sr. No.	
1	Mr. S. N. Subrahmanyan (Chief Executive Officer & Managing Director)	2	Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)
3	Mr. Shailendra Roy (Whole-time Director) [1]	4	Mr. D. K. Sen (Whole-time Director)
5	Mr. M. V. Satish (Whole-time Director)	6	Mr. J. D. Patil (Whole-time Director)
7	Mr. Subramanian Sarma (Whole-time Director) [2]	8	Mr. S.V. Desai (Whole-time Director) [3]
9	Mr. T. Madhava Das (Whole-time Director) [3]		

(ii) Non-executive/Independent Directors

Sr. No.		Sr. No.	
1	Mr. A.M. Naik (Group Chairman)	2	Mr. M. M. Chitale
3	Mr. Subodh Bhargava	4	Mr. M. Damodaran
5	Mr. Vikram Singh Mehta	6	Mr. Adil Zainulbhai
7	Mr. Akhilesh Krishna Gupta [4]	8	Ms. Sunita Sharma [5]
9	Mr. Thomas Mathew T [6]	10	Mr. Ajay Shankar [7]
11	Ms. Naina Lal Kidwai [8]	12	Mr. Sanjeev Aga
13	Mr. Narayanan Kumar	14	Mr. Arvind Gupta [9]
15	Mr. Hemant Bhargava	16	Ms. Preetha Reddy [10]

[1] Ceased w.e.f. July 7, 2020 on account of superannuation

[2] Appointed as Whole-time Director w.e.f. August 19, 2020 (Non-executive Director till August 18, 2020)

[3] Appointed w.e.f. July 11, 2020

[4] Ceased w.e.f. September 8, 2019 on account of completion of term

[5] Ceased w.e.f. May 3, 2021 on account of withdrawal of nomination by Life Insurance Corporation of India

[6] Ceased w.e.f. April 2, 2020 on account of completion of term

[7] Ceased w.e.f. May 29, 2020 on account of completion of term

[8] Ceased w.e.f. February 28, 2021 on account of completion of term

[9] Ceased w.e.f. March 26, 2020 on account of withdrawal of nomination by Specified Undertaking of the Unit Trust of India

[10] Appointed w.e.f. March 1, 2021

(c) Disclosure of related party transactions:

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2020-21 Amount	2020-21 Amounts for major parties	*2019-20 Amount*	*2019-20 Amounts for major parties*
i.	Purchase of goods & services (including commission paid)				
	Subsidiaries, including:	768.44		*1210.51*	
	L&T Geostructure Private Limited		241.33		*364.58*
	Hi-Tech Rock Products and Aggregates Limited		124.03		*410.75*
	L&T Construction Equipment Limited		78.96		
	Tamco Switchgear (Malaysia) SDN. BHD.				*121.24*
	Joint ventures, including:	1152.75		*729.26*	
	L&T - MHI Power Boilers Private Limited		694.75		*559.36*
	L&T Special Steels and Heavy Forgings Private Limited				*75.58*
	L&T Howden Private Limited		116.77		
	L&T - MHI Power Turbine Generators Private Limited		248.52		
	Associate:	17.44		*10.87*	
	Magtorq Private Limited		17.44		*10.47*
	Total	1938.63		*1950.64*	

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2020-21		*2019-20*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
ii.(a)	Sale of goods/contract revenue & services				
	Subsidiaries, including:	1108.55		*1288.28*	
	L&T Hydrocarbon Engineering Limited		370.77		*543.87*
	Larsen & Toubro Saudi Arabia LLC		208.61		
	Larsen & Toubro (East Asia) SDN. BHD.		128.55		*136.66*
	L&T Realty Developers Limited		135.93		
	L&T Metro Rail (Hyderabad) Limited				*198.32*
	Joint ventures, including:	43.00		*89.53*	
	L&T - MHI Power Boilers Private Limited		40.53		*85.90*
	Total	1151.55		*1377.81*	
ii. (b)	Reversal of sale of goods/contract revenue & services				
	Subsidiary:	14.54		–	
	L&T Parel Project LLP		14.54		
	Total	14.54		–	
iii.	Purchase/lease of property, plant and equipment				
	Subsidiaries, including:	2.08		*14.33*	
	Larsen & Toubro (Oman) LLC		2.06		*10.74*
	Larsen & Toubro Infotech Limited				*2.46*
	Joint venture:	–		*0.05*	
	L&T - MHI Power Boilers Private Limited				*0.05*
	Total	2.08		*14.38*	
iv.	Sale of property, plant and equipment				
	Subsidiaries:	4.24		*3.96*	
	L&T Geostructure Private Limited		3.74		*3.95*
	L&T Hydrocarbon Engineering Limited		0.50		
	Joint venture:	–		*0.44*	
	L&T - MHI Power Boilers Private Limited				*0.44*
	Key management personnel:	0.61		–	
	Mr. Shailendra Roy		0.61		
	Total	4.85		*4.39*	

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ *crore*

Sr. No.	Nature of transaction/relationship/major parties	2020-21 Amount	2020-21 Amounts for major parties	*2019-20 Amount*	*2019-20 Amounts for major parties*
v.	Investments including subscription to equity and preference shares (equity portion)				
	Subsidiaries, including:	2272.05		*233.82*	
	L&T Finance Holdings Limited		1907.65		
	Hi-Tech Rock Products and Aggregates Limited [1]		300.00		
	L&T Uttaranchal Hydropower Limited				*222.00*
	Joint venture:	–		*0.33*	
	L&T - MHI Power Turbine Generators Private Limited				*0.33*
	Total	2272.05		*234.15*	
vi.	Subscription debentures/bonds net of redemption				
	Subsidiary:	2338.47		–	
	L&T Finance Limited		2338.47		
	Total	2338.47		–	
vii.	Sale /Redemption of investments in				
	Subsidiary:	260.00		–	
	L&T Hydrocarbon Engineering Limited		260.00		
	Joint venture:	–		*22.42*	
	L&T Infrastructure Development Projects Limited				*22.42*
	Total	260.00		*22.42*	
viii.	Net inter corporate deposits given/(repaid by)				
	Subsidiaries, including:	246.87		*1276.77*	
	L&T Metro Rail (Hyderabad) Limited		1019.20		*1238.94*
	L&T Geostructure Private Limited		29.50		
	Hi-Tech Rock Products and Aggregates Limited		(267.59)		
	Nabha Power Limited		(375.49)		
	L&T Realty Developers Limited		(158.75)		
	Joint venture:	151.59		*115.21*	
	L&T Special Steels and Heavy Forgings Private Limited		151.59		*115.21*
	Total	398.46		*1391.98*	
ix.	Net inter corporate borrowing taken from /(repaid to)				
	Subsidiaries, including:	(1553.45)		*1756.61*	
	L&T Seawoods Limited		(517.33)		*497.78*
	L&T Hydrocarbon Engineering Limited		(1018.24)		*1249.50*
	Joint venture:	32.00		*57.50*	
	L&T MBDA Missile Systems Limited		32.00		*57.50*
	Total	(1521.45)		*1814.11*	

[1] Represents the purchase of stake in L&T Geostructure Private Limited from Hi-Tech Rock Products and Aggregates Limited

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ *crore*

Sr. No.	Nature of transaction/relationship/major parties	2020-21 Amount	2020-21 Amounts for major parties	*2019-20 Amount*	*2019-20 Amounts for major parties*
x.	Charges paid for miscellaneous services				
	Subsidiaries, including:	125.43		*185.45*	
	Larsen & Toubro Infotech Limited		86.22		*135.26*
	L&T Aviation Services Private Limited		17.95		*19.57*
	L&T Technology Services Limited				*22.02*
	Joint ventures, including:	2.61		*7.55*	
	L&T Sargent & Lundy Limited		2.49		*7.08*
	Total	128.04		*193.00*	
xi.	Rent paid, including lease rentals under leasing/hire purchase arrangements				
	Subsidiaries, including:	2.53		*1.30*	
	L&T Hydrocarbon Saudi Company		1.84		
	L&T Electrical & Automation FZE		0.36		*0.69*
	PT Tamco Indonesia				*0.28*
	Joint ventures, including:	0.01		*3.41*	
	L&T - MHI Power Turbine Generators Private Limited		0.01		
	L&T Special Steels and Heavy Forgings Private Limited				*3.20*
	Total	2.54		*4.71*	
xii.	Rent received, overheads recovered and miscellaneous income				
	Subsidiaries, including:	484.45		*510.53*	
	Larsen & Toubro Infotech Limited		92.08		*84.95*
	L&T Technology Services Limited		53.60		*54.02*
	L&T Hydrocarbon Engineering Limited		181.66		*155.98*
	L&T Geostructure Private Limited		68.01		*74.24*
	Joint ventures, including:	74.56		*72.03*	
	L&T - MHI Power Boilers Private Limited		31.77		*28.30*
	L&T Sargent & Lundy Limited		11.55		*11.38*
	L&T - MHI Power Turbine Generators Private Limited		8.65		*8.31*
	L&T Infrastructure Development Projects Limited				*7.93*
	Associate:	10.35		*12.26*	
	L&T- Chiyoda Limited		10.35		*12.26*
	Total	569.36		*594.82*	
xiii.(a)	Charges incurred for deputation of employees from related parties				
	Subsidiaries, including:	7.39		*12.94*	
	L&T Electrical and Automation FZE		3.58		*7.83*
	PT Tamco Indonesia				*1.34*
	Kana Controls General Trading and Contracting Company WLL		1.57		*1.52*
	Total	7.39		*12.94*	

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2020-21 Amount	2020-21 Amounts for major parties	*2019-20 Amount*	*2019-20 Amounts for major parties*
xiii.(b)	Charges recovered for deputation of employees to related parties				
	Subsidiaries, including:	64.70		*67.58*	
	L&T Parel Project LLP		7.12		*7.14*
	L&T Asian Realty Project LLP		6.79		
	L&T Realty Developers Limited		11.47		
	L&T Geostructure Private Limited		13.16		*12.82*
	L&T Seawoods Limited		7.32		*7.22*
	Joint ventures:	1.88		*1.42*	
	L&T Special Steels and Heavy Forgings Private Limited		0.73		*0.77*
	L&T Infrastructure Development Projects Limited		1.15		*0.66*
	Associate:	2.83		*6.59*	
	L&T- Chiyoda Limited		2.83		*6.59*
	Total	69.41		*75.59*	
xiv.	Dividend received				
	Subsidiaries, including:	1113.30		*1373.00*	
	Larsen & Toubro Infotech Limited		396.34		*364.48*
	L&T Technology Services Limited		164.01		*164.27*
	L&T Finance Holdings Limited				*242.73*
	L&T Hydrocarbon Engineering Limited		364.23		*326.21*
	Mindtree Limited		175.92		*269.06*
	Joint ventures, including:	133.88		*12.53*	
	L&T - MHI Power Boilers Private Limited		119.39		*11.94*
	Total	1247.18		*1385.53*	
xv.	Commission received, including those under agency arrangements				
	Subsidiary:	7.77		*7.63*	
	L&T Construction Equipment Limited		7.77		*7.63*
	Total	7.77		*7.63*	
xvi.	Guarantee charges recovered from				
	Subsidiaries, including:	47.83		*62.32*	
	Nabha Power Limited		12.86		*9.25*
	L&T Hydrocarbon Engineering Limited		26.43		*32.85*
	Larsen Toubro Arabia LLC				*9.82*
	Joint venture:	0.47		*0.55*	
	L&T - MHI Power Turbine Generators Private Limited		0.47		*0.55*
	Total	48.30		*62.87*	

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2020-21		*2019-20*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
xvii.	Interest paid to				
	Subsidiaries, including:	92.87		*229.69*	
	L&T Hydrocarbon Engineering Limited		61.46		*201.68*
	L&T Seawoods Limited		13.47		
	Nabha Power Limited		11.78		
	Joint ventures:	13.64		*4.16*	
	L&T MBDA Missile Systems Limited		2.81		*2.42*
	L&T - MHI Power Turbine Generators Private Limited		10.83		*1.74*
	Total	106.51		*233.85*	
xviii.	Interest received from				
	Subsidiaries, including:	276.62		*134.36*	
	Nabha Power Limited				*21.72*
	L&T Metro Rail (Hyderabad) Limited		132.95		*59.16*
	Hi-Tech Rock Products and Aggregates Limited				*24.80*
	L&T Finance Limited		78.78		*16.86*
	Joint ventures, including:	201.90		*128.49*	
	L&T Special Steels and Heavy Forgings Private Limited		134.52		*104.14*
	Kudgi Transmission Limited		45.93		
	L&T Infrastructure Development Projects Limited		21.44		*21.56*
	Total	478.52		*262.85*	
xix.	Amount written off as bad debts				
	Subsidiary:	–		*0.08*	
	Kesun Iron and Steel Company Private Limited				*0.08*
	Total	–		*0.08*	
xx.	Amount recognised/(reversed) in Profit and Loss as provision towards bad and doubtful debts (including expected credit loss on account of delay)				
	Subsidiaries, including:	4.23		*13.02*	
	L&T Metro Rail (Hyderabad) Limited		6.12		*8.39*
	PT. Tamco Indonesia				*2.28*
	L&T Hydrocarbon Engineering Limited		(0.83)		
	L&T Parel Project LLP		(0.43)		
	L&T Seawoods Limited		0.67		
	Larsen & Toubro Heavy Engineering LLC		(0.80)		
	Joint ventures, including:	0.31		*(0.33)*	
	L&T Special Steels and Heavy Forgings Private Limited		(0.09)		*0.08*
	L&T - MHI Power Turbine Generators Private Limited				*0.10*
	L&T Howden Private Limited				*(0.33)*
	L&T - MHI Power Boilers Private Limited		0.39		*(0.37)*
	Total	4.54		*12.69*	

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2020-21 Amount	2020-21 Amounts for major parties	*2019-20 Amount*	*2019-20 Amounts for major parties*
xxi.	Amount recognised in Profit and Loss on account of impairment loss on investment and inter corporate deposit				
	Subsidiaries:	1415.00		–	
	L&T Power Development Limited		829.00		
	L&T Uttaranchal Hydropower Limited		586.00		
	Joint venture:	1467.38		–	
	L&T Special Steels and Heavy Forgings Private Limited		1467.38		
	Total	2882.38		–	
xxii.	Amount recognised in Profit and Loss on account of provision towards constructive obligation				
	Joint venture:	14.84		–	
	L&T Special Steels and Heavy Forgings Private Limited		14.84		
	Total	14.84		–	
xxiii.	Guarantee given on behalf of				
	Subsidiaries, including:	1918.44		*4739.58*	
	Mindtree Limited		518.44		
	L&T Hydrocarbon Engineering Limited				*1705.47*
	Nabha Power Limited		1400.00		*2500.00*
	Total	1918.44		*4739.58*	
xxiv.	Contribution to post employment benefit plans				
(a)	Towards employer's contribution to provident fund trusts, including:	98.86		*78.63*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		88.53		*67.79*
	Larsen & Toubro Limited Provident Fund of 1952				*8.11*
	Total	98.86		*78.63*	
(b)	Towards employer's contribution to gratuity fund trusts, including:	106.16		*60.95*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		86.47		*55.65*
	Larsen & Toubro Gratuity Fund		16.54		
	Total	106.16		*60.95*	
(c)	Towards employer's contribution to superannuation trust:	6.81		*10.99*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		6.81		*10.99*
	Total	6.81		*10.99*	

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective year.

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

xxv. Compensation to Key Management Personnel (KMP):

₹ crore

Key Management Personnel	2020-21					2019-20		
	Short-term employee benefits	Post-employment benefits	Other long-term benefit	Share based payment	Total	*Short-term employee benefits*	*Post-employment benefits*	*Total*
Executive Directors:								
(a) Mr. S.N.Subrahmanyan	11.26	2.97	–	–	14.23	*11.87*	*3.13*	*15.00*
(b) Mr. R. Shankar Raman	7.50	1.98	–	–	9.48	*7.89*	*2.08*	*9.97*
(c) Mr. Shailendra Roy	4.83	7.64 [1]	10.20 [2]	–	22.67	*5.26*	*1.37*	*6.63*
(d) Mr. D. K. Sen	3.93	1.01	–	–	4.94	*3.56*	*0.91*	*4.47*
(e) Mr. M. V. Satish	4.24	1.08	–	–	5.32	*4.60*	*1.18*	*5.78*
(f) Mr. J.D. Patil	4.23	1.09	–	–	5.32	*4.04*	*1.04*	*5.08*
(g) Mr. Subramanian Sarma	4.48	1.02	–	8.39	13.89	–	–	–
(h) Mr. S.V.Desai	2.83	0.64	–	–	3.47	–	–	–
(i) Mr. T. Madhava Das	2.94	0.72	–	–	3.66	–	–	–
Non-Executive/Independent Directors:								
(a) Mr. A.M. Naik	3.21	3.00 [3]	–	–	6.21	*3.18*	*3.00 [3]*	*6.18*
(b) Other Non-Executive/ Independent Directors	5.11	–	–	–	5.11	*3.95*	–	*3.95*
Total	54.56	21.15	10.20	8.39	94.30	*44.35*	*12.71*	*57.06*

[1] Post retirement benefits include gratuity ₹ 6.60 crore

[2] Represents encashment of past service accumulated leave

[3] Represents pension

(d) Amount due to/from related parties:

₹ crore

Sr. No.	Category of balance/relationship/parties	As at 31-3-2021 Amount	As at 31-3-2021 Amounts for major parties	*As at 31-3-2020 Amount*	*As at 31-3-2020 Amounts for major parties*
i.	Accounts receivable				
	Subsidiaries, including:	832.93		*1064.16*	
	L&T Metro Rail (Hyderabad) Limited		610.48		*686.36*
	L&T Hydrocarbon Engineering Limited				*133.70*
	Joint ventures, including:	131.70		*111.32*	
	L&T - MHI Power Boilers Private Limited		75.49		*92.11*
	L&T MBDA Missile Systems Limited				*12.00*
	L&T Deccan Tollways Limited		50.00		
	Total	964.63		*1175.48*	

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/parties	As at 31-3-2021 Amount	As at 31-3-2021 Amounts for major parties	As at 31-3-2020 Amount	As at 31-3-2020 Amounts for major parties
ii.	Accounts payables, including other payables				
	Subsidiaries, including:	537.76		1100.12	
	Tamco Switchgear (Malaysia) SDN. BHD.				119.21
	L&T Geostructure Private Limited		221.22		440.76
	Larsen and Toubro (Oman) LLC		80.75		
	Joint ventures, including:	1715.02		1184.92	
	L&T - MHI Power Boilers Private Limited		863.21		717.66
	L&T - MHI Power Turbine Generators Private Limited		576.54		446.92
	L&T Infrastructure Development Projects Limited		177.35		
	Associates, including:	13.97		13.04	
	Magtorq Private Limited		5.18		
	L&T Camp Facilities LLC		8.79		11.94
	Total	2266.75		2298.08	
iii.	Investment in debt securities [including preference shares (debt portion)]				
	Subsidiaries:	2659.72		331.40	
	L&T Metro Rail (Hyderabad) Limited		491.14		289.77
	L&T Finance Limited		2168.58		41.64
	Joint ventures:	1097.54		1049.70	
	L&T Special Steels and Heavy Forgings Private Limited		213.17		213.17
	Kudgi Transmission Limited		611.72		569.93
	L&T Infrastructure Development Private Limited		272.65		266.60
	Total	3757.26		1381.10	
iv	Impairment loss on investment in debt securities				
	Joint venture:	213.17		213.17	
	L&T Special Steels and Heavy Forgings Private Limited		213.17		213.17
	Total	213.17		213.17	
v.	Loans & advances recoverable				
	Subsidiaries, including:	3053.43		2895.19	
	Hi-Tech Rock Products and Aggregates Limited				342.39
	L&T Metro Rail (Hyderabad) Limited		2481.56		1394.35
	Nabha Power Limited				386.48
	Joint ventures, including:	1980.83		1892.57	
	L&T Special Steels and Heavy Forgings Private Limited		1744.81		1635.62
	Associates:	6.63		3.26	
	L&T-Chiyoda Limited		1.63		0.93
	Magtorq Private Limited		5.00		2.34
	Total	5040.89		4791.02	

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/parties	As at 31-3-2021 Amount	As at 31-3-2021 Amounts for major parties	*As at 31-3-2020 Amount*	*As at 31-3-2020 Amounts for major parties*
vi.	Impairment loss on loans & advances recoverable				
	Joint venture:	1730.38		*263.00*	
	L&T Special Steels and Heavy Forgings Private Limited		1730.38		*263.00*
	Total	1730.38		*263.00*	
vii.	Provision towards constructive obligation				
	Joint venture:	14.84		-	
	L&T Special Steels and Heavy Forgings Private Limited		14.84		
	Total	14.84		-	
viii.	Unsecured loans (including lease finance)				
	Subsidiaries, including:	235.66		*1796.45*	
	L&T Hydrocarbon Engineering Limited		231.26		*1249.50*
	L&T Seawoods Limited				*524.65*
	Joint venture:	90.91		*59.68*	
	L&T MBDA Missile Systems Limited		90.91		*59.68*
	Total	326.57		*1856.13*	
ix.	Advances received in the capacity of supplier of goods/services classified as "advances from customers" in the Balance Sheet				
	Subsidiaries, including:	124.96		*139.47*	
	Nabha Power Limited		47.51		
	L&T Realty Developers Limited		56.64		
	L&T Hydrocarbon Engineering Limited				*77.21*
	L&T Metro Rail (Hyderabad) Limited				*13.99*
	L&T Construction Equipment Limited				*46.59*
	Joint venture:	20.46		*6.97*	
	L&T - MHI Power Boilers Private Limited		20.46		*6.97*
	Total	145.42		*146.44*	
x.	Due to directors [1]:				
	Key management personnel, including:	34.83		*29.13*	
	Mr. S. N. Subrahmanyan		8.40		*9.01*
	Mr. R. Shankar Raman		5.49		*5.88*
	Mr. Shailendra N. Roy		0.92		*3.37*
	Mr. D. K. Sen		2.40		*2.03*
	Mr. M. V. Satish		2.66		*3.02*
	Mr. J.D. Patil		2.91		*2.72*
	Mr. Subramanian Sarma		3.31		
	Mr. S.V.Desai		2.29		
	Mr. T. Madhava Das		2.43		
	Total	34.83		*29.13*	

[1] Includes commission due to non-executive directors ₹ 4.03 crore *(previous year: ₹ 3.10 crore).*

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ *crore*

Sr. No.	Category of balance/relationship/parties	As at 31-3-2021 Amount	As at 31-3-2021 Amounts for major parties	*As at 31-3-2020 Amount*	*As at 31-3-2020 Amounts for major parties*
xi.	Post employment benefit plan				
(a)	Due to provident fund trusts, including:	27.59		*29.26*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		24.79		*24.81*
	Total	27.59		*29.26*	
(b)	Due to gratuity trusts, including:	-		*107.04*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund				*94.08*
	Larsen & Toubro Gratuity Fund				*8.92*
	Total	-		*107.04*	
(c)	Due to superannuation trust:	4.48		*3.91*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		4.48		*3.91*
	Total	4.48		*3.91*	
xii.(a)	Capital commitment given				
	Subsidiaries, including:	139.23		*1.65*	
	L&T Construction Equipment Limited		136.98		
	Larsen & Toubro (Oman) LLC				*1.11*
	L&T Technology Services Limited				*0.28*
	Total	139.23		*1.65*	
xii.(b)	Revenue commitment given				
	Subsidiaries, including:	530.41		*1084.75*	
	L&T Geostructure Private Limited		121.19		*685.77*
	Larsen & Toubro (Oman) LLC		187.64		
	L&T Infrastructure Engineering Limited		55.00		
	Joint ventures, including:	2221.04		*2311.24*	
	L&T - MHI Power Boilers Private Limited		1643.73		*1224.91*
	L&T - MHI Power Turbine Generators Private Limited		387.72		*668.92*
	Associates, including:	35.60		*25.49*	
	Magtorq Private Limited		35.08		*23.18*
	Total	2787.05		*3421.48*	
xiii.	Commitment to Fund [2]				
	Subsidiary:	14.00		*93.00*	
	L&T Uttaranchal Hydropower Limited		14.00		*93.00*
	Total	14.00		*93.00*	

[2] The Company has provided a revolving line of credit facility of ₹ 2000 crore to L&T Finance Limited as a stand-by liquidity support arrangement (the "Facility"), renewable on a yearly basis. This Facility is in addition to the working capital lines that L&T Finance Limited has with its consortium of lending banks. The Facility shall be exercised by L&T Finance Limited only after exhausting all external bank funding lines. The utilisation against the Facility is NIL as at March 31, 2021.

Notes forming part of the Financial Statements (contd.)

NOTE [47]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures" *(contd.)*

₹ crore

Sr. No.	Category of balance/relationship/parties	As at 31-3-2021		*As at 31-3-2020*	
		Amount	Amounts for major parties	*Amount*	*Amounts for major parties*
xiv.	Revenue commitment received				
	Subsidiaries, including:	2306.87		*3264.93*	
	L&T Metro Rail (Hyderabad) Limited		457.82		*587.50*
	Larsen & Toubro Infotech Limited		677.92		
	Nabha Power Limited		488.57		*571.01*
	L&T Asian Realty Project LLP				*815.00*
	L&T Construction Equipment Limited				*357.55*
	L&T Hydrocarbon Engineering Limited				*328.59*
	Joint ventures, including:	187.73		*65.13*	
	L&T - MHI Power Boilers Private Limited		158.78		*21.28*
	L&T MBDA Missile Systems Limited		20.00		*30.00*
	L&T - MHI Power Turbine Generators Private Limited				*6.88*
	Total	2494.60		*3330.06*	
xv.	Guarantee given on behalf of				
	Subsidiaries, including:	21183.33		*33510.25*	
	L&T Hydrocarbon Engineering Limited		13356.69		*19593.31*
	Larsen Toubro Arabia LLC				*4285.17*
	Nabha Power Limited		4716.00		*3916.00*
	Joint ventures, including:	363.85		*514.74*	
	L&T - MHI Power Turbine Generators Private Limited		312.67		*394.94*
	L&T Special Steels and Heavy Forgings Private Limited				*90.42*
	Total	21547.18		*34024.99*	
xvi.	Provision for doubtful debts related to the amount of outstanding balances				
	Subsidiaries, including:	19.76		*19.73*	
	Nabha Power Limited		2.04		*2.04*
	L&T Metro Rail (Hyderabad) Limited		14.51		*8.39*
	L&T Seawoods Limited		2.00		
	PT. Tamco Indonesia				*3.09*
	Joint ventures, including:	23.30		*23.09*	
	L&T - MHI Power Boilers Private Limited		23.28		*23.00*
	Total	43.06		*42.82*	

"Major parties" denote entities account for 10% or more of the aggregate for that category of transaction during respective year.

Note :

1. All the related party contracts / arrangements have been entered into on arms' length basis.
2. The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

Notes forming part of the Financial Statements (contd.)

NOTE [48]

Disclosure pursuant to Ind AS 27 "Separate Financial Statements"

Investment in following subsidiaries, associates and joint ventures is accounted at cost.

Subsidiaries:

Sr. No.	Name of the subsidiary	Principal place of business	As at 31-3-2021 Proportion of direct ownership (%)	As at 31-3-2021 Proportion of effective ownership Interest (%)	As at 31-3-2021 Proportion of effective voting power held (%)	*As at 31-3-2020 Proportion of direct ownership (%)*	*As at 31-3-2020 Proportion of effective ownership Interest (%)*	*As at 31-3-2020 Proportion of effective voting power held (%)*
	Indian subsidiaries							
1	Bhilai Power Supply Company Limited	India	99.90	99.90	99.90	*99.90*	*99.90*	*99.90*
2	L&T Electricals and Automation Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
3	Hi-Tech Rock Products & Aggregates Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
4	L&T Seawoods Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
5	Kesun Iron & Steel Company Private Limited	India	95.00	95.00	95.00	*95.00*	*95.00*	*95.00*
6	L&T Geostructure Private Limited [1]	India	99.00	100.00	100.00	*74.00*	*100.00*	*100.00*
7	L&T Valves Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
8	L&T Power Limited	India	99.99	99.99	99.99	*99.99*	*99.99*	*99.99*
9	L&T Cassidian Limited [2]	India	–	–	–	*100.00*	*100.00*	*100.00*
10	L&T Aviation Services Private Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
11	Larsen & Toubro Infotech Limited	India	74.27	74.27	74.27	*74.53*	*74.53*	*74.53*
12	L&T Finance Holdings Limited	India	63.62	63.62	63.62	*63.72*	*63.72*	*63.72*
13	L&T Capital Company Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
14	L&T Power Development Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
15	L&T Metro Rail (Hyderabad) Limited [3]	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
16	L&T Technology Services Limited	India	74.24	74.24	74.24	*74.62*	*74.62*	*74.62*
17	L&T Construction Equipment Limited [4]	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
18	L&T Infrastructure Engineering Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
19	L&T Hydrocarbon Engineering Limited	India	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*
20	L&T Construction Machinery Limited [4]	India	–	–	–	*100.00*	*100.00*	*100.00*
21	L&T Realty Developers Limited [4]	India	100.00	100.00	100.00	*–*	*–*	*–*
22	Mindtree Limited	India	61.03	61.03	61.03	*61.08*	*61.08*	*61.08*

[1] The Company became subsidiary on November 25,2020

[2] Struck off on January 28,2021

[3] Proportion of ownership is more than 99.99%

[4] Refer to Note 5 [1]

Notes forming part of the Financial Statements (contd.)

NOTE [48]

Disclosure pursuant to Ind AS 27 "Separate Financial Statements" *(contd.)*

Foreign subsidiaries :

Sr. No.	Name of subsidiary company	Principal place of business	As at 31-3-2021			*As at 31-3-2020*		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	*Proportion of direct ownership (%)*	*Proportion of effective ownership Interest (%)*	*Proportion of effective voting power held (%)*
1	Larsen & Toubro LLC	USA	95.24	98.77	98.77	*95.24*	*98.79*	*98.79*
2	Larsen & Toubro Hydrocarbon International Limited LLC [1]	Kindgom of Saudi Arabia	–	–	–	*90.00*	*100.00*	*100.00*
3	Larsen & Toubro (Saudi Arabia) LLC	Kindgom of Saudi Arabia	4.35	100.00	100.00	*4.35*	*100.00*	*100.00*
4	L&T Global Holdings Limited	UAE	100.00	100.00	100.00	*100.00*	*100.00*	*100.00*

[1] Liquidated on May 16, 2020

Associate companies :

Sr. No.	Name of associate	Principal place of business	As at 31-3-2021			*As at 31-3-2020*		
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	Proportion of effective voting power held (%)	*Proportion of direct ownership (%)*	*Proportion of effective ownership Interest (%)*	*Proportion of effective voting power held (%)*
1	Gujarat Leather Industries Limited [1]	India	50.00	50.00	50.00	*50.00*	*50.00*	*50.00*
2	Magtorq Private Limited	India	42.85	42.85	42.85	*42.85*	*42.85*	*42.85*

[1] Under liquidation

Joint ventures:

Sr. No.	Name of the joint venture	Principal place of business	As at 31-3-2021		*As at 31-3-2020*	
			Proportion of direct ownership (%)	Proportion of effective ownership Interest (%)	*Proportion of direct ownership (%)*	*Proportion of effective ownership Interest (%)*
1	L&T Chennai–Tada Tollway Limited	India	[1]	51.00	[1]	*51.00*
2	L&T Rajkot-Vadinar Tollway Limited	India	[1]	51.00	[1]	*51.00*
3	L&T Samakhiali Gandhidham Tollway Limited	India	0.02	51.01	0.02	*51.01*
4	L&T Infrastructure Development Projects Limited	India	51.00	51.00	51.00	*51.00*
5	L&T Transportation Infrastructure Limited	India	26.24	63.86	26.24	*63.86*
6	Ahmedabad-Maliya Tollway Limited	India	[1]	51.00	[1]	*51.00*
7	L&T Halol-Shamlaji Tollway Limited	India	[1]	24.98	[1]	*24.98*
8	L&T Howden Private Limited	India	50.10	50.10	50.10	*50.10*
9	L&T-MHI Power Boilers Private Limited	India	51.00	51.00	51.00	*51.00*
10	L&T-MHI Power Turbine Generators Private Limited	India	51.00	51.00	51.00	*51.00*
11	Raykal Aluminium Company Private Limited	India	75.50	75.50	75.50	*75.50*
12	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	74.00	74.00	*74.00*
13	PNG Tollway Limited	India	[1]	37.74	[1]	*37.74*
14	L&T MBDA Missile Systems Limited	India	51.00	51.00	51.00	*51.00*
15	L&T-Sargent & Lundy Limited	India	50.00	50.00	50.00	*50.00*

[1] Proportion of direct ownership is less than 0.01%.

Notes forming part of the Financial Statements (contd.)

NOTE [49]

Basic and diluted Earnings per Share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":

Particulars		2020-21	2019-20
Basic earnings per share			
Profit after tax from continuing operations as per accounts (₹ crore)	A	2686.49	*6024.76*
Profit after tax from discontinued operations as per accounts (₹ crore)	B	8650.48	*654.45*
Profit after tax from continuing & discontinued operations as per accounts (₹ crore)	C=A+B	11336.97	*6679.21*
Weighted average number of equity shares outstanding	D	1,40,41,46,937	*1,40,33,69,848*
Basic EPS from continuing operations (₹)	A/D	19.13	*42.93*
Basic EPS from discontinued operations (₹)	B/D	61.61	*4.66*
Basic EPS from continuing & discontinued operations (₹)	C/D	80.74	*47.59*
Diluted earnings per share			
Profit after tax from continuing operations as per accounts (₹ crore)	A	2686.49	*6024.76*
Profit after tax from discontinued operations as per accounts (₹ crore)	B	8650.48	*654.45*
Profit after tax from continuing and discontinued operations as per accounts (₹ crore)	C=A+B	11336.97	*6679.21*
Weighted average number of equity shares outstanding	D	1,40,41,46,937	*1,40,33,69,848*
Add: Weighted average number of potential equity shares on account of employee stock options	E	14,20,264	*18,52,930*
Weighted average number of equity shares outstanding for diluted EPS	F=D+E	1,40,55,67,201	*1,40,52,22,778*
Diluted EPS from continuing operations(₹)	A/F	19.11	*42.87*
Diluted EPS from discontinued operations(₹)	B/F	61.54	*4.66*
Diluted EPS from continuing & discontinued operations(₹)	C/F	80.65	*47.53*
Face value per share (₹)		2	*2*

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share:

Particulars	2020-21	2019-20
Weighted average number of potential equity shares on account of conversion of foreign currency convertible bonds	–	*51,90,133*

Notes forming part of the Financial Statements (contd.)

NOTE [50]

Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

a) Movement in provisions:

₹ crore

Sr. No.	Particulars	Class of provisions				
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation-related obligations	Contractual rectification cost - construction contracts	Total
1	*Balance as at April 1, 2020*	8.03	196.53	143.26	460.15	807.97
2	Additional provision during the year	0.37	66.79	100.21	298.66	466.03
3	Provision used during the year	–	(0.31)	(231.46)	(239.56)	(471.33)
4	Provision reversed during the year	(2.43)	(26.10)	–	(123.61)	(152.14)
5	Balance as at March 31, 2021 (5=1+2+3+4)	5.97	236.91	12.01	395.64	650.53

b) Nature of provisions:

i. Product warranties: The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2021 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of 1 to 3 years from the date of Balance Sheet.

ii. Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms.

iii. Provision for litigation-related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

iv. Contractual rectification cost represents the estimated cost the Company is likely to incur during defect liability period as per the contract obligations in respect of completed construction contracts accounted under Ind AS 115 "Revenue from Contracts with customers".

c) Disclosure in respect of contingent liabilities is given as part of Note 29 to the Balance Sheet.

NOTE [51]

The expenditure on research and development activities is as follows:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
(i)	Recognised as expense in the Statement of Profit and Loss	115.17	*198.74*
(ii)	Capital Expenditure on:		
	(a) tangible assets	1.14	*7.60*
	(b) intangible assets being expenditure on new product development	9.39	*32.27*
	(c) other intangible assets	0.58	*1.14*
(iii)	Expenditure reimbursable by the customer	–	*0.08*

Of the above, expenditure on research and development activities of discontinued operations is as follows:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
(i)	Recognised as expense in the Statement of Profit and Loss	30.87	*80.97*
(ii)	Capital Expenditure on:		
	(a) tangible assets	0.49	*4.19*
	(b) intangible assets being expenditure on new product development	9.39	*30.17*
	(c) other intangible assets	–	–
(iii)	Expenditure reimbursable by the customer	–	–

Notes forming part of the Financial Statements (contd.)

NOTE [52]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management

(a) Foreign exchange rate and interest rate risk:

The Company regularly reviews its foreign currency and interest rate related exposures – both hedged and open exposures. The Company primarily follows cash flow hedge accounting for Highly Probable Forecasted Exposures (HPFE), hence, the movement in mark to market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-balance sheet exposure, the changes in MTM of the hedge contracts will impact the Balance Sheet of the Company. Further, given the effective horizons of the Company's risk management activities which coincide with the durations of the projects under execution, which could extend across 3-4 years and given the business uncertainties associated with the timing and estimation of the project exposures, the recognition of the gains and losses related to these instruments may not always coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may affect the Company's financial condition and operating results. The Company monitors the potential risk arising out of the market factors like exchange rates, interest rates, price of traded investment products etc. on a regular basis. For on-balance sheet exposures, the Company monitors the risks on net unhedged exposures.

(i) Foreign exchange rate risk:

In general, the Company is a net receiver of foreign currency. Accordingly, changes in exchange rates, and in particular a strengthening of the Indian Rupee, may adversely affect the Company's net sales and gross margins expressed in Indian Rupees. There is a risk that the Company may have to adjust local currency product pricing due to competitive pressures when there have been significant volatility in foreign currency exchange rates.

The Company may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. In addition, the Company has entered, and may enter in future, into non-designated foreign currency contracts to partially offset the foreign currency exchange gains and losses on its foreign-denominated debt issuances. The Company's practice is to hedge a portion of its material net foreign exchange exposures with tenors in line with the project/business life cycle. The Company may also choose not to hedge certain foreign exchange exposures.

The net exposure to foreign currency risk (based on notional amount) in respect of recognised financial assets, recognised financial liabilities and derivatives for major currencies is as follows:

₹ crore

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	US Dollars including pegged currencies	EURO	Japanese Yen	*US Dollars including pegged currencies*	*EURO*	*Japanese Yen*
Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	(2084.25)	(486.42)	(516.44)	*(4303.15)*	*(573.33)*	*(419.49)*
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non-financial assets/(liabilities)	34.38	65.82	-	*217.94*	*(28.50)*	-
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to firm commitments and forecast transactions	6099.22	(4700.57)	1031.00	*2159.48*	*(1253.24)*	*962.38*
Receivable/(payable) exposure with respect to forward contracts and embedded derivatives not designated as cash flow hedge	71.90	80.03	(16.93)	*(518.73)*	*25.37*	*(27.02)*

To provide a meaningful assessment of the foreign currency risk associated with the Company's foreign currency derivative positions against off-balance sheet exposures and unhedged portion of on-balance sheet financial assets and liabilities, the Company uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Company uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by

Notes forming part of the Financial Statements (contd.)

NOTE [52]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management *(contd.)*

increases in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VAR for the Company at 95% confidence level is ₹ 32.90 crore as at March 31, 2021 and *₹ 28.78 crore as at March 31, 2020.*

Actual future gains and losses associated with the Company's investment portfolio and derivative positions may differ materially from the sensitivity analysis performed as at March 31, 2021 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchanges rates and the Company's actual exposures and position.

(ii) Interest rate risk:

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. While most of the Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk, a major portion of foreign currency debt is linked to international interest rate benchmarks like LIBOR. The Company also hedges a portion of these risks by way of derivatives instruments like Interest rate swaps and currency swaps.

L&T has an ECB loan book of USD 250 mn as on date which has a floating interest rate linked to 1 month USD Libor. With the transition of Libor into another benchmark (SOFR), there will be a spread adjustment that will have to be applied to these loans. Out of the USD 250 mn worth of outstanding ECB, USD 100 mn worth of ECB will mature in October 2021, and hence will be repaid before the transition to SOFR. USD 150 mn ECB will mature beyond 2021 and hence will require a credit adjustment.

The Corporate Treasury team constantly tracks the developments related to this proposed transition and has also had interactions with the counterparty lenders to prepare for the transition.

Based on the most widely expected methodology to transition from LIBOR to SOFR, the median historical spread between the two benchmarks is likely to be used as a spread adjustment. In the case mentioned above, both the bank and the Company are likely to agree on a neutral spread adjustment which does not impact the counterparties financially.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ crore

Particulars	As at 31-3-2021	*As at 31-3-2020*
Floating rate borrowings	4390.76	*7671.90*

A hypothetical 50 basis point shift in respective currency LIBORs and other benchmarks, holding all other variables constant, on the unhedged loans would result in a corresponding increase/decrease in interest cost for the Company on a yearly basis as follows:

₹ crore

Particulars	Impact on Profit and Loss after tax		Impact on Equity	
	2020-21	*2019-20*	As at 31-3-2021	*As at 31-3-2020*
Indian Rupee				
Interest rates -increase by 0.5% in INR interest rate	(0.56)	*(1.77)*	(0.56)	*(1.77)*
Interest rates -decrease by 0.5% in INR interest rate	0.56	*1.77*	0.56	*1.77*
US Dollar				
Interest rates -increase by 0.5% in USD interest rate	(15.87)	*(26.94)*	(15.87)	*(26.94)*
Interest rates -decrease by 0.5% in USD interest rate	15.87	*26.94*	15.87	*26.94*

(b) Liquidity Risk Management:

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through adequate committed credit lines. Given the need to fund diverse businesses, the Company maintains flexibility by need based drawing from committed credit lines. Management regularly monitors the position of cash and cash equivalents. The maturity profiles of financial assets and financial liabilities including debt financing plans and liquidity ratios are considered while reviewing the liquidity position.

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The Company uses a combination of internal and external tools to execute its investment strategy and achieve its

Notes forming part of the Financial Statements (contd.)

NOTE [52]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management *(contd.)*

investment objectives. The Company typically invests in money market funds, large debt funds, Government of India securities, equity funds and other highly-rated securities under a exposure limit framework. The investment policy focuses on minimising the potential risk of principal loss. To provide a meaningful assessment of the price risk associated with the Company's investment portfolio, the Company performed a sensitivity analysis to determine the impact of change in prices of the securities on the value of the investment portfolio assuming a 0.5% movement in the fair market value of debt funds and debt securities and a 5% movement in the NAV of the equity funds as below:

₹ crore

Particulars	Increase/(decrease) in investment value	
	As at 31-3-2021	*As at 31-3-2020*
Debt funds and debt securities – increase by 0.50% in fair market value	62.25	*17.80*
Debt funds and debt securities – decrease by 0.50% in fair market value	(62.25)	*(17.80)*
Equity funds– increase by 5% in NAV	2.19	*3.90*
Equity funds– decrease by 5% in NAV	(2.19)	*(3.90)*

The investments in money market funds are for the purpose of liquidity management only and hence not subject to any material price risk.

(c) Credit Risk Management:

The Company's customer profile includes public sector enterprises, state owned companies and large private corporates. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases, retentions are substituted with bank/ corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within the organisation to ensure proper attention and focus for realisation.

(i) The Company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

₹ crore

Particulars	2020-21	*2019-20*
Balance as at April 1	2378.28	*2270.62*
Changes in allowance for ECL:		
Provision/(reversal) of allowance for ECL	261.83	*334.21*
Additional provision (net) towards credit impaired receivables	206.47	*32.69*
Written off as bad debts	(367.60)	*(157.19)*
Less: Balance reported under held for sale	–	*102.05*
Balance as at March 31[refer Note 11]	2478.98	*2378.28*

(ii) Trade receivable written off during the year but still enforceable for recovery amounts to Nil *(previous year: Nil)*

(d) Commodity price risk management :

The Company bids for and executes EPC projects on turnkey basis. EPC projects entail procurement of various equipment and materials which may have direct or indirect linkages to commodity prices like steel (both long and flat steel), copper, aluminium, zinc, lead, nickel etc. Accordingly, the Company is exposed to the price risk on these commodities. To mitigate the risk of commodity prices, the Company relies on contractual provisions like pass through of prices, price variation provisions etc., and further uses financial derivatives where available (refer Note 53 (h)(ii)). There is certain residual risk carried by the Company that cannot be hedged against.

The table given in the Risk Management section of Management Discussion and Analysis lists out the commodity exposure for the year (only for projects that been awarded and are under execution).

The Company is also exposed to contingent risk on account of commodity price movements that may not be fully offset by contractual provisions in the projects that it has bid for but which are not awarded yet. Commodity prices are volatile and have witnessed 60% to 75% movement for the year. This may impact the margin on projects where the Company has submitted bids on a firm price basis. However, for projects where the Company is eligible for an adjustment, based on price variation clause, there may not be a major impact. The actual impact will depend on the exact project wins and the relative contractual provisions therein.

Notes forming part of the Financial Statements (contd.)

NOTE [53]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

₹ *crore*

Sr. No.	Particulars	Note	As at 31-3-2021	*As at 31-3-2020*
I.	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Investment in equity instruments	5	70.22	*73.42*
	(ii) Investment in mutual funds	10	8009.01	*2000.82*
	(iii) Investment in bonds	10	982.97	*997.65*
	(iv) Derivative instruments not designated as cash flow hedges	7,15	76.10	*35.44*
	(v) Embedded derivatives not designated as cash flow hedges	7,15	10.42	*53.52*
	Sub-total (I)		9148.72	*3160.85*
II.	Measured at amortised cost:			
	(i) Loans	6,14	3001.96	*4022.14*
	(ii) Investment in CBLO	10	299.98	*-*
	(ii) Trade receivables	11	29948.24	*27912.96*
	(iii) Advances recoverable in cash	15	584.56	*671.68*
	(iv) Cash and cash equivalents and bank balances	7,12,13	4050.02	*4212.47*
	(v) Other receivables		568.82	*714.41*
	Sub-total (II)		38453.58	*37533.66*
III.	Measured at fair value through other comprehensive income (FVTOCI):			
	(i) Investment in government securities, bonds and debentures	10	9162.44	*3060.68*
	(ii) Derivative financial instruments designated as cash flow hedges	7,15	570.21	*552.00*
	(iii) Embedded derivatives designated as cash flow hedges	7,15	0.02	*0.94*
	Sub-total (III)		9732.67	*3613.62*
	Total (I+II+III)		57334.97	*44308.13*

(b) Category-wise classification for applicable financial liabilities:

₹ *crore*

Sr. No.	Particulars	Note	As at 31-3-2021	*As at 31-3-2020*
I.	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Derivative instruments not designated as cash flow hedges	20,26	35.99	*23.14*
	(ii) Embedded derivatives not designated as cash flow hedges	20,26	10.60	*56.80*
	Sub-total (I)		46.59	*79.94*
II.	Measured at amortised cost:			
	(i) Borrowings	19,23,24	23808.71	*25785.29*
	(ii) Trade payables			
	Due to micro enterprises and small enterprises		351.47	*379.88*
	Due to others	25	37118.33	*36249.51*
	(iii) Others		2006.97	*1334.41*
	Sub-total (II)		63285.48	*63749.09*
III.	Derivative instruments (including embedded derivatives) through other comprehensive income:			
	(i) Derivative instruments designated as cash flow hedges	20,26	296.05	*568.53*
	(ii) Embedded derivatives designated as cash flow hedges	20,26	36.91	*38.31*
	Sub-total (III)		332.96	*606.84*
IV.	Financial guarantee contracts	20,26	19.69	*23.97*
	Total (I+II+III+IV)		63684.72	*64459.84*

Notes forming part of the Financial Statements (contd.)

NOTE [53]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" *(contd.)*

(c) Items of income, expense, gains or losses related to financial instruments:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
I	Net gains/(losses) on financial assets, financial liabilities measured at fair value through Profit or Loss and amortised cost		
A	(i) Financial assets or financial liabilities mandatorily measured at fair value through Profit or Loss:		
	1. Gains/(losses) on fair valuation or sale of Investments	840.72	*331.59*
	2. Gains/(losses) on fair valuation/settlement of derivative:		
	a. On forward contracts not designated as cash flow hedges	(305.17)	*(94.69)*
	b. On embedded derivatives contracts not designated as cash flow hedges	(7.40)	*(13.75)*
	c. On futures not designated as cash flow hedges	(52.11)	*–*
	Sub-total (A)	476.04	*223.15*
B	Financial assets measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	(177.18)	*586.25*
	(ii) Allowance/(reversal) for expected credit loss during the year in the Statement of Profit or Loss	(261.83)	*(334.21)*
	(iii) Provision for impairment loss (other than expected credit loss) [net]	(1711.39)	*(171.67)*
	(iv) Gains/(losses) on derecognition:		
	1. Bad debts (written off)/written back (net)	(11.73)	*166.95*
	2. Gains/(losses) on transfer of financial assets (on non-recourse basis)	(58.42)	*(27.13)*
	Sub-total (B)	(2220.55)	*220.19*
C	Financial liabilities measured at amortised cost:		
	(i) Exchange gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade payables, borrowing availed etc.)	223.32	*(666.44)*
	(ii) Unclaimed credit balances written back	211.54	*162.62*
	Sub-total (C)	434.86	*(503.82)*
	Total [I] = (A+B+C)	(1309.65)	*(60.48)*
II	Net gains/(losses) on financial assets and financial liabilities measured at fair value through other comprehensive income:		
A	Gains/(loses) recognised in other comprehensive income:		
	(i) Financial assets measured at fair value through other comprehensive income:		
	1. Gains/(losses) on fair valuation or sale of government securities, bonds, debentures etc.	355.48	*311.54*
	(ii) Derivative measured at fair value through other comprehensive income:		
	1. Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hedges	524.86	*(111.09)*
	2. Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	(1.67)	*44.56*
	Sub-total (A)	878.67	*245.01*
	Less:		
B	Gains/(losses) reclassified to Profit or Loss from other comprehensive income:		
	(i) Financial assets measured at fair value through other comprehensive income:		
	1. On government securities, bonds, debentures etc. upon sale	116.02	*154.47*
	(ii) Derivative measured at fair value through other comprehensive income:		
	1. On forward contracts upon hedged future cash flows affecting the Profit or loss or related asset or liability	288.61	*319.29*
	2. On embedded derivative contracts upon hedged future cash flows affecting the Profit or Loss or related asset or liability	(6.32)	*9.01*
	Sub-total (B)	398.31	*482.77*
	Net gains/(losses) recognised in other comprehensive income [II]= (A)-(B)	480.36	*(237.75)*
C	Impairment loss recognised in Statement of Profit and Loss	–	*100.00*

Notes forming part of the Financial Statements (contd.)

NOTE [53]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" *(contd.)*

₹ *crore*

Sr. No.	Particulars	2020-21	*2019-20*
III	Other income/(expenses):		
A	Dividend income:		
	Dividend income from investments measured at FVTPL	14.24	*1.76*
	Sub- total (A)	14.24	*1.76*
B	Interest income:		
	(a) Financial assets measured at amortised cost	327.72	*398.01*
	(b) Financial assets measured at fair value through other comprehensive income	640.35	*214.09*
	(c) Financial assets measured at fair value through Profit or Loss	24.51	*7.22*
	Sub- total (B)	992.58	*619.32*
C	Interest expense:		
	(a) Derivative instruments (including embedded derivatives) that are measured at fair value through other comprehensive income: (reclassified to Profit or Loss during the year)	(137.51)	*(150.06)*
	(b) Financial liabilities that are measured at amortised cost	(1913.63)	*(1624.11)*
	(c) Financial liabilities that are measured at fair value through Profit or Loss	(0.17)	*5.95*
	Sub- total (C)	(2051.31)	*(1768.22)*
	Total [III] = (A+B+C)	(1044.49)	*(1147.14)*

(d) Fair value of financial assets and financial liabilities measured at amortised cost:

(i) Financial assets measured at amortised cost:

The carrying amounts of trade receivables, loans, advances and cash and other bank balances are considered to be the same as their fair values due to their short-term nature. The carrying amounts of long-term loans given with floating rate of interest are considered to be close to the fair value.

(ii) Financial liabilities measured at amortised cost:

₹ *crore*

Particulars	As at 31-3-2021		*As at 31-3-2020*		Fair value hierarchy
	Carrying amount	Fair Value	*Carrying amount*	*Fair Value*	
Redeemable non-convertible fixed rate debentures	15570.86	16410.60	*9781.06*	*9966.73*	L2[1]
Term loan from banks	81.60	88.28	*90.67*	*95.34*	L2[1]
Total	15651.86	16499.16	*9871.73*	*10062.07*	

Note: The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature. The carrying amounts of current borrowings at fixed rate and other borrowings at floating rate are considered to be close to the fair value.

[1] Valuation technique L2: Future cash flows discounted using G-sec/LIBOR rates plus corporate spread.

Notes forming part of the Financial Statements (contd.)

NOTE [53]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" *(contd.)*

(e) Fair value hierarchy of financial assets and liabilities measured at fair value:

₹ *crore*

Particulars	Note	As at 31-3-2021				*As at 31-3-2020*			
		Level 1	Level 2	Level 3	Total	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets:									
Investments at FVTPL:									
(i) Equity shares (other than those held in subsidiary, joint venture and associate companies)	5	6.88	–	63.34	70.22	*5.01*	*–*	*68.41*	*73.42*
(ii) Mutual fund units	10	8009.01	–	–	8009.01	*2000.82*	*–*	*–*	*2000.82*
(iii) Bonds	10	982.97	–	–	982.97	*997.65*	*–*	*–*	*997.65*
(iv) Derivative instruments not designated as cash flow hedges	7,15	–	76.10	–	76.10	*–*	*35.44*	*–*	*35.44*
(v) Embedded derivative Instruments not designated as cash flow hedges	7,15	–	10.42	–	10.42	*–*	*53.52*	*–*	*53.52*
Investments at FVTOCI:									
(i) Debt instruments viz. government securities, bonds and debentures	10	9162.44	–	–	9162.44	*3060.68*	*–*	*–*	*3060.68*
(ii) Derivative financial instruments designated as cash flow hedges	7,15	–	570.21	–	570.21	*–*	*552.00*	*–*	*552.00*
(iii) Embedded derivative financial instruments designated as cash flow hedges	7,15	–	0.02	–	0.02	*–*	*0.94*	*–*	*0.94*
Total		18161.30	656.75	63.34	18881.39	*6064.16*	*641.90*	*68.41*	*6774.47*
Financial Liabilities:									
(i) At FVTPL - Designated at FVTPL:									
(a) Derivative instruments not designated as cash flow hedges	20,26	–	35.99	–	35.99	*–*	*23.14*	*–*	*23.14*
(b) Embedded derivative instruments not designated as cash flow hedges	20,26	–	10.60	–	10.60	*–*	*56.80*	*–*	*56.80*
(ii) Designated at FVTOCI:									
(a) Derivative financial instruments designated as cash flow hedges	20,26	–	296.05	–	296.05	*–*	*568.53*	*–*	*568.53*
(b) Embedded derivative financial instruments designated as cash flow hedges	20,26	–	36.91	–	36.91	*–*	*38.31*	*–*	*38.31*
Total		–	379.55	–	379.55	*–*	*686.78*	*–*	*686.78*

Valuation technique and key inputs used to determine fair value:

1. Level-1: Mutual fund, bonds, debentures and government Securities - Quoted price in the active market
2. Level-2: Derivative Instrument – Mark to market on forward covers and embedded derivative instruments is based on forward exchange rates at the end of reporting period and discounted using G-sec rate plus applicable spread.

(f) Movement of items measured using unobservable inputs (Level 3):

₹ *crore*

Particulars	Equity Investment in Tidel Park Limited
Balance as at 1-4-2019	65.58
Gains/(losses) recognised in Profit or Loss during 2019-20	2.72
Balance as at 31-3-2020	68.30
Gains/(losses) recognised in Profit or Loss during 2020-21	(5.07)
Balance as at 31-3-2021	63.23

Notes forming part of the Financial Statements (contd.)

NOTE [53]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" *(contd.)*

Significant unobservable inputs used in level 3 fair value measurements and sensitivity of the fair value measurement to changes in unobservable inputs:

₹ *crore*

Particulars	Fair Value as at 31-3-2021	*Fair Value as at 31-3-2020*	Significant unobservable inputs	Sensitivity
Equity Investment in "Tidel Park Limited"	63.23	*68.30*	31-3-2021: 1. Net realisation per month ₹ 31.827 per sq/ft. 2. Capitalisation rate 11.50% *31-3-2020:* *1. Net realisation per month ₹ 31.827 per sq/ft.* *2. Capitalisation rate 12.25%*	31-3-2021 : 1% change in net realisation would result in +/- ₹ 0.28 crore (post tax- ₹ 0.21 crore) 25 bps change in capitalisation rate would result in +/- ₹ 0.60 crore (post tax- ₹ 0.45 crore) *31-3-2020 : 1% change in net realisation would result in +/- ₹ 0.33 crore (post tax- ₹ 0.24 crore)* *25 bps change in capitalisation rate would result in +/- ₹ 0.65 crore (post tax- ₹ 0.49 crore)*

(g) Maturity Profile of Financial Liabilities (undiscounted values):

₹ *crore*

Particulars	Note	As at 31-3-2021			*As at 31-3-2020*		
		Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
A. Non-derivative liabilities:							
Borrowings	19, 23, 24	8063.18	19926.96	27990.14	*19522.50*	*8318.68*	*27841.18*
Trade payables:							
Due to micro enterprises and small enterprises		278.34	73.13	351.47	*323.48*	*56.26*	*379.74*
Due to others	25	35643.99	1474.34	37118.33	*34823.28*	*1426.35*	*36249.63*
Other financial liabilities	20, 26	1797.47	65.02	1862.49	*1155.74*	*46.18*	*1201.92*
Lease liabilities		70.45	103.22	173.67	*91.21*	*89.21*	*180.42*
Total		45853.43	21642.67	67496.10	*55916.21*	*9936.68*	*65852.89*
B. Derivative liabilities:							
Forward contracts	20, 26	299.73	42.69	342.42	*468.46*	*144.61*	*613.07*
Embedded derivatives	20, 26	48.04	–	48.04	*99.90*	*–*	*99.90*
Total		347.77	42.69	390.46	*568.36*	*144.61*	*712.97*

(h) Details of outstanding hedge instruments for which hedge accounting is followed:

(i) Outstanding currency exchange rate hedge instruments:

(A) Forward covers taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2021				*As at 31-3-2020*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
(a) Receivable hedges:								
US Dollar	11534.39	78.75	7336.38	4198.01	*6543.80*	*75.80*	*5211.30*	*1332.50*
Japanese Yen	2537.18	0.73	2426.78	110.40	*1640.41*	*0.69*	*1324.82*	*315.59*
Qatari Riyal	1207.41	20.72	958.09	249.32	*1401.35*	*20.99*	*1319.31*	*82.04*
EURO	938.28	92.82	672.99	265.29	*925.80*	*86.60*	*818.04*	*107.76*
Arab Emirates Dirham	926.09	21.26	779.74	146.35	*1174.53*	*20.78*	*830.91*	*343.62*
Kuwaiti Dinar	831.62	255.45	645.10	186.52	*863.67*	*239.79*	*641.12*	*222.55*
Omani Riyal	785.49	193.34	599.11	186.38	*485.60*	*193.42*	*107.43*	*378.17*
Malaysian Ringgit	91.85	19.40	91.85	–	*173.51*	*17.85*	*125.19*	*48.32*
Bangladeshi Taka	–	–	–	–	*1859.64*	*0.90*	*1674.92*	*184.72*
Mauritian Rupee	–	–	–	–	*149.67*	*1.86*	*111.93*	*37.74*
Saudi Riyal	–	–	–	–	*52.82*	*19.97*	*52.82*	*–*
Thai Baht	–	–	–	–	*1.56*	*2.35*	*1.56*	*–*
British Pound	–	–	–	–	*0.94*	*94.68*	*0.94*	*–*

Notes forming part of the Financial Statements (contd.)

NOTE [53]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" *(contd.)*

Particulars	As at 31-3-2021 Nominal amount (₹ crore)	As at 31-3-2021 Average rate (₹)	As at 31-3-2021 Within twelve months (₹ crore)	As at 31-3-2021 After twelve months (₹ crore)	*As at 31-3-2020 Nominal amount (₹ crore)*	*As at 31-3-2020 Average rate (₹)*	*As at 31-3-2020 Within twelve months (₹ crore)*	*As at 31-3-2020 After twelve months (₹ crore)*
(b) Payable hedges:								
US Dollar	8952.33	74.83	8640.73	311.60	*10530.38*	*75.14*	*10330.69*	*199.69*
EURO	5826.14	87.82	5546.31	279.83	*2513.05*	*84.70*	*2222.79*	*290.26*
Japanese Yen	1325.46	0.72	1325.46	–	*701.78*	*0.70*	*587.70*	*114.08*
Swiss Franc	293.53	80.10	123.77	169.76	*176.13*	*76.89*	*176.13*	–
Kuwaiti Dinar	242.90	242.90	242.90	–	*101.63*	*239.12*	*101.63*	–
Chinese Yuan	85.99	11.23	85.99	–	*84.13*	*10.67*	*75.36*	*8.77*
Arab Emirates Dirham	46.35	20.28	46.35	–	*396.31*	*20.75*	*396.31*	–
Qatari Riyal	29.59	20.69	29.59	–	–	–	–	–
Omani Riyal	9.46	189.04	9.46	–	–	–	–	–
Canadian Dollar	3.51	58.77	3.51	–	*31.46*	*54.37*	*31.46*	–
British Pound	1.11	103.95	1.11	–	*10.87*	*96.00*	*10.87*	–
Bangladeshi Taka	–	–	–	–	*766.73*	*0.88*	*766.73*	–
Mauritian Rupee	–	–	–	–	*385.17*	*1.86*	*385.17*	–

(B) Forward covers taken to hedge exchange rate risk and accounted as net investment hedge:

Particulars	As at 31-3-2021 Nominal amount (₹ crore)	As at 31-3-2021 Average rate (₹)	As at 31-3-2021 Within twelve months (₹ crore)	As at 31-3-2021 After twelve months (₹ crore)	*As at 31-3-2020 Nominal amount (₹ crore)*	*As at 31-3-2020 Average rate (₹)*	*As at 31-3-2020 Within twelve months (₹ crore)*	*As at 31-3-2020 After twelve months (₹ crore)*
Receivable hedges								
US Dollar	–	–	–	–	*29.00*	*72.51*	*29.00*	–
Arab Emirates Dirham	–	–	–	–	*102.55*	*20.11*	*102.55*	–
Qatari Riyal	–	–	–	–	*45.77*	*20.70*	*45.77*	–

(ii) Outstanding commodity price hedge instruments:

Commodity forward contract:

Particulars	As at 31-3-2021 Nominal amount (₹ crore)	As at 31-3-2021 Average rate (₹)	As at 31-3-2021 Within twelve months (₹ crore)	As at 31-3-2021 After twelve months (₹ crore)	*As at 31-3-2020 Nominal amount (₹ crore)*	*As at 31-3-2020 Average rate (₹)*	*As at 31-3-2020 Within twelve months (₹ crore)*	*As at 31-3-2020 After twelve months (₹ crore)*
Copper(Tn)[1]	(167.94)	592175.68	(167.94)	–	*(39.12)*	*447208.55*	*(65.52)*	*(26.40)*
Aluminium(Tn)	(23.23)	152475.19	0.25	(23.48)	*179.91*	*134905.03*	*179.91*	–
Iron Ore(Tn)	33.68	7447.47	33.68	–	*25.71*	*5643.17*	*15.18*	*10.53*
Coking Coal(Tn)	–	–	–	–	*24.58*	*13101.74*	*15.50*	*9.08*
Lead(Tn)	47.04	142207.55	47.04	–	*28.98*	*145469.79*	*28.98*	–

[1] Negative nominal amount represents net sell position.

Notes forming part of the Financial Statements (contd.)

NOTE [53]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" *(contd.)*

(i) Carrying amounts of hedge instruments for which hedge accounting is followed:

Cash flow hedge:

₹ *crore*

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Current:						
Asset - Other financial assets	322.67	–	152.25	*449.39*	*–*	*83.69*
Liability - Other financial liabilities	242.81	–	58.14	*398.37*	*–*	*78.32*
Non-current:						
Asset - Other financial assets	95.31	–	–	*19.87*	*–*	*–*
Liability - Other financial liabilities	28.99	–	3.02	*68.63*	*–*	*1.71*
(ii) Swap contracts						
Non-current:						
Liability - Other financial liabilities	–	–	–	*59.55*	*–*	*–*

Net investment hedge:

₹ *crore*

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
Liability - Other financial liabilities	–	–	–	*0.26*	*–*	*–*

(j) Breakup of Hedging reserve & Cost of hedging reserve balance:

₹ *crore*

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	Cash flow hedging reserve	Cost of hedging reserve	*Cash flow hedging reserve*	*Cost of hedging reserve*
Balance towards continuing hedges	21.58	(4.34)	*(76.81)*	*(14.48)*
Balance for which hedge accounting discontinued	181.29	–	*29.98*	*–*

(k) Reclassification of Hedging reserve & Cost of hedging reserve to Profit and Loss:

₹ *crore*

Particulars	Hedging reserve/Cost of hedging reserve	
	2020-21	*2019-20*
Future cash flows are no longer expected to occur:		
Sales, administration and other expenses	11.93	*32.32*
Hedged expected future cash flows affecting Profit or Loss:		
Progress billing	4.22	*(75.17)*
Revenue from operation	45.46	*25.99*
Manufacturing, construction and operating expenses	(17.41)	*(46.53)*
Finance costs	(137.51)	*(150.06)*
Sales, administration and other expenses	242.30	*313.14*
Discontinued operations	–	*3.38*

Notes forming part of the Financial Statements (contd.)

NOTE [53]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" *(contd.)*

(l) Movement of Hedging reserve & Cost of hedging reserve:

₹ crore

Hedging reserve	2020-21			*2019-20*		
	Gross	Tax	Net of Tax	*Gross*	*Tax*	*Net of Tax*
Opening balance	(64.58)	17.75	(46.83)	*83.08*	*(29.84)*	*53.24*
Impact due to change in tax rate	–	–	–	–	*8.35*	*(8.35)*
Changes in the spot element of the forward contracts which is designated as hedging instrument for time period related hedges	202.71	(59.74)	142.97	*258.34*	*(68.51)*	*189.83*
Changes in fair value of forward contracts designated as hedging instruments	426.93	(125.82)	301.11	*(232.00)*	*61.57*	*(170.43)*
Changes in fair value of swaps	30.19	(8.90)	21.29	*53.23*	*(14.13)*	*39.10*
Amount reclassified to Profit or Loss	(294.97)	86.93	(208.04)	*(302.23)*	*80.21*	*(222.02)*
Amount included in non-financial asset/liability	(6.60)	1.95	(4.65)	*(0.17)*	*0.05*	*(0.13)*
Amount included in Progress Billing in balance sheet	(4.22)	1.24	(2.98)	*75.17*	*(19.95)*	*55.23*
Closing balance	289.46	(86.59)	202.87	*(64.58)*	*17.75*	*(46.83)*

₹ crore

Cost of hedging reserve	2020-21			*2019-20*		
	Gross	Tax	Net of Tax	*Gross*	*Tax*	*Net of Tax*
Opening balance	(19.34)	4.86	(14.48)	*6.41*	*(2.24)*	*4.17*
Impact due to change in tax rate	–	–	–	–	*0.63*	*0.63*
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instrument for time period related hedges	(136.65)	34.39	(102.26)	*(150.29)*	*37.82*	*(112.47)*
Amount Included in carrying amount of hedge item	–	–	–	*0.55*	*(0.14)*	*0.41*
Amount reclassified to Profit or Loss	150.19	(37.80)	112.39	*123.99*	*(31.21)*	*92.78*
Closing balance	(5.80)	1.45	(4.35)	*(19.34)*	*4.86*	*(14.48)*

NOTE [54]

Disclosure pursuant to Ind AS 116 "Leases"

(a) Where the Company is a lessor:

Operating leases: The Company has given buildings and plant & equipment under operating lease. The lease income received during the year is ₹ 196.75 crore *(previous year: ₹ 189.00 crore)*. Leases are renewed only on mutual consent and at a prevalent market price and sub-lease is generally restricted.

Annual undiscounted lease payments receivable is as under:

₹ crore

Particulars	Upto 1 year	1-2 years	2-3 years	3-4 years	4-5years	Beyond 5 years	Total
As at 31-3-2021	8.01	0.28	0.28	0.28	0.16	–	9.01
As at 31-3-2020	*89.72*	*0.26*	*0.09*	*0.09*	*0.09*	–	*90.25*

(b) Where the Company is a lessee:

The Company has taken on lease various assets such as, plant & equipment, buildings, office premises, vehicles and computer equipment. Generally, leases are renewed only on mutual consent and at a prevalent market price and sub-lease is restricted.

Notes forming part of the Financial Statements (contd.)

NOTE [54]

Disclosure pursuant to Ind AS 116 "Leases" *(contd.)*

Details with respect to right-of-use assets:

₹ crore

Class of asset	Depreciation for the year		Additions during the year		Carrying amount	
	2020-21	*2019-20*	2020-21	*2019-20*	As at 31-3-2021	*As at 31-3-2020*
Land	3.93	*3.79*	0.91	–	264.72	*267.74*
Buildings	40.95	*33.74*	101.60	*27.54*	112.65	*57.51*
Plant & equipment	51.03	*37.27*	5.78	*78.39*	38.33	*87.33*
Vehicles	0.09	*0.11*	–	*0.15*	0.15	*0.24*
Computers	0.24	–	1.76	–	1.52	–
Total	96.24	*74.91*	110.05	*106.08*	417.37	*412.82*

i. Interest expense on lease liabilities amounts to ₹ 11.32 crore *(previous year: ₹ 12.65 crore)*.

ii. Amounts not included in the measurement of the lease liability and recognised as expense in the Statement of Profit and Loss during the year are as follows:

- Low value leases - ₹ 3.26 crore *(previous year: ₹ 2.16 crore)*.
- Short-term leases - ₹ 1662.57 crore *(previous year: ₹ 1987.91 crore)*.

iii. Total cash out flow for leases amounts to ₹ 1645.14 crore during the year *(previous year: ₹ 1983.09 crore)* including cash outflow of short-term and low value leases.

NOTE [55]

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2021. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	2020-2021	*2019-2020*
Principal amount due to suppliers under MSMED Act, 2006	66.27	*98.91*
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	0.05	–
Payment made to suppliers (other than interest) beyond the appointed day during the year	129.16	*77.12*
Interest paid to suppliers under MSMED Act (Section 16)	0.47	*0.43*
Interest due and payable towards suppliers under MSMED Act for payments already made	0.46	*0.49*
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	14.01	*12.27*
Amount of further interest remaining due and payable even in the succeeding years	9.73	*8.19*

NOTE [56]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2021.

Notes forming part of the Financial Statements (contd.)

NOTE [57]

Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

₹ crore

Sr. No.	Name of the company	Balance as at		Maximum outstanding during	
		As at 31-3-2021	*As at 31-3-2020*	2020-21	*2019-20*
	Loans and advances in the nature of loans given to subsidiaries:				
(i)	L&T Realty Developers Limited [2]	–	*176.67*	176.67	*176.67*
(ii)	L&T Special Steels & Heavy Forgings Private Limited [1]	1730.38	*1605.35*	1730.38	*1605.35*
(iii)	L&T Geostructure Private Limited	29.60	*–*	29.60	*–*
(iv)	Nabha Power Limited	22.48	*377.59*	1584.45	*594.39*
(v)	L&T Metro Rail (Hyderabad) Limited	2450.49	*1372.83*	2450.49	*1372.83*
(vi)	Hi-Tech Rock Products & Aggregates Limited	34.10	*324.17*	326.64	*324.17*
(vii)	L&T Hydrocarbon Engineering Limited	–	*–*	–	*54.05*
(viii)	L&T Finance Limited [3]	–	*–*	–	*1013.98*
	Total	4267.05	*3856.61*		

[1] excluding Impairment of ₹ 1730.38 crore *(previous year: ₹ 263 crore)*

[2] refer Note 5[1]

[3] L&T Housing Finance Limited and L&T Infrastructure Finance Company Limited merged with L&T Finance Limited w.e.f. April 1, 2020. Previous year numbers have been regrouped.

Notes:

- Above figures include interest accrued
- Loans to employees (including directors) under various schemes of the Company (such as housing loan, furniture loan, education loan, etc.) have been considered to be outside the purview of disclosure requirements.
- Subsidiary classification is in accordance with the Companies Act, 2013

Notes forming part of the Financial Statements (contd.)

NOTE [58]

Disclosure pursuant to section 186 of The Companies Act 2013:

₹ *crore*

Sr. No.	Nature of the transaction (loans given/investment made/guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	2020-21	*2019-20*
(A)	Loan and Advances			
	Subsidiary companies:			
	(a) L&T Realty Developers Limited [2]	Project funding	–	*176.67*
	(b) L&T Special Steels & Heavy Forgings Private Limited [1]	Working Capital and Project funding	1730.38	*1605.35*
	(c) Nabha Power Limited	Project funding	22.48	*377.59*
	(d) L&T Metro Rail (Hyderabad) Limited	Temporary project funding and working capital	2450.49	*1372.83*
	(e) Hi-Tech Rock Products & Aggregates Limited	Investments	34.10	*324.17*
	(f) L&T Geostructure Private Limited	Project funding	29.60	*–*
	Total		4267.05	*3856.61*
(B)	Guarantees			
	Subsidiary companies:			
	(a) L&T Aviation Services Private Limited	Corporate guarantee given for subsidiary's debt	–	*6.53*
	(b) L&T - MHI Power Turbine Generators Private Limited	Corporate guarantee given for subsidiary's debt	312.67	*394.94*
	(c) Nabha Power Limited	Corporate guarantee given for subsidiary's debt	4500.00	*3700.00*
	(d) L&T Global holdings Limited	Corporate guarantee given for subsidiary's debt	–	*691.30*
	(e) L&T Hydrocarbon Engineering Ltd	Corporate guarantee given for subsidiary's debt	782.28	*809.62*
	(f) L&T Metro Rail (Hyderabad) Ltd	Corporate guarantee given for subsidiary's debt	250.00	*250.00*
	(g) Larsen & Toubro ATCO Saudia LLC	Corporate guarantee for subsidiary's project performance	–	*2469.61*
	(h) Larsen & Toubro Arabia LLC	Corporate guarantee for subsidiary's project performance	–	*4285.17*
	(i) L&T Technology Services Limited	Corporate guarantee for subsidiary's project performance	465.31	*564.31*
	(j) L&T Technology Services LLC	Corporate guarantee for subsidiary's project performance	146.22	*151.33*
	(k) Larsen & Toubro (Saudi Arabia) LLC	Corporate guarantee for subsidiary's project performance	1262.12	*1304.69*
	(l) L&T Hydrocarbon Engineering Limited	Corporate guarantee for subsidiary's project performance	12574.41	*18783.70*
	(m) Mindtree Limited	Corporate guarantee for subsidiary's project performance	514.50	*–*
	(n) L&T - MHI Power Boilers Private Limited	Corporate guarantee for subsidiary's project performance	29.23	*29.38*
	(o) Nabha Power Limited	Corporate guarantee for subsidiary's project performance	216.00	*216.00*
	(p) L&T Special Steel & Heavy Forgings Private Limited	Corporate guarantee for subsidiary's project performance	21.95	*90.42*
	(q) L&T Metro Rail (Hyderabad) Ltd	Guarantee issued by bank out of the Company's sanctioned limits on behalf of LTMRHL towards DSRA (Debt Service Reserve Account) to SBI Cap Trustee	472.00	*278.00*
	(r) L&T Seawoods Ltd	Corporate guarantee given to Maharashtra Pollution Control Board for CTO/CTE compliances	0.50	*–*
	Total		21547.19	*34025.00*
(C)	Investments in fully paid equity instruments and Current Investments		[Note 5 and Note 10]	

[1] excluding impairment of ₹ 1730.38 crore *(previous year: ₹ 263 crore)*.

[2] refer Note 5[1]

Notes forming part of the Financial Statements (contd.)

NOTE [59]

Exceptional items for the year ended March 31, 2021 includes the following:

(i) Impairment towards funded exposure of ₹ 1467.38 crore offset by interest income of ₹ 78.58 crore and provision towards constructive obligation to fund future losses ₹ 14.85 crore in the heavy forgings joint venture.

(ii) Impairment of investments in the power development business ₹ 1415.00 crore.

The impairment is recognised considering the existing business operations and the outlook for the future performance. The present value of estimated future cash flows of the business (value-in-use) is considered as a recoverable amount (discount rates used 11.90% to 12.75%). For power development business, in addition to value-in-use, part of the recoverable value is based on the fair value determined based on benchmark multiple method.

Exceptional items for the year ended March 31, 2020 represents gain of ₹ 626.99 crore on sale of the Company's stake in a subsidiary company.

NOTE [60]

The amount spent by the Company on Corporate Social Responsibility (CSR) related activities comprises of following:

₹ crore

Sr. No.	Particulars	Disclosed under	2020-21			*2019-20*		
			Paid	Provided	Total	*Paid*	*Provided*	*Total*
a.	Construction/acquisition of assets charged and shown under sales, administration, and other expenses	Note 35	0.16	0.03	0.19	*0.69*	*0.06*	*0.75*
b.	Other revenue expenses:							
	charged and shown under sales, administration and other expenses	Note 35	127.02	7.03	134.05	*115.36*	*12.66*	*128.02*
	charged and shown under employee benefit expense	Note 34	11.32	–	11.32	*16.52*	*–*	*16.52*
c.	Contribution to PM CARES fund [1]	Note 35	2.89	–	2.89	*53.23*	*–*	*53.23*
	Total amount shown in Profit & Loss Account		141.39	7.06	148.45	*185.80*	*12.72*	*198.52*
	Amount shown in Balance Sheet		1.62	–	1.62	*–*	*–*	*–*
	Total amount spent on CSR		143.01	7.06	150.07	*185.80*	*12.72*	*198.52*

i. The amount required to be spent by the Company on CSR related activities during the year 2020-21 is ₹ 145.56 crore *(previous year: ₹ 144.80 crore)*.

ii. The amount carried forward by the Company to offset against CSR obligation of the succeeding years is ₹ 57.74 crore under Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended vide Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. This comprises ₹ 4.51 crore of excess spent during the year 2020-21 and ₹ 53.23 crore [1] contributed to PM CARES fund during the year 2019-20.

[1] The Company contributed ₹ 53.23 crore to PM CARES fund during the year 2019-20 and accounted the same as donation in the financial statements. The management believes, the excess amount contributed by the Company to PM CARES fund over and above the CSR liability is allowed to be offset against the future CSR obligation of the Company under Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended vide Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. Accordingly, for the year 2019-20 the Company has regrouped the amount of contribution to PM CARES fund from donation to CSR expense.

Notes forming part of the Financial Statements (contd.)

NOTE [61]

Auditors' remuneration (excluding GST):

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
a.	Paid as Auditor		
	(i) Statutory audit fees	2.05	*2.05*
	(ii) Limited review of standalone and consolidated financial statements on a quarterly basis	2.00	*1.65*
b.	For Taxation matters	0.60	*0.60*
c.	For Company law matters	–	*0.35*
d.	For Other services including certification work	1.29	*1.39*
e.	For reimbursement of expenses	0.17	*0.10*

NOTE [62]

Contribution to political parties during the year 2020-21 is Nil *(previous year: The Company purchased Electoral Bonds for ₹ 50.00 crore and issued the same to political parties as Company's political contribution).*

NOTE [63]

(a) For better understanding of the Company's performance, line items have been added to show Profit after tax from continuing operations separately from exceptional items. This is in line with guidance available in Schedule III to Companies Act, 2013.

(b) Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
LARSEN & TOUBRO LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Larsen & Toubro Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes 36 joint operations of the Group accounted on proportionate basis and the Group's share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial information of the joint operations, subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note [1] (III) to the Consolidated Financial Statements in which the Group describes the uncertainties arising from the COVID-19 pandemic.

Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition – accounting for construction contracts	
Key audit matter description	There are significant accounting judgements in estimating revenue to be recognised on contracts with customers, including estimation of costs to complete and determining the timing of revenue recognition. The Group recognizes revenue on the basis of stage of completion in proportion of the contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract.

Revenue recognition – accounting for construction contracts	
	Significant judgements are involved in determining the expected losses, when such losses become probable based on the expected total contract cost. Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the life of the contract and adjusted where appropriate. The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the recovery of such consideration is highly probable. Refer to Note No. [1](II)(i) to the Consolidated Financial Statements
Principal Audit Procedures	Our audit procedures related to the (1) identification of distinct performance obligations, (2) evaluation of the process for estimation of costs to complete (3) evaluation of implications of change orders on costs estimates of costs to complete and revenue and (4) evaluation of any variable consideration included the following, amongst others: 1. We tested the effectiveness of controls relating to the (a) evaluation of performance obligations and identification of those that are distinct; (b) estimation of costs to complete each of the performance obligations including the contingencies in respect thereof, as work progresses and the impact thereon as a consequence of change orders; (c) the impact of change orders on the transaction price of the related contracts; and (d) evaluation of the impact of variable consideration on the transaction price; and 2. We selected a sample of contracts with customers and performed the following procedures: a. Obtained and read contract documents for each selection, change orders, and other documents that were part of the agreement; b. Identified significant terms and deliverables in the contract to assess management's conclusions regarding the (i) identification of distinct performance obligations; (ii) changes to costs to complete as work progresses and as a consequence of change orders; (iii) the impact of change orders on the transaction price; and (iv) the evaluation of the adjustment to the transaction price on account of variable consideration; c. Compared costs incurred with Group's estimates of costs incurred to date to identify significant variations and evaluated whether those variations have been considered appropriately in estimating the remaining costs to complete the contract; and d. Tested the estimate for consistency with the status of delivery of milestones and customer acceptance to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligation.
Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices.	
Key audit matter description	The Group, in its contract with customers, promises to transfer distinct services to its customers, which may be rendered in the form of engineering, procurement, and construction ("EPC") services through design-build contracts, and other forms of construction contracts. The recognition of revenue is based on contractual terms, which could be based on agreed unit price or lump-sum revenue arrangements. At each reporting date, revenue is accrued for costs incurred against work performed that may not have been invoiced. Identifying whether the Group's performance has resulted in a service that would be billable and collectable where the works carried out have not been acknowledged by customers as of the reporting date, or in the case of certain Defence contracts, where the evidence of work carried out and cost incurred are covered by confidentiality arrangements, involves a significant amount of judgement. Assessing the recoverability of contract assets related to overdue milestones and amounts overdue against invoices raised which have remained unsettled for a significantly long period after the end of the contractual credit period also involves a significant amount of judgment. Refer to Note Nos. [1](II)(i) and [1](II)(r) to the Consolidated Financial Statements.
Principal Audit Procedures	Our audit procedures related to the (1) evaluation of evidence supporting the execution of work; (2) evaluation of recoverability of the overdue amounts including the impact on the expected credit loss allowance; and (3) assessment of adjusting events after the reporting date i.e. March 31, 2021 and the date when the financial statements are approved by the Parent's Board of Directors included the following amongst others: 1. We tested the effectiveness of controls relating to the (a) gathering and evaluation of evidence supporting the execution of work; (b) evaluation of recoverability of the overdue amounts including the impact on the expected credit loss allowance; and (c) assessment of adjusting events after the reporting date i.e. March 31, 2021 and the date when the financial statements are approved by the Board of Directors and the impact thereof on the carrying amount of the related contract assets;

Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices.	
	2. We selected a sample of contracts assets with corresponding trade receivables that were overdue and evaluated the basis for management's conclusions regarding the (1) evidence supporting the execution of work for which the contract assets were recognised; (2) reasons for the delays in recovery of invoices and the basis on which recoverability of the contract assets was assessed; (3) impact on the allowance for expected credit losses; and (4) adjusting events after the reporting date i.e. March 31, 2021 and the date when the financial statements are approved by the Parent's Board of Directors and the impact thereof on the carrying amount of the related contract assets; and 3. We compared previous estimates relating to recoverability of contract assets and compared it with actual collections during the year.
Appropriateness of revenues and onerous obligations in respect of fixed price contracts involves critical estimates for services relating to certain entities in Information Technology & Technology Services Segment	
Key audit matter description	Estimated effort is a critical estimate to determine revenues and provision for onerous obligations on fixed price contracts. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts/cost incurred till date, efforts/cost required to complete the remaining contract performance obligations. Refer to Note No. [1](II)(i) to the Consolidated Financial Statements.
Principal Audit Procedures	The procedures performed by components' auditors (being other firms of chartered accountants) included the following: • evaluated the design and implementation of internal controls over recording of actual cost/efforts till date and the process of estimation of cost/efforts required to complete the performance obligations; • tested the operating effectiveness of the said internal controls for a selected sample of contracts; • selected a sample of new and existing contracts and performed following procedures: a) read, analysed and identified the distinct performance obligations in these contracts; b) compared such performance obligations with those identified and recorded by the components; and c) verified contract terms to determine the transaction price including any variable consideration and verified allocation of the transaction price to each performance obligation after adjusting the estimated variable consideration; and • in respect of a sample of fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue will be verify with the efforts/cost recorded and estimated efforts/cost from the corresponding information systems.
Provision for expected credit losses for financial services segment	
Key audit matter description	Significant judgement is used in classifying loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") and fair valuation on such loan assets is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the allowance for ECL and fair valuation on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. Refer to Note [1](II)(r)(i)(D) to the Consolidated Financial Statements.
Principal Audit Procedures	We have examined the policies approved by the Boards of Directors of the entities in the component's group that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL and fair valuation for assessing and measuring credit and market risk on all lending exposures. Additionally, we have confirmed that adjustments to the output of the ECL model is consistent with the documented rationale and basis for such adjustments which has been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL and fair valuation included the following, among others: • Testing the design and effectiveness of internal controls over the: – completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied; and – completeness, accuracy and appropriateness of information used in the estimation of the Probability of Default ("PD") and the Loss Given Default ("LGD") for the different stages depending on the nature of the portfolio.

Provision for expected credit losses for financial services segment	
	• Also, for a sample of loan assets: – we tested the input data such as ratings and period of default and other related information used in estimating the PD; – we evaluated the reasonableness of applicable assumptions, including loss given defaults used into estimating the fair valuation; and – computation of the fair value of loans and ECL including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model. • We also tested the arithmetical accuracy of the computations and also performed analytical procedures by determining various ratios to evaluate the overall reasonableness of the estimates determined by the management; and • We also assessed the appropriateness of the disclosures made in relation to the ECL allowance and fair valuation to confirm compliance with the Ind AS provisions.
Impairment of Toll Collection Rights of certain operating projects who have incurred continuous losses	
Key audit matter description	Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer ("BOT") and Design-Build-Operate-Transfer ("DBOT") projects. Toll collection rights are capitalised as intangible assets upon completion of the project at the cumulative construction costs plus the present value of obligation towards negative grants and additional concession fee payable to National Highways Authority of India ("NHAI")/State Authorities, if any. Management of the component has carried out an evaluation for impairment of such toll collection rights where indicators of impairment were identified. In such cases Management of the component has estimated the future cash flows arising from achieving revenues and costs in line with the increase in traffic as well as refinancing/restructuring. As such estimations involve complex and subjective judgements by the Management, there is a risk that there may be an impairment that has not been recorded. Refer to Note No. [1](II)(o) to the Consolidated Financial Statements.
Principal Audit Procedures	The component's auditors (being other firms of chartered accountants) have performed the following audit procedures: • conducted discussions with component's personnel to identify factors, if any, that should be taken into account in the impairment analysis; • evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls in estimating the future projections including assumptions used in determining the value in use; • compared the actual revenues and cash flows generated by the entities during the year as compared to the projections and estimates considered in the previous year and evaluated the basis of future projections with regard to the revenue and cash flows; and • evaluated the appropriateness of key assumptions in the valuations including discount rate, growth rate, and consulted internal specialists for such evaluation. The challenge was based on the auditors' assessment of the historical accuracy of the Group's estimates in the prior periods and an assessment of the consistency of assumptions across all the subsidiaries and comparison of the assumptions with public data wherever available.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the joint operations, subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint operations, subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with Ind AS and other accounting principles generally accepted in India.

The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.

  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial information of 32 joint operations included in the standalone financial statements of the companies included in the Group whose financial information reflect total assets of ₹ 3,968.67 crore as at March 31, 2021, total revenue of ₹ 3,188.13 crore, total net loss after tax of ₹ 234.97 crore, total comprehensive loss of ₹ 234.97 crore and net cash outflows amounting to ₹ 11.89 crore for the year ended March 31, 2021, as considered in the respective standalone financial statements of the companies included in the Group. The financial information of these joint operations have been audited by the other auditors whose reports have been furnished to us by the Parent's Management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, is based solely on the report of such other auditors.

- We did not audit the financial information of 69 subsidiaries, whose financial information reflect total assets of ₹ 66,905.56 crore as at March 31, 2021, total revenues of ₹ 31,349.17 crore, total net profit after tax of ₹ 800.93 crore, total comprehensive income of ₹ 1,591.43 crore and net cash inflows amounting to ₹ 243.86 crore for the year ended March 31, 2021, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of profit after tax of ₹ 4.20 crore for the year ended March 31, 2021 and total comprehensive loss of ₹ 21.40 crore for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 3 associates and 9 joint ventures, whose financial information has not been audited by us. This financial information has been audited by other auditors whose reports have been furnished to us by the Parent's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

- We did not audit the financial information of 2 joint operations included in the standalone financial statements of the companies included in the Group whose financial information reflect total assets of ₹ 0.06 crore as at March 31, 2021, total revenue of ₹ Nil, total net loss after tax of ₹ 0.02 crore, total comprehensive loss of ₹ 0.02 crore and net cash inflows amount to ₹ Nil for the year ended March 31, 2021, as considered in the respective standalone financial statements of the companies included in the Group. This financial information is unaudited and has been furnished to us by the Parent's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are not material to the Group.

- We did not audit the financial information of 40 subsidiaries, whose financial information reflect total assets of ₹ 397.09 crore as at March 31, 2021, total revenues of ₹ 744.06 crore, total net loss after tax of ₹ 33.20 crore, total comprehensive loss of ₹ 33.06 crore and net cash outflows amounting to ₹ 62.25 crore for the year March 31, 2021, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss after tax of ₹ 1.47 crore and total comprehensive loss of ₹ 1.56 crore for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 3 associates and 2 joint ventures, financial information have not been audited by us. This financial information is unaudited and has been furnished to us by the Parent's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the joint operations, subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its joint operation companies, subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures;

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long- term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

SANJIV V. PILGAONKAR
(Partner)
(Membership No. 039826)
UDIN: 21039826AAAAEJ1421

Place: Mumbai
Date: May 14, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph "(f)" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Larsen & Toubro Limited (hereinafter referred to as "Parent") and its subsidiary companies which includes one of the Group's 36 joint operations which is a company incorporated in India, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent, its subsidiary companies, its joint operation, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its joint operation, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing ("SA"), prescribed under Section 143(10) of the Companies Act, 2013 (the "Act"), to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, joint operation, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its joint operation, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its joint operation, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial controls over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 29 subsidiary companies, 1 joint operation company, 1 associate company and 9 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies and 1 associate company, which are companies incorporated in India, whose financial information is unaudited and whose efficacy of internal financial controls over financial reporting is based solely on the Management's certification provided to us and our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group is not affected as the financial information of such entities is not material to the Group.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors and the financial information certified by the Management.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

SANJIV V. PILGAONKAR
Partner
(Membership No. 039826)
UDIN: 21039826AAAAEJ1421

Place: Mumbai
Date: May 14, 2021

Consolidated Balance Sheet as at March 31, 2021

	Note	As at 31-3-2021 ₹ crore	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*	*As at 31-3-2020 ₹ crore*
ASSETS:					
Non-current assets					
Property, plant and equipment	**2**		11386.29		*10103.79*
Capital work-in-progress	**2**		388.37		*3224.91*
Investment property	**3**		3646.78		*3714.72*
Goodwill	**4**		8066.96		*8011.40*
Other intangible assets	**5**		19197.76		*19596.98*
Intangible assets under development	**5**		112.02		*86.18*
Right-of-use assets	**61(b)(iii)**		2021.53		*2226.49*
Financial assets					
Investments in joint ventures and associates	**43(e)**	2670.26		*2851.01*	
Other investments	**6**	5945.14		*4496.72*	
Loans towards financing activities	**7**	52631.67		*58589.36*	
Other loans	**8**	482.66		*1522.33*	
Other financial assets	**9**	1110.77		*638.15*	
			62840.50		*68097.57*
Deferred tax assets (net)	**51(d)**		2697.00		*3846.58*
Other non-current assets	**10**		5949.67		*6541.62*
Current assets					
Inventories	**11**		5820.54		*5746.65*
Financial assets					
Investments	**12**	31011.23		*12699.75*	
Trade receivables	**13**	42229.78		*40731.52*	
Cash and cash equivalents	**14**	13373.52		*11324.57*	
Other bank balances	**15**	2867.98		*3793.21*	
Loans towards financing activities	**16**	41379.03		*41723.42*	
Other loans	**17**	648.56		*716.00*	
Other financial assets	**18**	2838.47		*2927.87*	
			134348.57		*113916.34*
Other current assets	**19**		54791.48		*58659.69*
Group(s) of assets classified as held for sale	**45(f)**		6.24		*4367.21*
TOTAL ASSETS			311273.71		*308140.13*

Consolidated Balance Sheet as at March 31, 2021 (contd.)

	Note	As at 31-3-2021 ₹ crore	As at 31-3-2021 ₹ crore	As at 31-3-2020 ₹ crore	As at 31-3-2020 ₹ crore
EQUITY AND LIABILITIES:					
Equity					
Equity share capital	**20**	280.91		*280.78*	
Other equity	**21**	75587.62		*66442.44*	
Equity attributable to owners of the Company			75868.53		*66723.22*
Non-controlling interests			12051.53		*9520.83*
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	**22**	82120.04		*82331.33*	
Lease liability		1617.72		*1741.60*	
Other financial liabilities	**23**	186.74		*901.14*	
			83924.50		*84974.07*
Provisions	**24**		773.78		*708.67*
Deferred tax liabilities (net)	**51(d)**		1178.66		*1453.04*
Other non-current liabilities	**25**		68.70		*31.09*
Current liabilities					
Financial liabilities					
Borrowings	**26**	27765.83		*35021.02*	
Current maturities of long term borrowings	**27**	22719.39		*23654.77*	
Lease liability		406.10		*424.95*	
Trade payables:					
Due to micro enterprises and small enterprises		488.99		*479.51*	
Due to others	**28**	45015.62		*43164.42*	
Other financial liabilities	**29**	5569.55		*4923.23*	
			101965.48		*107667.90*
Other current liabilities	**30**		31269.63		*30816.67*
Provisions	**31**		2998.68		*2750.85*
Current tax liabilities (net)			1171.02		*1509.62*
Liabilities associated with group(s) of assets classified as held for sale	**45(f)**		3.20		*1984.17*
TOTAL EQUITY AND LIABILITIES			311273.71		*308140.13*
CONTINGENT LIABILITIES	**32**				
COMMITMENTS (capital and others)	**33**				
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 64**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer
(DIN 00019798)

M. M. CHITALE
Independent Director
(DIN 00101004)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 14, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

	Note	2020-21		*2019-20*	
		₹ crore	₹ crore	*₹ crore*	*₹ crore*
Continuing operations					
INCOME:					
Revenue from operations	**34**		135979.03		*145452.36*
Other income	**35**		3429.35		*2360.90*
Total income			139408.38		*147813.26*
EXPENSES:					
Manufacturing, construction and operating expenses:	**36**				
Cost of raw materials, components consumed		15571.40		*15548.66*	
Construction materials consumed		24558.23		*30316.12*	
Purchase of stock-in-trade		1213.58		*841.09*	
Stores, spares and tools consumed		2023.54		*2184.46*	
Sub-contracting charges		22316.18		*26454.05*	
Changes in inventories of finished goods, work-in-progress, stock-in-trade and property development		343.37		*647.70*	
Other manufacturing, construction and operating expenses		12983.56		*13328.71*	
Finance cost of financial services business and finance lease activity		7691.04		*8041.88*	
			86700.90		*97362.67*
Employee benefits expense	**37**		24762.03		*23114.00*
Sales, administration and other expenses	**38**		8892.00		*8646.71*
Finance costs	**39**		3913.44		*2796.66*
Depreciation, amortisation, impairment and obsolescence			2904.21		*2462.27*
Total expenses			127172.58		*134382.31*
Profit before exceptional items and tax			12235.80		*13430.95*
Tax expense:	**51(a)**				
Current tax		3923.39		*3564.58*	
Deferred tax (net)		87.43		*(301.38)*	
			4010.82		*3263.20*
Net profit after tax (before exceptional items) from continuing operations			8224.98		*10167.75*
Exceptional items before tax			(3693.78)		*–*
Tax expense on exceptional items:	**51(a)**				
Current tax		48.44		*–*	
Deferred tax		(186.20)		*–*	
			(137.76)		*–*
Exceptional items (net of tax)	**48**		(3556.02)		*–*
Net profit after tax from continuing operations			4668.96		*10167.75*
Share in profit/(loss) after tax of joint ventures/associates (net)	**43(f)**		14.40		*71.96*
Profit for the year from continuing operations			4683.36		*10239.71*
Discontinued operations					
Profit before tax from discontinued operations	**45(a)**		10790.50		*883.25*
Tax expense of discontinued operations	**51(a)**		2552.58		*228.68*
Net profit after tax from discontinued operations			8237.92		*654.57*
Net profit after tax from continuing operations & discontinued operations			12921.28		*10894.28*
Other comprehensive income					
A Items that will not be reclassified to profit or loss:					
Equity instruments through Other comprehensive income		55.05		*(386.05)*	
Income tax (expenses)/income on equity instruments through Other comprehensive income		–		*–*	
			55.05		*(386.05)*
Gain/(loss) on remeasurements of the net defined benefit plans		57.40		*(205.94)*	
Income tax (expenses)/income on remeasurements of the net defined benefit plans		(13.69)		*50.60*	
			43.71		*(155.34)*
Share in Other comprehensive income of joint ventures/associates (net)			(51.76)		*27.75*
B Items that will be reclassified to profit or loss:					
Debt instruments through Other comprehensive income		123.69		*115.22*	
Income tax (expenses)/income on debt instruments through Other comprehensive income		(31.14)		*(19.46)*	
			92.55		*95.76*
Carried forward - Other comprehensive income			139.55		*(417.88)*

Consolidated Statement of Profit and Loss for the year ended March 31, 2021 (contd.)

	Note	2020-21 ₹ crore	2020-21 ₹ crore	*2019-20 ₹ crore*	*2019-20 ₹ crore*
Brought forward - Other comprehensive income			139.55		*(417.88)*
Exchange differences in translating the financial statements of foreign operations		99.70		*43.60*	
Income tax (expenses)/income on exchange differences in translating the financial statements of foreign operations		(4.42)		*4.45*	
			95.28		*48.05*
Effective portion of gains/(losses) on hedging instruments in a cash flow hedge		1717.14		*(1281.83)*	
Income tax (expenses)/income on effective portion of gains/(losses) on hedging instruments in a cash flow hedge		(479.18)		*334.42*	
			1237.96		*(947.41)*
Cost of hedging reserve		11.12		*(29.18)*	
Income tax (expenses)/income on cost of hedging reserve		(2.98)		*8.14*	
			8.14		*(21.04)*
Share in Other comprehensive income of joint ventures/associates (net)			(26.56)		*23.62*
Other comprehensive income for the year (net of tax)			1454.37		*(1314.66)*
Total comprehensive income for the year			14375.65		*9579.62*
Profit for the year attributable to:					
Owners of the Company			11582.93		*9549.03*
Non-controlling interests			1338.35		*1345.25*
			12921.28		*10894.28*
Other comprehensive income for the year attributable to:					
Owners of the Company			1129.49		*(1032.83)*
Non-controlling interests			324.88		*(281.83)*
			1454.37		*(1314.66)*
Total comprehensive income for the year attributable to:					
Owners of the Company			12712.42		*8516.20*
Non-controlling interests			1663.23		*1063.42*
			14375.65		*9579.62*
Earnings per share (EPS) of ₹ 2 each from continuing operations:					
Basic earnings per equity share (₹)	55		23.82		*63.38*
Diluted earnings per equity share (₹)	55		23.80		*63.29*
Earnings per share (EPS) of ₹ 2 each from discontinued operations:					
Basic earnings per equity share (₹)	55		58.67		*4.66*
Diluted earnings per equity share (₹)	55		58.61		*4.66*
Earnings per share (EPS) of ₹ 2 each from continuing operations & discontinued operations:					
Basic earnings per equity share (₹)	55		82.49		*68.04*
Diluted earnings per equity share (₹)	55		82.41		*67.95*
Face value per equity share (₹)			2.00		*2.00*
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1 to 64**				

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer
(DIN 00019798)

M. M. CHITALE
Independent Director
(DIN 00101004)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 14, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

A. Equity share capital

Particulars	2020-21 Number of shares	2020-21 ₹ crore	2019-20 Number of shares	2019-20 ₹ crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,40,38,92,022	280.78	1,40,27,29,385	280.55
Add: Shares issued on exercise of employee stock options during the year	6,63,275	0.13	7,83,249	0.16
Add: Shares issued on conversion of foreign currency convertible bonds during the year	–	–	3,79,388	0.07
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,45,55,297	280.91	1,40,38,92,022	280.78

B. Other equity

₹ crore

Particulars	Equity component of foreign currency convertible bonds	Reserves and surplus: Capital reserve	Capital redemption reserve	Securities premium	Employee share options (net)	Statutory reserves	Retained earnings	Items of Other comprehensive income: Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	Equity instruments through Other comprehensive income	Total other equity	Non-controlling interests	Total
Balance as at 31-3-2019	153.20	282.44	42.00	8471.99	337.05	3851.68	48176.31	540.73	245.00	(30.37)	24.22	62094.25	6826.11	68920.36
Change in accounting policy (Ind AS 116)	–	–	–	–	–	–	(79.09)	–	–	–	–	(79.09)	(24.24)	(103.33)
Restated balance as at 1-4-2019	153.20	282.44	42.00	8471.99	337.05	3851.68	48097.22	540.73	245.00	(30.37)	24.22	62015.16	6801.87	68817.03
Profit for the year (a)	–	–	–	–	–	–	9549.03	–	–	–	–	9549.03	1345.25	10894.28
Other comprehensive income (b)	–	–	–	–	–	–	(150.88)	41.83	(682.12)	95.70	(337.36)	(1032.83)	(281.83)	(1314.66)
Total comprehensive income for the year (a+b)	–	–	–	–	–	–	9398.15	41.83	(682.12)	95.70	(337.36)	8516.20	1063.42	9579.62
Issue of equity shares	–	–	–	127.61	–	–	–	–	–	–	–	127.61	–	127.61
Transfer to non-financial assets/liabilities	–	–	–	–	–	–	–	–	0.20	–	–	0.20	–	0.20
Transfer from/(to) retained earnings during the year	(153.20)	–	–	–	(10.68)	305.87	(471.88)	–	–	–	329.89	–	–	–
Employee share options (net)	–	–	–	–	75.12	–	–	–	–	–	–	75.12	7.32	82.44
Dividend paid (including interim dividend)	–	–	–	–	–	–	(3929.61)	–	–	–	–	(3929.61)	(486.90)	(4416.51)
Additional tax on dividend paid	–	–	–	–	–	–	(748.05)	–	–	–	–	(748.05)	(96.42)	(844.47)
Non-controlling interest on acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	2023.88	2023.88
Net gain/loss on transactions with non-controlling interests	–	–	–	–	–	–	360.90	–	–	–	–	360.90	(360.90)	–
Increase in non-controlling interests due to dilution/divestment/acquisition	–	–	–	–	–	–	24.91	–	–	–	–	24.91	568.56	593.47
Balance as at 31-3-2020	–	282.44	42.00	8599.60	401.49	4157.55	52731.64	582.56	(436.92)	65.33	16.75	66442.44	9520.83	75963.27

Consolidated Statement of Changes in Equity for the year ended March 31, 2021 (contd.)

₹ crore

Particulars	Equity component of Foreign currency convertible bonds	Reserves and surplus: Capital reserve	Capital redemption reserve	Securities premium	Employee share options (net)	Statutory reserves	Retained earnings	Items of Other comprehensive income: Foreign currency translation reserve	Hedging reserve	Debt instruments through Other comprehensive income	Equity instruments through Other comprehensive income	Total other equity	Non-controlling interests	Total
Balance as at 31-3-2020	–	282.44	42.00	8599.60	401.49	4157.55	52731.64	582.56	(436.92)	65.33	16.75	66442.44	9520.83	75963.27
Profit for the year (c)	–	–	–	–	–	–	11582.93	–	–	–	–	11582.93	1338.35	12921.28
Other comprehensive income (d)	–	–	–	–	–	–	43.32	82.89	923.89	97.07	(17.68)	1129.49	324.88	1454.37
Total comprehensive income for the year (c+d)	–	–	–	–	–	–	11626.25	82.89	923.89	97.07	(17.68)	12712.42	1663.23	14375.65
Issue of equity shares	–	–	–	68.05	–	–	–	–	–	–	–	68.05	–	68.05
Transfer to non-financial assets/liabilities	–	–	–	–	–	–	–	–	(1.87)	–	–	(1.87)	–	(1.87)
Transfer from/(to) retained earnings during the year	–	–	260.00	–	(8.63)	(582.13)	330.06	–	–	–	0.70	–	–	–
Employee share options (net)	–	–	–	–	(9.26)	–	–	–	–	–	–	(9.26)	76.85	67.59
Dividend paid (including special dividend)	–	–	–	–	–	–	(3650.89)	–	–	–	–	(3650.89)	(303.03)	(3953.92)
Net gain/loss on transactions with non-controlling interests	–	–	–	–	–	–	6.93	–	–	–	–	6.93	(6.93)	–
Increase in non-controlling interests due to dilution/divestment/acquisition/right issue	–	–	–	–	–	–	19.80	–	–	–	–	19.80	1100.58	1120.38
Balance as at 31-3-2021	–	282.44	302.00	8667.65	383.60	3575.42	61063.79	665.45	485.10	162.40	(0.23)	75587.62	12051.53	87639.15

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer
(DIN 00019798)

M. M. CHITALE
Independent Director
(DIN 00101004)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 14, 2021

Consolidated Statement of Cash Flows for the year ended March 31, 2021

		2020-21	2019-20
		₹ crore	₹ crore
A.	**Cash flow from operating activities:**		
	Profit before tax (excluding exceptional items) from:		
	Continuing operations	12235.80	13430.95
	Discontinued operations	10790.50	883.25
	Profit before tax including discontinued operations (excluding exceptional items)	23026.30	14314.20
	Adjustments for:		
	Dividend received	(28.47)	(101.60)
	Depreciation, amortisation, impairment and obsolescence	2904.21	2462.27
	Exchange difference on items grouped under financing/investing activities	(75.47)	5.69
	Effect of exchange rate changes on cash and cash equivalents	74.98	(88.14)
	Unrealised (gain)/loss on finance leases	(14.55)	–
	Finance costs	3913.44	2796.66
	Interest income	(1377.66)	(829.78)
	(Profit)/loss on sale of fixed assets (net)	(528.81)	33.28
	(Profit)/loss on sale/fair valuation of investments (net)	(1118.77)	(733.84)
	(Gain)/loss on disposal of discontinued operations	(10707.92)	–
	(Gain)/loss on derivatives at fair value through profit or loss	–	(13.19)
	Employee stock option-discount forming part of employee benefits expense	137.67	190.84
	Non-cash items related to discontinued operations	3.13	49.44
	Business combination expenses	–	84.28
	Impairment of debt instruments	151.26	350.59
	Impairment recognised on non-current assets held for sale	0.23	3.93
	(Gain)/loss on de-recognition of lease liability/right-of-use assets	(15.78)	(1.85)
	Interest expenses/(income) related to discontinued operations	1.16	1.33
	Operating profit before working capital changes	16344.95	18524.11
	Adjustments for:		
	(Increase)/decrease in trade and other receivables	2783.81	(11278.12)
	(Increase)/decrease in inventories	348.90	353.19
	Increase/(decrease) in trade payables and customer advances	2219.78	3134.23
	Cash generated from operations before financing activities	21697.44	10733.41
	(Increase)/decrease in loans and advances towards financing activities	4617.71	6.92
	Cash generated from operations	26315.15	10740.33
	Direct taxes refund/(paid) [net]	(3471.01)	(4046.45)
	Net cash (used in)/from operating activities	22844.14	6693.88
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets	(1807.70)	(3436.82)
	Sale of fixed assets (including advance received)	885.36	137.39
	Purchase of non-current investments	(1873.24)	(1870.64)
	Sale of non-current investments	240.19	2245.29
	(Purchase)/sale of current investments (net)	(16841.55)	2065.74
	Change in other bank balance and cash not available for immediate use	915.13	1439.82
	Deposits/loans given to associates, joint ventures and third parties	(151.59)	(115.21)
	Deposits/loans repaid by associates, joint ventures and third parties	–	17.69
	Interest received	1275.45	837.54
	Dividend received from joint ventures/associates	175.05	12.53
	Dividend received on other investments	28.47	101.60
	Settlement of derivative contracts related to current investments	–	13.19
	Consideration received on disposal of subsidiaries (including advance received)	295.78	–
	Net proceeds from transfer of discontinued operations (net of tax)	11530.82	–
	Consideration received on disposal of joint venture	–	43.16
	Consideration paid on acquisition of subsidiaries	(121.77)	(9895.93)
	Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	7.07	210.72
	Cash and cash equivalents (of subsidiaries) classified as held for sale (other than discontinued operations)/reclassified from held for sale	13.69	(14.34)
	Consideration paid on acquisition of additional stake in a joint venture	–	(48.00)
	Net cash (used in)/from investing activities	(5428.84)	(8256.27)

Consolidated Statement of Cash Flows for the year ended March 31, 2021 (contd.)

	2020-21	2019-20
	₹ crore	₹ crore
C. Cash flow from financing activities:		
Proceeds from issue of share capital (including share application money) [net]	15.85	17.56
Proceeds from non-current borrowings [Note 50]	35737.52	42587.43
Repayment of non-current borrowings [Note 50]	(38318.78)	(33685.03)
Proceeds from/(repayment of) other borrowings (net) [Note 50]	(6151.20)	4915.20
Payment (to)/from non-controlling interest (net) - including sale proceeds on divestment of part stake in subsidiary companies	796.02	(60.05)
Settlement of derivative contracts related to borrowings	66.73	308.29
Dividends paid	(3650.89)	(3929.61)
Additional tax on dividend	–	(621.72)
Repayment of lease liability [Note 50]	(381.64)	(258.03)
Interest paid on lease liability	(203.57)	(162.79)
Interest paid (including cash flows on account of interest rate swaps)	(3184.42)	(2739.70)
Net cash (used in)/from financing activities	(15274.38)	6371.55
Net (decrease)/increase in cash and cash equivalents (A + B + C)	2140.92	4809.16
Cash and cash equivalents at beginning of the year	11117.95	6460.23
Cash and cash equivalents for discontinued operations (classified as held for sale)	(1.86)	(151.44)
Cash and cash equivalents at end of the year	13257.01	11117.95

Notes:

1. Statement of Cash Flows has been prepared under the indirect method as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" prescribed in the Companies (Indian Accounting Standards) Rules, 2015.
2. Fixed assets include property, plant and equipment, investment property and intangible assets adjusted for movement of (a) capital work-in-progress for property, plant and equipment and investment property and (b) intangible assets under development during the year.
3. Cash and cash equivalents included in the Statement of Cash Flows comprise the following:

	2020-21	2019-20
	₹ crore	₹ crore
(a) Cash and cash equivalents disclosed under current assets [Note 14]	13373.52	11324.57
(b) Other bank balances disclosed under current assets [Note 15]	2867.98	3793.21
(c) Cash and bank balances disclosed under non-current assets [Note 9]	283.91	273.82
Total cash and cash equivalents as per Balance Sheet	16525.41	15391.60
Add: (i) Unrealised exchange (gain)/loss on cash and cash equivalents (reflected in Statement of Profit and Loss)	(41.41)	(116.39)
Add: (ii) Unrealised exchange (gain)/loss on cash and cash equivalents (reflected in Other comprehensive income)	(75.10)	(90.23)
Less: (iii) Other bank balances disclosed under current assets [Note 15]	2867.98	3793.21
Less: (iv) Cash and bank balances disclosed under non-current assets [Note 9]	283.91	273.82
Total cash and cash equivalents as per Statement of Cash Flows	13257.01	11117.95

4. Previous year's figures have been regrouped/reclassified wherever applicable.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No.117366W/W-100018
by the hand of

SANJIV V. PILGAONKAR
Partner
Membership No. 39826

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer
(DIN 00019798)

M. M. CHITALE
Independent Director
(DIN 00101004)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 14, 2021

Notes forming part of the Consolidated Financial Statements

NOTE [1](I)

Corporate Information

The Consolidated Financial Statements comprise financial statements of "Larsen & Toubro Limited" ("L&T", the "Parent Company") and its subsidiaries (collectively referred to as "the Group") for the year ended March 31, 2021.

The principal activities of the Group, its Joint Ventures and associates consist of providing Engineering and Construction solutions in key sectors such as Infrastructure, Hydrocarbon, Power, Process Industries and Defence, Information Technology and Financial Services. Further details of the business operations of the Group are mentioned in Note [46] Segment Information.

NOTE [1](II)

Significant Accounting Policies

(a) Statement of compliance

The Group's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financials statements have been approved for issue by the Board of Directors at its meeting held on May 14, 2021.

(b) Basis of accounting

The Group maintains its accounts on accrual basis following historical cost convention, except for certain assets and liabilities that are measured at fair value in accordance with Ind AS.

Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

(c) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Amounts in the financial statements are presented in Indian Rupee in crore [1 crore = 10 million] rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

(d) Basis of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

(ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

(iii) The consolidated financial statements of the Group combine financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries are harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements are presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests, shown separately in the financial statements.

(iv) Non-controlling interests represent that part of the total comprehensive income and net assets of subsidiaries attributable to the interest which is not owned, directly or indirectly, by the Parent Company.

(v) The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.

(vi) The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as investment in an associate or a joint venture or as a financial asset.

(e) Investments in joint ventures and associates

When the Group has with other entities joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint ventures. Joint control exists when the decisions about the relevant activities (i.e. activities that significantly affects the investee's returns) require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interest as investment in associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever required.

An investment in joint venture or associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in Other Equity of joint ventures or associates resulting in divestment or dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture and associate, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve.

The unrealised profits/losses on transactions with joint ventures and associates are eliminated by reducing the carrying amount of investment.

The carrying amount of investment in joint ventures and associates is reduced to recognise impairment, if any, when there is evidence of impairment.

When the Group's share of losses of a joint venture or an associate exceeds the Group's interest in that joint venture or the associate (which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture or the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or the associate.

(f) Interests in joint operations

When the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities (i.e. activities that significantly affects the investee's returns) require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement, thereby forms part of the consolidated financial statements. Interests in joint operations are included in the segments to which they relate.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

(g) Business combination/Goodwill on consolidation

The Group accounts for business combinations under acquisition method of accounting. Acquisition-related costs are recognised in the Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Goodwill arising on consolidation of acquisitions represents the excess of (a) consideration paid for acquiring control and (b) acquisition date fair value of previously held ownership interest, if any, in a subsidiary over the Group's share in the fair value of the net assets (including identifiable intangibles) of the subsidiary as on the date of acquisition of control. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised as Capital Reserve.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the acquisition.

Goodwill arising on consolidation is tested for impairment annually and not amortised. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Business combinations arising from transfers of interests in entities that are under common control are accounted using pooling of interest method. The difference between consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

(h) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Group covers the duration of the specific project or contract or product line or service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

(i) Revenue recognition

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

The Group transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

(a) the customer simultaneously consumes the benefit of company's performance or

(b) the customer controls the asset as it is being created/enhanced by the company's performance or

(c) there is no alternative use of the asset and the company has either explicit or implicit right of payment considering legal precedents.

In all other cases, performance obligations is considered as satisfied at a point in time.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Group expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

Significant judgments are used in:

a. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

b. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

c. Determining the method to be applied to arrive at the variable consideration requiring an adjustment to the transaction price.

Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

A. Revenue from sale of manufactured and traded goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

   Revenue is recognised when the control of the same is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods. Revenue from commissioning of complex plant and equipment is recognised either ‘over time’ or ‘in time’ based on assessment of the transfer of control as per the terms of the contract.

B. Revenue from construction/project related activity is recognised as follows:

   - Cost plus contracts: Revenue from cost plus contracts is recognised over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

   - Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contract costs.

   For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as “Due from customers”. For contracts where progress billing exceeds the aggregate of contract costs incurred to date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as “Due to customers”. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as “Advances from customer”. The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

   Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognised in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). The Group recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

C. Revenue from construction/project contracts executed under joint operations [in terms of Ind AS 111 “Joint Arrangements”], is recognised on the same basis as adopted in respect of contracts independently executed by the Group.

D. Revenue from property development activities is recognised when performance obligation is satisfied, customer obtains control of the property transferred and a reasonable expectation of collection of the sale consideration from the customer exists.

E. In the case of the developmental project business and the realty business, revenue includes profit on sale of investment properties or sale of stake in the subsidiary and/or joint venture companies as the sale/divestments are inherent in the business model.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

F. Rendering of services

Revenue from rendering of services is recognised over time as the customer receives the benefit of the company's performance and the company has an enforceable right to payment for services transferred.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

In respect of information technology (IT) business and technology services business, revenue from contracts awarded on time and material basis is recognised over a period of time when relevant services are rendered and related costs are incurred. Revenue from fixed price contracts is recognised over a period of time using the proportionate completion method.

Revenue from contracts for rendering of engineering design services and other services which are directly related to the construction of an asset is recognised on the same basis as stated in (i) B *supra*.

G. In respect of financial services business and finance lease activity, income from interest-bearing loans/leases is recognised on accrual basis over the life of the loans/leases based on the effective yield. Income from bill discounting, advisory and syndication services and other financing activities is accounted on accrual basis.

H. Revenue on account of construction services rendered in connection with Build-Operate-Transfer (BOT) projects undertaken by the Group is recognised during the period of construction using percentage of completion method. After the completion of construction period, revenue from fare/toll charges from users of facilities is accounted when they are collected.

I. Commission income is recognised when the terms of the contract are fulfilled.

J. Income from investment management fees is recognised in accordance with the contractual terms and the SEBI regulations based on average Assets Under Management (AUM) of mutual fund schemes over the period of the agreement in terms of which services are performed. Portfolio management fees are recognised in accordance with the related contracts entered into with the clients over the period of the agreement. Trusteeship fees are accounted on accrual basis.

K. Revenue from charter hire is recognised as per the terms of the time charter agreement.

L. Revenue from operation and maintenance services of power plant receivable under the Power Purchase Agreement is recognised on accrual basis.

M. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and the right to receive the income is established as per the terms of the contract.

(j) Other income

A. Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty of realisation.

B. Dividend income is accounted in the period in which the right to receive the same is established.

C. Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the Group, are recognised as other income/reduced from underlying expenses in the Statement of Profit and Loss in the period in which such costs are incurred. Government grant receivable in the form duty credit scrips is recognised as other income in the Statement of Profit and Loss in the period in which the application is made to the government authorities and to the extent there is no uncertainty towards its receipt.

D. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

(k) Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in Statement of Profit and Loss and in the notes forming part of the financial statements.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

(l) Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

All directly attributable costs related to the acquisition of PPE and borrowing costs in case of qualifying assets are capitalised in accordance with the Group's accounting policy.

Own manufactured PPE is capitalised at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalised as a part of the cost of the PPE.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to the policies on leases, borrowing costs, impairment of assets and foreign currency transactions *infra*).

Depreciation is recognised using straight-line method so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata from the date it is ready for use.

PPE is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.

(m) Investment property

Properties (including those under construction) held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs and borrowing cost capitalised for qualifying assets, in accordance with the Group's accounting policy. Policies with respect to depreciation, useful life and derecognition are on the same basis as stated in PPE *supra*.

(n) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, including borrowing costs capitalised for qualifying assets and reduced by accumulated amortisation and cumulative impairment. All directly attributable costs and other administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Research and development expenditure on new products:

(i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred

(ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

A. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

B. the Group has intention to complete the intangible asset and use or sell it;

C. the Group has ability to use or sell the intangible asset;

D. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

E. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

F. the Group has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Fare collection rights obtained in consideration for rendering construction services represent the right to collect fare during the concession period in respect of Build-Operate-Transfer (BOT) projects undertaken by the Group. Fare collection rights are capitalised as intangible asset upon completion of the project at the cumulative construction costs including related margins.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

Intangible assets are amortised on straight-line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. The estimated useful life for major categories of the intangible assets are as follows:

(i) Specialised software: over a period of three to ten years;

(ii) Technical know-how: over a period of three to seven years;

(iii) New product design and development: over a period of five years;

(iv) Customer contracts and relationship: over a period of the contract which generally is over three to ten years;

(v) Trade names: over a period of three months to five years;

(vi) Rights under licensing agreement: over a period of six years;

(vii) Intangible assets with indefinite useful life that are acquired separately are carried at cost less accumulated impairment losses;

(viii) Fare collection rights are amortised using the straight-line method over the period of concession; and

(ix) Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

(o) Impairment of assets

As at the end of each accounting year, the carrying amounts of PPE, investment property and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite useful life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the fair value less costs to sell and the value in use; and

(ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs to sell and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the entity and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

(p) Employee benefits

(i) Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, bonus, ex-gratia, and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the service.

(ii) Post-employment benefits:

A. Defined contribution plans: The Group's superannuation scheme, state governed provident fund scheme, employee state insurance scheme, social security contributions and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the service.

B. Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation towards Defined benefit plans is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as compensated absences, long service award etc. is measured at present value of estimated future cash flows expected to be made by the Group and is recognised in a similar manner as in the case of defined benefit plans vide (ii) B *supra*.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in long term employee benefit cost is recognised in the Statement of Profit and Loss under finance cost.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the company's offer of the termination benefit can no longer be withdrawn or when the Group recognises the related restructuring costs whichever is earlier.

(q) Leases

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is recognised at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, as reduced by any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and accumulated impairment losses. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

(i) Low value leases; and

(ii) Leases which are short term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Asset held under finance lease is initially recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Groups' net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Group recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Group presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

(Also refer to policy on depreciation, *supra*)

(r) Financial instruments

Financial assets and/or financial liabilities are recognised when the Group becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, as the case may be, the fair value of such financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

A. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, as follows:

1. Investments in debt instruments that are designated as fair value through profit or loss (FVTPL) - at fair value

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

2. Other investments in debt instruments – at amortised cost (unless the same are designated as fair value through profit or loss), subject to following conditions:
   - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
   - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
3. Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income [FVTOCI] (unless the same are designated as fair value through profit or loss)
   - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
   - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
4. Debt instruments at FVTPL is a residual category for debt instruments, if any, and all changes are recognised in profit or loss.
5. Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.
6. Trade receivables, security deposits, cash and cash equivalents, employee and other advances – at amortised cost.
7. The Group has elected to measure the investments in associates and joint ventures held through unit trusts at FVTPL.

B. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

C. A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
2. the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the group has transferred substantially all the risks and rewards of the asset, or b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss.

D. Impairment of financial assets: The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

For all other financial assets, expected credit losses are measured at an amount equal to 12-month expected credit losses or at an amount equal to lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

In respect of financial services business, the Group applies a separate model of the expected credit loss for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL as follows:

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (eg. prepayment, extension, call and similar options) through the expected life of that financial instrument.

- The loss allowance for a financial instrument is measured at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses. To make that assessment, the risk of a default occurring on the financial instrument as at the reporting date is compared with the risk of a default occurring on the financial instrument as at the date of initial recognition using reasonable and supportable information, that is available without undue cost or effort.

(ii) Financial liabilities

A. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings, trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using Effective Interest Rate (EIR) method.

B. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

(iii) The Group designates certain hedging instruments such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

B. Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as ‘hedging reserve’. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

In case of time period related hedges, the premium element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as ‘cost of hedging reserve’. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

The cash flow hedges are allocated to the forecast transactions on gross exposure basis. Where the hedged forecast transaction results in the recognition of a non-financial asset, such gains/losses are transferred from hedge reserve (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised in profit or loss.

(iv) Compound financial instruments issued by the Group which can be converted into fixed number of equity shares at the option of the holders irrespective of changes in the fair value of the instrument are accounted by separately recognising the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

(s) Inventories

Inventories are valued after providing for obsolescence, as under:

(i) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

(ii) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In some cases, manufacturing work-in-progress are valued at lower of specifically identifiable cost or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.

(iii) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location. Taxes which are subsequently recoverable from taxation authorities are not included in the cost.

(iv) Completed property/work-in-progress (including land) in respect of property development activity at lower of specifically identifiable cost or net realisable value.

Assessment of net realisable value is made at each reporting period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

(t) Cash and bank balances

Cash and bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and bank balances.

(u) Securities premium

(i) Securities premium includes:

A. The difference between the face value of the equity shares and the consideration received in respect of shares issued.

B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

(v) Borrowing Costs

Borrowing costs include finance costs calculated using the effective interest method, finance charges in respect of assets acquired on lease and exchange differences arising on foreign currency borrowings, to the extent they are regarded as an adjustment to finance costs. In cases where hedging instruments are acquired for protection against exchange rate risk related to borrowings and are accounted as hedging a time-period related hedge item, the borrowing costs also include the amortisation of premium element of the forward contract and foreign currency basis spread as applicable, over the period of the hedging instrument.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(w) Share-based payment arrangements

The stock options granted to employees in terms of the Group's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity. The share-based payment equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant.

(x) Foreign currencies

(i) The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not translated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise except for:

A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when such exchange differences are regarded as an adjustment to finance costs on those foreign currency borrowings;

B. exchange differences on transactions entered into to hedge certain foreign currency risks; and

C. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur or included in the net investment in foreign operation, and are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(iii) Exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, expense or income.

(iv) Financial statements of foreign operations whose functional currency is different than Indian Rupee are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rate for the reporting period; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations. The portion of foreign currency translation reserve attributed to non-controlling interests is reflected as part of non-controlling interests.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

(y) Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Group. In addition, the following specific accounting policies have been followed for segment reporting:

(i) Segment revenue includes sales and other operational revenue directly identifiable with/allocable to the segment including (a) inter-segment revenue and (b) profit on sale of stake in the subsidiary and/or joint venture companies under developmental projects segment and realty business grouped under "Others" segment.

(ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. In respect of (a) financial services segment and (b) power generation projects under developmental projects segment which are classified as assets given on finance lease, the finance costs on borrowings are accounted as segment expenses.

(iii) Most of the common costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.

(iv) Income which relates to the Group as a whole and not allocable to segments is included in "unallocable corporate income/(expenditure) [net]".

(v) Segment result represents profit before interest and tax and includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the Group. It also includes the finance costs incurred on interest bearing advances with corresponding credit included in "unallocable corporate income/(expenditure) [net]". Segment results are not adjusted for any exceptional item.

(vi) Segment assets and liabilities include those directly identifiable with the respective segments. In respect of (a) financial services segment, and (b) power generation projects under developmental projects segment which are classified as assets given on finance lease, segment liabilities include borrowings as the finance costs on borrowings are accounted as segment expenses in respect of the segment and projects. Investment in joint ventures and associates identified with a particular segment are reported as part of the segment assets of those respective segments.

Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole.

(vii) Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options which is accounted as employee compensation cost [Note 1(w) *supra*] and is allocated to the segment.

(viii) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price which are either determined to yield a desired margin or agreed on a negotiated basis.

(z) Taxes on income

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the applicable tax laws, and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains"/ other temporary differences are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised, to the extent it is probable that such unutilised tax credits will get realised, in the period in which such determination is made.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity or in case of business combination, is recorded along with the tax as applicable.

(aa) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) the Group has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

(ab) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) uncalled liability on shares and other investments partly paid;

c) funding related commitment to associate and joint venture companies; and

d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

(ac) Discontinued Operations and non-current assets held for sale

Discontinued operation is a component of the Group that has been disposed of or classified as held for sale and represents a major line of business.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [1](II)

Significant Accounting Policies *(contd.)*

(ad) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the profit before tax (excluding exceptional items) for the effects of:

i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

(ae) Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions made by the management are explained under respective policies. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value/recoverable amount measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

NOTE [1](III)

Based on assessment of the impact of COVID-19 pandemic on the business/economic conditions, the Group expects to recover the carrying value of its assets. The Group will continue to evaluate the pandemic-related uncertainty arising from the on-going second wave and update its assessment.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [2]

Property, plant and equipment and Capital work-in-progress

₹ crore

Class of assets	Cost								Depreciation								Impairment		Book value	
	As at 1-4-2020	Transfer to right-of-use assets	Business combination	Additions	Foreign currency fluctuation	Classified as held for sale	Deductions	As at 31-3-2021	*Up to 31-3-2020*	Transfer to right-of-use assets	Business combination	For the year	Foreign currency fluctuation	Classified as held for sale	Deductions	Up to 31-3-2021	*Up to 31-3-2020*	Up to 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
Land																				
Freehold	*1044.92*	–	–	5.38	0.70	–	18.06	1032.94	–	–	–	–	–		–	–	–	–	1032.94	*1044.92*
Leasehold	*140.69*	–	–	–	–	–	0.34	140.35	*11.32*	–	–	1.71	–	–	0.02	13.01	–	–	127.34	*129.37*
Sub-total	*1185.61*	–	–	5.38	0.70	–	18.40	1173.29	*11.32*	–	–	1.71	–	–	0.02	13.01	–	–	1160.28	*1174.29*
Buildings	*3943.04*	–	–	681.21	(10.59)	–	187.46	4426.20	*837.38*	–	–	135.71	(4.30)	–	96.45	872.34	*207.79*	230.28	3323.58	*2897.87*
Plant & equipment																				
Owned	*7480.17*	–	–	2468.24	(18.12)	–	194.09	9736.20	*3787.95*	–	–	737.44	(13.33)	–	128.72	4383.34	*29.93*	743.41	4609.45	*3662.29*
Leased out	*300.93*	–	–	–	–	–	3.90	297.03	*174.46*	–	–	16.42	–	–	1.79	189.09	–	–	107.94	*126.47*
Sub-total	*7781.10*	–	–	2468.24	(18.12)	–	197.99	10033.23	*3962.41*	–	–	753.86	(13.33)	–	130.51	4572.43	*29.93*	743.41	4717.39	*3788.76*
Computers																				
Owned	*1424.97*	–	–	249.55	3.61	–	64.29	1613.84	*933.71*	–	–	240.82	2.38	–	59.61	1117.30	–	–	496.54	*491.26*
Leased out	*6.28*	–	–	–	–	–	–	6.28	*6.26*	–	–	–	–	–	–	6.26	–	–	0.02	*0.02*
Sub-total	*1431.25*	–	–	249.55	3.61	–	64.29	1620.12	*939.97*	–	–	240.82	2.38	–	59.61	1123.56	–	–	496.56	*491.28*
Office equipment																				
Owned	*542.88*	–	–	75.61	(1.20)	–	25.65	591.64	*380.71*	–	–	67.23	(1.14)	–	24.38	422.42	*0.01*	0.01	169.21	*162.16*
Leased out	*0.02*	–	–	–	–	–	–	0.02	–	–	–	–	–	–	–	–	–	–	0.02	*0.02*
Sub-total	*542.90*	–	–	75.61	(1.20)	–	25.65	591.66	*380.71*	–	–	67.23	(1.14)	–	24.38	422.42	*0.01*	0.01	169.23	*162.18*
Furniture and fixtures																				
Owned	*460.78*	–	–	51.69	(1.78)	–	38.65	472.04	*273.63*	–	–	50.35	(1.69)	–	32.74	289.55	*0.24*	0.24	182.25	*186.91*
Leased out	*7.89*	–	–	–	–	–	–	7.89	*6.34*	–	–	0.38	(0.01)	–	–	6.71	–	–	1.18	*1.55*
Sub-total	*468.67*	–	–	51.69	(1.78)	–	38.65	479.93	*279.97*	–	–	50.73	(1.70)	–	32.74	296.26	*0.24*	0.24	183.43	*188.46*
Vehicles																				
Owned	*431.57*	–	–	23.27	(3.24)	–	40.43	411.17	*234.34*	–	–	47.01	(2.85)	–	28.43	250.07	–	–	161.10	*197.23*
Leased out	*4.33*	–	–	–	–	–	2.65	1.68	*2.08*	–	–	0.42	(0.01)	–	1.49	1.00	–	–	0.68	*2.25*
Sub-total	*435.90*	–	–	23.27	(3.24)	–	43.08	412.85	*236.42*	–	–	47.43	(2.86)	–	29.92	251.07	–	–	161.78	*199.48*
Other assets																				
Aircraft	*244.45*	–	–	–	–	–	–	244.45	*43.94*	–	–	13.89	–	–	–	57.83	–	–	186.62	*200.51*
Ships	*185.79*	–	–	78.40	–	–	0.18	264.01	*34.72*	–	–	15.81	–	–	0.18	50.35	–	–	213.66	*151.07*
Shiplift, marine structures and related assets	*696.25*	–	–	0.02	–	–	13.20	683.07	*204.21*	–	–	32.64	–	–	(0.39)	237.24	–	–	445.83	*492.04*
Breakwater structures	*232.70*	–	–	–	–	–	(0.73)	233.43	*34.20*	–	–	4.26	–	–	(0.91)	39.37	–	–	194.06	*198.50*
Leasehold Improvements	*368.70*	–	–	55.76	(0.37)	–	3.23	420.86	*209.35*	–	–	80.61	(0.15)	–	2.82	286.99	–	–	133.87	*159.35*
Sub-total	*1727.89*	–	–	134.18	(0.37)	–	15.88	1845.82	*526.42*	–	–	147.21	(0.15)	–	1.70	671.78	–	–	1174.04	*1201.47*
Total	*17516.36*	–	–	3689.13	(30.99)	–	591.40	20583.10	*7174.60*	–	–	1444.70	(21.10)	–	375.33	8222.87	*237.97*	973.94	11386.29	*10103.79*
Previous year	*16838.25*	*(297.45)*	*1385.59*	*1511.97*	*129.50*	*1282.75*	*768.75*	*17516.36*	*5723.95*	*(15.27)*	*829.90*	*1459.80*	*78.18*	*502.98*	*398.98*	*7174.60*	–	*237.97*		
Add: Capital work-in-progress																			388.37	*3224.91*
																			11774.66	*13328.70*

Notes:

(a) Carrying value of property, plant and equipment pledged as collateral for liabilities and/or commitments as at March 31, 2021 is ₹ 1611.29 crore *(previous year: ₹ 1872.22 crore)*.

(b) Depreciation for the year includes ₹ 7.45 crore *(previous year: ₹ 5.23 crore)* on account of obsolescence.

(c) Net increase in impairment as on March 31, 2021 in -

(i) Property, plant and equipment is ₹ 735.97 crore *(previous year: ₹ 13.23 crore)* which includes further impairment ₹ 742.43 crore *(previous year: ₹ 2.08 crore)*, foreign currency fluctuation (₹ 4.38) crore *(previous year: ₹ 11.15 crore)* and transfer to inventories (₹ 2.08) crore *(previous year: Nil);*

(ii) Capital work-in-progress ₹ 492.69 crore *(previous year: Nil).*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [2] *(contd.)*

Segment wise details of impairment:

₹ crore

Nature of assets	Reportable segment	2020-21	*2019-20*
Property, plant and equipment	Developmental Projects	742.33	*–*
	Corporate	0.10	*2.08*
	Total	742.43	*2.08*
Capital work-in-progress	Developmental Projects	492.69	*–*

(d) Owned assets given on operating lease have been presented separately under respective class of assets as "Leased out" pursuant to Ind AS 116 "Leases".

(e) Range of useful life of property, plant and equipment is as below:

Sr. No.	Class of assets	Minimum useful life (in years)	Maximum useful life (in years)
1	Leasehold land	15	99
2	Buildings	3	60
3	Plant & equipment	3	40
4	Computers	2	7
5	Office equipment	3	30
6	Furniture and fixtures	3	10
7	Vehicles	3	10
8	Aircraft	18	18
9	Ships	5	15
10	Shiplift, marine structures and related assets and Breakwater structures	30	50

NOTE [3]
Investment property

₹ crore

Class of assets	Cost							Depreciation						Impairment		Book value	
	As at 1-4-2020	Additions	Foreign currency fluctuation	Classified as held for sale	Transfer (to)/from inventories and owners occupied property	Deductions	As at 31-3-2021	*Up to 31-3-2020*	For the period	Classified as held for sale	Transfer (to)/from inventories and owners occupied property	Deductions	Up to 31-3-2021	*Up to 31-3-2020*	Up to 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
Land	*547.64*	475.85	–	–	–	56.02	967.47	*22.16*	9.98	–	–	3.49	28.65	*–*	–	938.82	*525.48*
Buildings	*1607.39*	127.70	–	–	(7.48)	110.08	1617.53	*66.23*	50.04	–	(1.49)	10.03	104.75	*–*	5.18	1507.60	*1541.16*
Total	*2155.03*	603.55	–	–	(7.48)	166.10	2585.00	*88.39*	60.02	–	(1.49)	13.52	133.40	*–*	5.18	2446.42	*2066.64*
Previous year	*1928.40*	*448.73*	*1.01*	*39.92*	*(163.34)*	*19.85*	*2155.03*	*51.31*	*40.85*	*2.79*	*(0.76)*	*0.22*	*88.39*		*–*		
Add: Capital work-in-progress																1200.36	*1648.08*
																3646.78	*3714.72*

Notes:

(a) Carrying value of investment property pledged as collateral for liabilities and/or commitments and having restriction on title as at March 31, 2021 is ₹ 0.16 crore *(previous year: ₹ 0.16 crore).*

(b) Useful life of building included in investment property: 3 to 60 years.

(c) Amounts recognised in the Statement of Profit and Loss in respect of investment property:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
1	Rental income derived from investment property	70.06	*129.29*
2	Direct operating expenses incurred on investment property that generated rental income	9.91	*5.24*
3	Direct operating expenses incurred on investment property that did not generate rental income	0.64	*0.63*

(d) Fair value of investment property as at March 31, 2021 is ₹ 5918.31 crore *(previous year: ₹ 5582.46 crore).*

(e) The fair values of investment property have been determined by internal architectural department or independent valuer, as appropriate. Fair value of property that are evaluated by independent valuers amounted to ₹ 1616.64 crore *(previous year: ₹ 3279.01 crore).* Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

(f) Addition in investment property includes transfer from held for sale reported in previous year: ₹ 25.13 crore *(previous year: Nil).*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [4]

Goodwill

₹ crore

Class of assets	Cost							Impairment	Book value	
	As at 1-4-2020	Business combination	Additions	Foreign currency fluctuation	Classified as held for sale	Deductions	As at 31-3-2021	As at 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
Goodwill on consolidation	*8059.50*	40.83	2.49	14.06	–	–	8116.88	49.92	8066.96	*8011.40*
Previous year	*1875.01*	*6467.91*	*2.02*	*48.00*	*333.44*	–	*8059.50*	*48.10*	*8011.40*	

Note:

(a) Impairment recognised in the Statement of Profit and Loss during the year is ₹ 1.82 crore *(previous year: Nil).*

NOTE [5]

Other intangible assets and Intangible assets under development

₹ crore

Class of assets	Cost							Amortisation							Book value	
	As at 1-4-2020	Business combination	Additions	Foreign currency fluctuation	Classified as held for sale	Deductions	As at 31-3-2021	*Up to 31-3-2020*	Business combination	For the year	Foreign currency fluctuation	Classified as held for sale	Deductions	Up to 31-3-2021	As at 31-3-2021	*As at 31-3-2020*
Fare collection rights	*16383.03*	–	144.68	–	–	–	16527.71	*164.69*	–	274.49	–	–	–	439.18	16088.53	*16218.34*
Specialised software	*1449.64*	4.09	184.06	36.66	–	41.77	1632.68	*1194.74*	–	141.16	33.70	–	37.63	1331.97	300.71	*254.90*
Technical know-how	*115.12*	–	2.79	–	–	3.62	114.29	*68.07*	–	24.17	–	–	3.62	88.62	25.67	*47.05*
Trade names	*307.10*	4.68	–	(0.12)	–	–	311.66	*54.65*	–	64.10	–	–	–	118.75	192.91	*252.45*
New product design and development	*10.33*	–	1.87	1.91	–	4.80	9.31	*8.48*	–	0.85	0.78	–	2.16	7.95	1.36	*1.85*
Customer contracts and relationship	*3298.34*	43.41	0.71	8.04	–	–	3350.50	*475.95*	–	398.41	8.50	–	–	882.86	2467.64	*2822.39*
Rights under licensing agreement	–	–	124.29	–	–	–	124.29	–	–	3.35	–	–	–	3.35	120.94	–
Total	*21563.56*	52.18	458.40	46.49	–	50.19	22070.44	*1966.58*	–	906.53	42.98	–	43.41	2872.68	19197.76	*19596.98*
Previous year	*5620.57*	*3444.98*	*12864.59*	*27.46*	*389.46*	*4.58*	*21563.56*	*1397.66*	*114.27*	*626.28*	*18.50*	*186.12*	*4.01*	*1966.58*		
Add: Intangible assets under development															112.02	*86.18*
															19309.78	*19683.16*

Details of addition in other intangible assets:

₹ crore

Class of assets	2020-21			*2019-20*		
	Internal development	Acquired	Total	*Internal development*	*Acquired*	*Total*
Fare collection rights	–	144.68	144.68	–	*12659.63*	*12659.63*
Specialised software	49.60	134.46	184.06	*39.97*	*97.33*	*137.30*
Technical know-how	–	2.79	2.79	*8.34*	–	*8.34*
New product design and development	1.87	–	1.87	*58.11*	–	*58.11*
Customer contracts and relationship	0.71	–	0.71	–	*1.21*	*1.21*
Rights under licensing agreement	–	124.29	124.29	–	–	–
Total	52.18	406.22	458.40	*106.42*	*12758.17*	*12864.59*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [5] ***(contd.)***

Notes:

(a) Borrowing cost capitalised in accordance with Ind AS 23 "Borrowing Costs" is as follows:

₹ crore

Nature of assets	2020-21	*2019-20*
Capital work-in-progress (Property, plant and equipment)	27.75	*130.16*
Investment property	13.11	*5.73*
Intangible assets under development	–	*726.84*
Total	40.86	*862.73*

(b) The rate used to determine the amount of borrowing costs eligible for capitalisation is 6.56% *(previous year: 9.83%)*.

NOTE [6]

Non-current assets: Financial assets - Other investments

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*
Equity instruments	544.89	*579.87*
Preference shares	87.00	*89.20*
Government and trust securities	101.15	*0.07*
Debentures and bonds	1004.47	*1098.28*
Mutual funds	31.39	*93.21*
Security receipts	4114.88	*2498.65*
Units of fund	61.36	*106.44*
Other investments	–	*31.00*
	5945.14	*4496.72*

NOTE [7]

Non-current assets: Financial assets - Loans towards financing activities

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Considered good - secured	37184.23		*39485.69*	
Less: Allowance for expected credit loss	343.45		*199.75*	
		36840.78		*39285.94*
Considered good - unsecured	13342.63		*14466.13*	
Less: Allowance for expected credit loss	255.20		*129.70*	
Less: Impairment	1659.70		*–*	
		11427.73		*14336.43*
Having significant increase in credit risk	3200.50		*3469.63*	
Less: Allowance for expected credit loss	178.74		*188.53*	
		3021.76		*3281.10*
Credit impaired	5048.21		*5470.39*	
Less: Allowance for expected credit loss	3706.81		*3784.50*	
		1341.40		*1685.89*
		52631.67		*58589.36*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [8]

Non-current assets: Financial assets - Other loans

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Security deposits				
Considered good - unsecured	442.22		*425.26*	
Less: Allowance for expected credit loss	37.79		*36.54*	
		404.43		*388.72*
Loans and advances to related parties				
Considered good - unsecured	1149.30		*1072.90*	
Less: Allowance for expected credit loss	1139.03		*–*	
		10.27		*1072.90*
Others loans				
Considered good - unsecured	181.76		*174.51*	
Less: Allowance for expected credit loss	113.80		*113.80*	
		67.96		*60.71*
		482.66		*1522.33*

NOTE [9]

Non-current assets: Financial assets - Others

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
Cash and bank balances not available for immediate use	283.91	*273.82*
Fixed deposits with banks (maturity more than 12 months)	228.07	*1.04*
Forward contract receivables	532.10	*257.00*
Embedded derivative receivables	1.75	*54.20*
Other receivables	64.94	*52.09*
	1110.77	*638.15*

NOTE [10]

Other non-current assets

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Capital advances:				
Secured	0.61		*0.78*	
Unsecured	79.84		*271.23*	
		80.45		*272.01*
Advance recoverable other than in cash		2607.12		*2125.54*
Current tax receivable (net)		3262.10		*4144.07*
		5949.67		*6541.62*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [11]

Current assets: Inventories

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*
Raw materials [include goods-in-transit ₹ 76.78 crore *(previous year: ₹ 16.56 crore)*]	844.90	*860.49*
Components [include goods-in-transit ₹ 9.58 crore *(previous year: ₹ 15.89 crore)*]	320.71	*403.39*
Construction materials [include goods-in-transit ₹ 39.17 crore *(previous year: ₹ 17.13 crore)*]	90.22	*95.86*
Manufacturing work-in-progress	261.37	*467.87*
Finished goods	86.01	*98.56*
Stock-in-trade (in respect of goods acquired for trading) [include goods-in-transit ₹ 44.34 crore *(previous year: ₹ 37.10 crore)*]	361.31	*308.36*
Stores and spares [include goods-in-transit ₹ 4.60 crore *(previous year: ₹ 1.14 crore)*]	292.06	*295.98*
Loose tools [include goods-in-transit ₹ 0.01 crore *(previous year: Nil)*]	10.28	*13.38*
Property development projects (including land)	3553.68	*3202.76*
	5820.54	*5746.65*

Note: During the year ₹ 8.15 crore *(previous year: ₹ 83.39 crore)* was recognised as expense towards write-down of inventories (net).

NOTE [12]

Current assets: Financial assets - Investments

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*
Equity shares	97.91	*3.04*
Preference shares	0.68	*0.68*
Government and trust securities	2336.16	*758.35*
Debentures and bonds	7331.66	*3959.79*
Mutual funds	20143.53	*7677.60*
Collateral borrowing and lending obligation (CBLO)	299.98	-
Other investments	801.31	*300.29*
	31011.23	*12699.75*

NOTE [13]

Current assets: Financial assets - Trade receivables

Particulars	As at 31-3-2021 ₹ crore	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*	*As at 31-3-2020 ₹ crore*
Considered good - secured		24.49		*160.37*
Considered good - unsecured	44670.39		*42365.84*	
Less: Allowance for expected credit loss	2591.83		*1963.85*	
		42078.56		*40401.99*
Credit impaired	940.49		*1386.52*	
Less: Allowance for expected credit loss	813.76		*1217.36*	
		126.73		*169.16*
		42229.78		*40731.52*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [14]

Current assets: Financial assets - Cash and cash equivalents

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020* *₹ crore*
Balance with banks	5743.64	*4535.56*
Cheques and drafts on hand	456.86	*173.66*
Cash on hand	11.84	*6.64*
Fixed deposits with banks (maturity less than 3 months)	7161.18	*6608.71*
	13373.52	*11324.57*

NOTE [15]

Current assets: Financial assets - Other bank balances

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020* *₹ crore*
Fixed deposits with banks	616.49	*1876.65*
Earmarked balances with banks - unclaimed dividend	136.43	*120.08*
Earmarked balances with banks - Section 4(2)(l)(D) of RERA [a]	6.69	*0.25*
Earmarked balances with banks - others	771.04	*505.61*
Margin money deposits with banks	944.01	*930.84*
Cash and bank balances not available for immediate use	393.32	*359.78*
	2867.98	*3793.21*

[a] Real Estate (Regulation and Development) Act, 2016

NOTE [16]

Current assets: Financial assets - Loans towards financing activities

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Considered good - secured	32721.18		*33534.47*	
Less: Allowance for expected credit loss	15.37		*61.72*	
Less: Net fair value changes	360.57		*220.84*	
		32345.24		*33251.91*
Considered good - unsecured	8534.40		*7584.55*	
Less: Allowance for expected credit loss	444.65		*169.82*	
Less: Impairment	27.12		*–*	
		8062.63		*7414.73*
Having significant increase in credit risk	1103.08		*1147.73*	
Less: Allowance for expected credit loss	131.92		*90.95*	
		971.16		*1056.78*
		41379.03		*41723.42*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [17]

Current assets: Financial assets - Other loans

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Security deposits				
Considered good - unsecured	447.56		*502.72*	
Less: Allowance for expected credit loss	0.57		*0.97*	
		446.99		*501.75*
Loans and advances to related parties				
Considered good - unsecured		167.09		*194.87*
Others loans				
Considered good - secured		–		*0.07*
Considered good - unsecured		34.48		*19.31*
		648.56		*716.00*

NOTE [18]

Current assets: Financial assets - Others

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Advances to related parties:				
Associate companies	13.14		*8.73*	
Joint venture companies	35.28		*51.83*	
		48.42		*60.56*
Advances recoverable in cash		1758.74		*1748.66*
Forward contract receivables		980.25		*886.42*
Embedded derivative receivables		51.06		*232.23*
Doubtful advances:				
Deferred credit sale of ships	27.11		*27.11*	
Other loans and advances	789.13		*758.73*	
	816.24		*785.84*	
Less: Allowance for expected credit loss	816.24		*785.84*	
		–		*–*
		2838.47		*2927.87*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [19]

Other current assets

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Contract assets [Note 47(d)(i)]				
Due from customers (construction and project related activity)	32448.31		*36124.80*	
Retention money including unbilled revenue	15170.83		*15724.83*	
		47619.14		*51849.63*
Advance recoverable other than in cash		6878.77		*6426.60*
Government grant receivable		102.21		*149.91*
Other loans and advances	11.72		*7.00*	
Less: Allowance for expected credit loss	11.72		*7.00*	
		–		*–*
Others		191.36		*233.55*
		54791.48		*58659.69*

NOTE [20]

Equity share capital

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Authorised: [a]				
Equity shares of ₹ 2 each	25,12,50,00,000	5025.00	*25,12,50,00,000*	*5025.00*
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2 each	1,40,45,55,297	280.91	*1,40,38,92,022*	*280.78*

[a] Pursuant to the approval of the Scheme of Amalgamation of L&T Shipbuilding Limited with the Company, the authorised share capital of L&T Shipbuilding Limited is added to the authorised share capital of the Company, w.e.f. the appointed date i.e. April 1, 2019.

(b) Reconciliation of the number of equity shares and share capital:

Particulars	2020-21		*2019-20*	
	Number of shares	₹ crore	*Number of shares*	*₹ crore*
Issued, subscribed and fully paid up equity share outstanding at the beginning of the year	1,40,38,92,022	280.78	*1,40,27,29,385*	*280.55*
Add: Shares issued on exercise of employee stock options during the year	6,63,275	0.13	*7,83,249*	*0.16*
Add: Shares issued on conversion of foreign currency convertible bonds during the year	–	–	*3,79,388*	*0.07*
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,40,45,55,297	280.91	*1,40,38,92,022*	*280.78*

(c) Terms/rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] ***(contd.)***

(d) Shareholder holding more than 5% of equity shares as at the end of the year:

Name of the shareholder	As at 31-3-2021		*As at 31-3-2020*	
	Number of shares	Shareholding %	*Number of shares*	*Shareholding %*
Life Insurance Corporation of India	19,24,67,386	13.70	*20,91,83,856*	*14.90*
L&T Employees Trust	19,25,58,158	13.71	*18,55,24,682*	*13.22*

(e) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	Number of equity shares to be issued as fully paid	₹ crore (at face value)	*Number of equity shares to be issued as fully paid*	*₹ crore (at face value)*
Employee stock options granted and outstanding [a]	17,81,564	0.36[b]	*25,21,389*	*0.50* [b]

[a] Note 20(h) *infra* for terms of employee stock option schemes

[b] The equity shares will be issued at a premium of ₹ 42.74 crore *(previous year: ₹ 63.06 crore)*

(f) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2021 are 46,67,64,755 *(period of five years ended March 31, 2020: 46,67,64,755 shares).*

(g) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended on March 31, 2021 - Nil *(previous period of five years ended March 31, 2020: Nil).*

(h) Stock option scheme of the Parent Company:

(A) Terms:

i. The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested equally over a period of 4 years for series 2003(B) and 5 years in the case of series 2006(A), subject to the discretion of the management and fulfillment of certain conditions.

ii. Options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

(B) The details of the grants under the aforesaid scheme are summarised below:

Sr. No.	Series reference	2003(B)		2006(A)	
		2020-21	*2019-20*	2020-21	*2019-20*
i.	Grant price (₹)	7.80	*7.80*	267.10	*267.10*
ii.	Grant dates	23-5-2003 onwards		*1-7-2007 onwards*	
iii.	Vesting commences on	23-5-2004 onwards		*1-7-2008 onwards*	
iv.	Options granted and outstanding at the beginning of the year	1,45,935	*1,73,309*	23,75,454	*27,11,931*
v.	Options lapsed	4,875	*13,837*	1,75,675	*2,64,380*
vi.	Options granted	1,04,000	*38,700*	-	*6,58,915*
vii.	Options exercised	71,910	*52,237*	5,91,365	*7,31,012*
viii.	Options granted and outstanding at the end of the year, of which	1,73,150	*1,45,935*	16,08,414	*23,75,454*
	Options vested	23,575	*49,762*	4,84,082	*6,51,653*
	Options yet to vest	1,49,575	*96,173*	11,24,332	*17,23,801*
ix.	Weighted average remaining contractual life of options (in years)	5.74	*4.63*	4.23	*4.61*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] ***(contd.)***

(C) The number and weighted average exercise price of stock options are as follows:

Particulars	2020-21		*2019-20*	
	No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
(A) Options granted and outstanding at the beginning of the year	25,21,389	252.09	*28,85,240*	*251.52*
(B) Options granted	1,04,000	7.80	*6,97,615*	*252.72*
(C) Options allotted	6,63,275	238.99	*7,83,249*	*249.81*
(D) Options lapsed	1,80,550	260.10	*2,78,217*	*254.20*
(E) Options granted and outstanding at the end of the year	17,81,564	241.90	*25,21,389*	*252.09*
(F) Options exercisable at the end of the year out of (E) *supra*	5,07,657	255.06	*7,01,415*	*248.70*

(D) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1001.47 *(previous year: ₹ 1065.30)* per share.

(E) The fair value of the options granted under the stock option scheme is treated as discount and accounted as employee compensation over the vesting period.

(F) Weighted average fair values of options granted during the year is ₹ 834.24 *(previous year: ₹ 804.63)* per option.

(G) The fair value of the options granted during the year has been calculated as per the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Sr. No.	Particulars	2020-21	*2019-20*
(A)	Weighted average risk-free interest rate	4.81%	*6.23%*
(B)	Weighted average expected life of options	2.85 years	*4.12 years*
(C)	Weighted average expected volatility	35.39%	*25.40%*
(D)	Weighted average expected dividends over the life of the option	₹ 51.22 per option	*₹ 74.07 per option*
(E)	Weighted average share price	₹ 884.83 per option	*₹ 1056.34 per option*
(F)	Weighted average exercise price	₹ 7.80 per option	*₹ 252.72 per option*
(G)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.	

(i) During the year ended March 31, 2021, the Company paid the final dividend of ₹ 8 per equity share for the year ended March 31, 2020.

(j) During the year ended March 31, 2021, the Company paid special dividend of ₹ 18 per equity share.

(k) The Board of Directors, at their meeting held on May 14, 2021 recommended a final dividend of ₹ 18 per equity share for the year ended March 31, 2021, subject to approval of shareholders. On approval, the dividend outgo is expected to be ₹ 2528.20 crore based on number of shares outstanding as on March 31, 2021.

(l) Stock option scheme of subsidiary companies:

(i) Larsen & Toubro Infotech Limited

Employee Stock Ownership Scheme (ESOS Plan)

(A) The options are vested equally over a period of 5 years subject to the discretion of the management and fulfilment of certain conditions. The options can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] ***(contd.)***

(B) The details of the grants under the aforesaid schemes under various series are summarised below:

Sr. No.	Particulars	ESOP Scheme 2000 I, II & III		ESOP Scheme 2000 IV - XXI		U.S. Stock Option Sub-plan 2006		ESOP Scheme 2015	
		2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*
i.	Grant price	₹ 5	*₹ 5*	₹ 2	*₹ 2*	USD 2.4	*USD 2.4*	₹ 1	*₹ 1*
ii.	Grant dates	01-4-2001 onwards		01-10-2001 onwards		15-3-2007 onwards		10-6-2016 onwards	
iii.	Vesting commences on	01-4-2002 onwards		01-10-2002 onwards		15-3-2008 onwards		10-6-2017 onwards	
iv.	Options granted & outstanding at the beginning of the year	–	*11,840*	–	*58,190*	–	*33,000*	15,25,395	*21,16,860*
v.	Options reinstated during the year	–	*–*	–	*–*	–	*–*	–	*–*
vi.	Options granted during the year	–	*–*	–	*–*	–	*–*	83,650	*63,660*
vii.	Options allotted/exercised during the year	–	*2,055*	–	*15,065*	–	*–*	6,23,839	*5,99,565*
viii.	Options lapsed/cancelled during the year	–	*9,785*	–	*43,125*	–	*33,000*	1,02,600	*55,560*
ix.	Options granted & outstanding at the end of the year	–	*–*	–	*–*	–	*–*	8,82,606	*15,25,395*
x.	Options vested at the end of the year out of (ix) *supra*	–	*–*	–	*–*	–	*–*	1,22,208	*6,24,400*
xi.	Options unvested at the end of the year out of (ix) *supra*	–	*–*	–	*–*	–	*–*	7,60,398	*9,00,995*
xii.	Weighted average remaining contractual life of options (in years)	–	*–*	–	*–*	–	*–*	3.3	*3.8*

(C) The number and weighted average exercise price of stock options are as follows:

Sr. No.	Particulars	2020-21		*2019-20*	
		No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
(A)	Options granted and outstanding at the beginning of the year	15,25,395	1.00	*2,219,890*	*3.50*
(B)	Options granted during the year	83,650	1.00	*63,660*	*1.00*
(C)	Options allotted during the year	6,23,839	1.00	*6,16,685*	*1.04*
(D)	Options lapsed/cancelled during the year	1,02,600	1.00	*1,41,470*	*40.06*
(E)	Options granted and outstanding at the end of the year	8,82,606	1.00	*15,25,395*	*1.00*
(F)	Options vested at the end of the year out of (E) *supra*	1,22,208	1.00	*6,24,400*	*1.00*

(D) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 2,691.00 per share *(previous year: ₹ 1,581.00 per share).*

(E) Weighted average fair value of options granted during the year is ₹ 2,348.93 per share *(previous year: ₹ 1,540.66 per share).*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] ***(contd.)***

(F) The fair value has been calculated using the Black-Scholes Option Pricing Model and significant assumptions and inputs to estimate the fair value options granted during the year are as follows:

Sr. No.	Particulars	2020-21	*2019-20*
(A)	Weighted average risk-free interest rate	4.62%	*6.18%*
(B)	Weighted average expected life of options	3 years	*3 years*
(C)	Weighted average expected volatility	25.17%	*17.44%*
(D)	Weighted average expected dividends over the life of option	₹ 148.59	*₹ 148.29*
(E)	Weighted average share price	₹ 2349.87	*₹ 1541.55*
(F)	Weighted average exercise price	₹ 1	*₹ 1*
(G)	Method used to determine expected volatility	The expected volatility has been calculated entirely based on historical volatility of IT Index.	

(ii) L&T Technology Services Limited

(A) Employee stock option plan (ESOP)

(i) The options are vested equally over a period of 5 years subject to the discretion of the management and fulfillment of certain conditions.

(ii) The exercise period for the options granted under the ESOP Scheme, 2016 would be seven years (84 months) from the date of grant of options or six years (72 months) from the date of first vesting or three years (36 months) from the date of retirement/death, whichever is earlier, subject to any change as may be approved by the Board. The exercise price may be decided by the Board, in such manner, during such period, in one or more tranches and on such terms and conditions as it may deem fit, provided that the exercise price per option shall not be less than the par value of the equity share of the Company and shall not be more than the market price as defined in the SEBI (Share Based Employee Benefits) Regulations, 2014 and shall be subject to compliance with accounting policies under the said regulation. The number of shares to be allotted on exercise of options should not exceed the total number of unexercised vested options that may be exercised by the employee. Details of grant under ESOP Scheme, 2016 is summarised below:

Sr. No.	Particulars	ESOP Scheme, 2016	
		2020-21	*2019-20*
i.	Grant price	₹ 2	*₹ 2*
ii.	Grant dates	28-7-2016 onwards	
iii.	Vesting commences on	28-7-2017 onwards	
iv.	Options granted and outstanding at the beginning of the year	13,22,434	*17,38,667*
v.	Options lapsed during the year	76,200	*84,000*
vi.	Options granted during the year	20,500	*1,66,000*
vii.	Options exercised during the year	5,34,265	*4,98,233*
viii.	Options granted and outstanding at the end of the year	7,32,469	*13,22,434*
ix.	Options vested at the end of the year out of (viii) *supra*	1,46,929	*1,05,074*
x.	Options unvested at the end of the year out of (viii) *supra*	5,85,540	*12,17,360*
xi.	Weighted average remaining contractual life of options (in years)	1.99	*2.99*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] ***(contd.)***

(B) The number and weighted average exercise price of stock options are as follows:

Sr. No.	Particulars	2020-21		*2019-20*	
		No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
(A)	Options granted and outstanding at the beginning of the year	13,22,434	2	*17,38,667*	*2*
(B)	Options granted during the year	20,500	2	*1,66,000*	*2*
(C)	Options exercised during the year	5,34,265	2	*4,98,233*	*2*
(D)	Options lapsed during the year	76,200	2	*84,000*	*2*
(E)	Options granted and outstanding at the end of the year	7,32,469	2	*13,22,434*	*2*
(F)	Options exercisable at the end of the year out of - (E) *supra*	1,46,929	2	*1,05,074*	*2*

(C) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 1763.19 per share *(previous year: ₹ 1619.53 per share).*

(D) In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.

(E) The fair value at grant date of options granted during the year ended 31-3-2021 is ₹ 1378.40 per option *(previous year: ₹ 1588.88 per option and ₹ 1527.59 per option)*. The fair value of grant date is determined using the Black-Scholes Option Pricing Model which takes into account the exercise price, term of option, share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The model inputs for options granted during the year included:

Sr. No.	Particulars	2020-21	*2019-20*	
(A)	Weighted average exercise price	₹ 2.00	*₹ 2.00*	*₹ 2.00*
(B)	Grant date	16-7-2020	*19-7-2019*	*18-10-2019*
(C)	Expiry date	16-7-2027	*18-7-2026*	*17-10-2026*
(D)	Weighted average share price at grant date	₹ 1441.70 per option	*₹ 1660.45 per option*	*₹ 1593.30 per option*
(E)	Weighted average expected price volatility of Company's share	30.42%	*24.01%*	*23.21%*
(F)	Weighted average expected dividend yield over life of option	5.12%	*5.30%*	*5.08%*
(G)	Weighted average risk-free interest rate	4.55%	*6.22%*	*6.03%*
(H)	Method used to determine expected volatility	The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.		

(iii) L&T Finance Holdings Limited

The Company has formulated Employee Stock Option Schemes 2010 (Scheme 2010) and 2013 (Scheme 2013). The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options allotted under the scheme 2010 are vested over a period of four years in the ratio of 15%, 20%, 30% and 35% respectively from the end of 12 months from the date of grant, subject to the discretion of the management and fulfillment of certain conditions. The options granted under the scheme 2013 are vested in a graded manner over a period of four years with 0%, 33%, 33% and 34% of grants vesting each year, commencing from the end of 24 months from the date of grant or w.e.f. July 10, 2019 vested in a graded manner over a period of four years with 25%, 25%, 25% and 25% of grants vesting each year, commencing from the end of 12 months from the date of grant.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] ***(contd.)***

(A) The details of the grants are summarised below:

Sr. No.	Particulars	Scheme 2010		Scheme 2013	
		2020-21	*2019-20*	2020-21	*2019-20*
i.	Grant price	₹ 44.20		*₹ 10.00 [a]/Market Price*	
ii.	Options granted and outstanding at the beginning of the year	29,20,500	*49,52,000*	4,51,95,840	*4,16,34,600*
iii.	Options granted during the year	–	*2,45,000*	21,31,627	*1,56,63,240*
iv.	Options cancelled/lapsed during the year	3,07,500	*12,59,250*	48,92,793	*67,64,000*
v.	Options exercised and shares allotted during the year	6,84,000	*10,17,250*	26,02,573	*50,04,000*
vi.	Options granted and outstanding at the end of the year	19,28,500	*29,20,500*	3,98,32,101	*4,51,95,840*
	of which:				
	Options vested	5,37,000	*6,19,250*	1,81,71,874	*89,77,400*
	Options unvested	13,91,500	*23,01,250*	2,16,60,227	*3,62,18,440*
vii.	Weighted average remaining contractual life of options (in years)	4.02	*4.78*	4.81	*5.80*

[a] w.e.f. July 10, 2019

(B) The average fair values of options granted during the year is ₹ 33.15 *(previous year: ₹ 108.82)* per option.

(C) The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2020-21	*2019-20*
(A)	Weighted average risk-free interest rate	2.70%	*6.10%*
(B)	Weighted average expected life of options	1.73 years	*2.94 years*
(C)	Weighted average expected volatility	25.26%	*35.28%*
(D)	Weighted average expected dividends	₹ 1.68 per option	*₹ 3.25 per option*
(E)	Weighted average share price	₹ 39.61 per option	*₹ 120.25 per option*
(F)	Weighted average exercise price	₹ 5.82 per option	*₹ 10.53 per option*
(G)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's shares price applicable to the expected life of each option.	

(iv) Mindtree Limited

(A) Employee Restricted Stock Purchase Plan 2012 (ERSP 2012)

ERSP 2012 was instituted with effect from July 16, 2012 to issue equity shares of nominal value of ₹ 10 each. Shares under this program are granted to employees at an exercise price of not less than ₹ 10 per equity share or such higher price as determined by the Nomination and Remuneration Committee. Shares shall vest over such term as determined by the Nomination and Remuneration Committee not exceeding ten years from the date of the grant. All shares will have a minimum lock in period of one year from the date of allotment.

Sr. No.	Particulars	2020-21		*2019-20*	
		No. of stock options	Weighted average exercise price (₹)	*No. of stock options*	*Weighted average exercise price (₹)*
i.	Options granted and outstanding at the beginning of the year	–	–	–	–
ii.	Options granted during the year	1,54,155	10.00	*3,60,025*	*10.00*
iii.	Options exercised during the year	1,45,700	10.00	*3,60,025*	*10.00*
iv.	Options lapsed/forfeited during the year	3,255	10.00	–	–
v.	Options granted and outstanding at the end of the year	5,200	10.00	–	–
vi.	Options vested at the end of the year out of (v) *supra*	5,200	10.00	–	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [20] ***(contd.)***

(B) Other stock based compensation arrangements:

The Company has granted phantom stock options and letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the outstanding options/units as at March 31, 2021 are given below:

Sr. No.	Particulars	2020-21	*2019-20*
		Phantom stock options plan	
(A)	Total no. of units/shares	–	*5,00,000*
(B)	Vested units/shares	–	*4,25,000*
(C)	Lapsed units/shares	–	*–*
(D)	Forfeited units/shares	–	*–*
(E)	Cancelled units/shares	–	*75,000*
(F)	Contractual life	–	*1 year*
(G)	Grant date	–	*1-4-2018, 24-7-2019*
(H)	Grant price per share/unit	–	*₹ 772 per share/ ₹ 930 per share*

Sr. No.	Particulars	2020-21	*2019-20*
		Employee Restricted Stock Option Plan 2012 [a]	
(A)	Outstanding units/shares as at the beginning of the year	2,40,450	*3,69,650*
(B)	Number of units/shares granted under letter of intent during the year	1,44,466	*3,12,900*
(C)	Vested units/shares	1,54,155	*3,60,025*
(D)	Lapsed units/shares	5000	*-*
(E)	Cancelled units/shares	33,595	*82,075*
(F)	Outstanding units/shares as at the end of the year	1,92,166	*2,40,450*
(G)	Contractual life	1-2 year	*1-2 year*
(H)	Grant date [b]	12-5-2020, 18-6- 2020, 30-10-2020, 8-2-2021	*24-7-2019, 2-8-2019, 24-10-2019, 28-1-2020*
(I)	Grant price per share/unit [b]	₹ 10 per share	*₹ 10 per share*

[a] Does not include direct allotment of shares

[b] Based on letter of intent

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year ended March 31, 2021 was ₹ 873.36 using the Black-Scholes Option Pricing Model with the following assumptions:

Sr. No.	Particulars	2020-21	*2019-20*
(A)	Weighted average grant date share price	₹ 873.36	*₹ 697.78*
(B)	Weighted average exercise price	₹ 10.00	*₹ 10.00*
(C)	Dividend yield %	0.42%	*0.43%*
(D)	Expected life	1-2 year	*1-2 year*
(E)	Risk-free interest rate	4.31%	*5.96%*
(F)	Volatility	48.33%	*34.72%*

(m) Capital Management

The Group continues its policy of a conservative capital structure. Low gearing levels also enable the Group to navigate business stress on one hand and raise growth capital on the other. This policy also provides flexibility of fund-raising options for future, which is especially important in times of global economic volatility. The gross debt equity ratio is 1.51:1 *(as at 31-3-2020: 1.85:1)*.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [21]

Other equity

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Capital reserve [Note 1(II)(g)]				
Capital reserve	10.52		*10.52*	
Capital reserve on consolidation	271.92		*271.92*	
		282.44		*282.44*
Capital redemption reserve [a]		302.00		*42.00*
Securities premium [Note 1(II)(u)]		8667.65		*8599.60*
Employee share options (net) [Note 1(II)(w)]				
Employee share options outstanding	427.52		*580.76*	
Deferred employee compensation expense	(43.92)		*(179.27)*	
		383.60		*401.49*
Statutory reserves				
Debenture redemption reserve [b]	776.76		*1407.28*	
Reserve u/s 45-IC of the Reserve Bank India Act, 1934	1955.78		*1919.93*	
Reserve u/s 29C of the National Housing Bank Act, 1987	168.81		*168.81*	
Reserve u/s 36(1)(viii) of the Income-tax Act, 1961	645.71		*645.71*	
Impairment reserve as per Reserve Bank of India [c]	28.36		*15.82*	
		3575.42		*4157.55*
Retained earnings		61063.79		*52731.64*
Foreign currency translation reserve [Note 1(II)(x)(iv)]		665.45		*582.56*
Hedging reserve [Note 1(II)(r)(iii)(B)]				
Cash flow hedging reserve	492.11		*(421.77)*	
Cost of hedging reserve	(7.01)		*(15.15)*	
		485.10		*(436.92)*
Debt instruments through Other comprehensive income [Note 1(II)(r)(i)(B)]		162.40		*65.33*
Equity instruments through Other comprehensive income [Note 1(II)(r)(i)(B)]		(0.23)		*16.75*
		75587.62		*66442.44*

[a] Capital redemption reserve: Created by the subsidiaries on redemption of preference shares out of profits in accordance with Section 55(2)(c) of the Companies Act, 2013.

[b] Debenture redemption reserve: Created on non-convertible debentures in accordance with the Companies (Share capital and Debenture) Rules, 2014 (as amended).

[c] Impairment reserve as per Reserve Bank of India: Created pursuant to circular issued by Reserve Bank of India where impairment allowance as per Ind AS 109 is lower than the provisioning required as per extant prudential norms.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [22]

Non-current liabilities: Financial liabilities - Borrowings

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	29162.95	20021.22	49184.17	*29336.17*	*12055.08*	*41391.25*
Redeemable non-convertible inflation linked debentures	-	126.15	126.15	*-*	*124.11*	*124.11*
Preference shares	-	1123.66	1123.66	*-*	*1404.03*	*1404.03*
Term loans from banks	29334.73	2351.33	31686.06	*37184.03*	*2227.91*	*39411.94*
	58497.68	23622.36	82120.04	*66520.20*	*15811.13*	*82331.33*

Notes:

(a) Loans guaranteed by directors: Nil *(previous year: Nil)*

(b) Non-convertible debentures and bank borrowings are secured by charge on the specified movable and immovable assets of the respective entities.

NOTE [23]

Non-current liabilities: Other financial liabilities

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
Forward contract payables	66.74	*696.66*
Embedded derivative payables	13.84	*0.21*
Financial guarantee contracts	0.12	*0.44*
Due to others	106.04	*203.83*
	186.74	*901.14*

NOTE [24]

Non-current liabilities: Provisions

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
Employee pension scheme [Note 52(b)(i)]	348.86	*339.63*
Post-retirement medical benefits plan [Note 52(b)(i)]	338.42	*318.66*
Provision for other employee benefits	18.12	*19.86*
Other provisions [Note 56(a)]	68.38	*30.52*
	773.78	*708.67*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [25]

Other non-current liabilities

Particulars	As at 31-3-2021 ₹ crore	*As at 31-3-2020 ₹ crore*
Other payables	68.70	*31.09*
	68.70	*31.09*

NOTE [26]

Current liabilities: Financial liabilities - Borrowings

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Loans repayable on demand	7121.19	3775.18	10896.37	*7577.48*	*4376.42*	*11953.90*
Short term loans and advances from banks	1953.81	4215.93	6169.74	*2843.23*	*7883.29*	*10726.52*
Short term loans from others	–	–	–	–	*3.19*	*3.19*
Short term debentures	–	477.90	477.90	–	–	–
Loans from related parties	–	90.91	90.91	–	*59.68*	*59.68*
Commercial paper	–	10130.91	10130.91	–	*12277.73*	*12277.73*
	9075.00	18690.83	27765.83	*10420.71*	*24600.31*	*35021.02*

Note: The secured portion of loans payable on demand and bank borrowings are secured by charge on the specified movable and immovable assets of the respective entities.

NOTE [27]

Current liabilities: Financial liabilities - Current maturities of long term borrowings

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Secured	Unsecured	Total	*Secured*	*Unsecured*	*Total*
	₹ crore	₹ crore	₹ crore	*₹ crore*	*₹ crore*	*₹ crore*
Redeemable non-convertible fixed rate debentures	9659.27	3230.04	12889.31	*9474.52*	*4863.05*	*14337.57*
Redeemable non-convertible floating rate debentures	–	1.60	1.60	–	–	–
Preference shares	–	319.26	319.26	–	*669.98*	*669.98*
Term loans from banks	9419.55	89.67	9509.22	*7930.00*	*717.22*	*8647.22*
	19078.82	3640.57	22719.39	*17404.52*	*6250.25*	*23654.77*

Notes:

(a) Loans guaranteed by directors: Nil *(previous year: Nil)*

(b) Non-convertible debentures and bank borrowings are secured by charge on the specified movable and immovable assets of the respective entities.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [28]

Current liabilities: Financial liabilities - Other trade payables

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Acceptances		382.35		*237.30*
Due to related parties:				
Associate companies	60.53		*109.26*	
Joint venture companies	1715.13		*1300.77*	
		1775.66		*1410.03*
Due to others		42857.61		*41517.09*
		45015.62		*43164.42*

NOTE [29]

Current liabilities: Other financial liabilities

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
Unclaimed dividend	127.78	*114.27*
Unclaimed interest on debentures	244.66	*17.99*
Financial guarantee contracts	0.79	*0.58*
Forward contract payables	406.49	*1277.04*
Embedded derivative payables	55.38	*118.21*
Due to others	4734.45	*3395.14*
	5569.55	*4923.23*

NOTE [30]

Other current liabilities

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Contract liabilities [Note 47(d)(i)]				
Due to customers (construction and project related activity)	11943.66		*11666.09*	
Advances from customers	15876.07		*16353.36*	
		27819.73		*28019.45*
Other payables		3449.90		*2797.22*
		31269.63		*30816.67*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [31]
Current liabilities: Provisions

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Provision for employee benefits:				
Gratuity [Note 52(b)(i)]	210.43		*233.47*	
Compensated absences	1372.56		*1337.85*	
Employee pension scheme [Note 52(b)(i)]	29.09		*29.49*	
Post-retirement medical benefits plan [Note 52(b)(i)]	21.64		*21.61*	
Others	0.84		*0.83*	
		1634.56		*1623.25*
Other provisions [Note 56(a)]		1364.12		*1127.60*
		2998.68		*2750.85*

NOTE [32]
Contingent liabilities

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
(a) Claims against the Group not acknowledged as debts	3222.99	*3630.92*
(b) Sales tax/GST liability that may arise in respect of matters in appeal	350.33	*305.37*
(c) Excise duty/service tax/custom duty/entry tax/stamp duty/municipal cess liability that may arise, including those in respect of matters in appeal/ challenged by the Group in Writ	830.91	*736.87*
(d) Income tax liability (including penalty) that may arise in respect of which the Group is in appeal	674.05	*1239.61*
(e) Guarantees or letter of credit or letter of comfort given to third parties	340.16	*2258.84*
(f) Corporate guarantees for debt given on behalf of joint ventures	312.67	*394.94*
(g) Bank guarantees given on behalf of joint ventures	51.18	*119.80*
(h) Contingent liabilities incurred in relation to interest in joint operations	7042.11	*7460.44*
(i) Share in contingent liabilities of joint operations for which the Group is contingently liable	61.95	*64.05*
(j) Contingent liabilities in respect of liabilities of other joint operators in respect of joint operations	4875.31	*5464.89*
(k) Share of contingent liabilities incurred jointly with other investors of the associate	0.68	*0.68*
(l) Share of joint ventures' contingent liabilities in respect of a legal claim lodged against the entity	169.26	*163.38*
(m) Indemnities for performance given on behalf of third parties	479.43	*–*

Notes:

(i) The Group expects reimbursements of ₹ 14.24 crore *(previous year: ₹ 25.07 crore)* in respect of the above contingent liabilities except in respect of matters at (m).

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings. Further, the liability mentioned in (a) to (d) above excludes interest and penalty in cases where the Group has determined that the possibility of such levy is remote.

(iii) In respect of matters at (e), the cash outflows, if any, could occur any time during the subsistence of the underlying agreement.

(iv) In respect of matters at (f), the cash outflows, if any, could generally occur up to two years, being the period over which the validity of the guarantees extends except in a few cases where the cash outflows, if any, could occur any time during the subsistence of the borrowing to which the guarantees relate.

(v) In respect of matters at (g), the cash outflows, if any, could generally occur up to two years, being the period over which the validity of the guarantees extends.

(vi) In respect of matters at (h) to (j), the cash outflows, if any, could generally occur upto completion of projects undertaken by the respective joint operations.

(vii) In respect of matters at (k) and (l), the cash outflows, in any, could generally occur any time up to settlement of claims or during subsistence of the underlying agreements.

(viii) In respect of matters at (m), the cash outflows, if any, is fully reimbursable by the third parties under an agreement entered into with them.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [33]

Commitments

Particulars	As at 31-3-2021	*As at 31-3-2020*
	₹ crore	*₹ crore*
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances):		
(i) Property, plant and equipment	1905.99	*1239.55*
(ii) Investment property	47.56	*117.02*
(iii) Intangible assets	151.14	*187.14*
(b) Other funding commitments:		
(i) Undrawn/undisbursed commitments to other companies (in Financial Services)	1010.35	*1364.53*
(ii) Share of joint ventures' capital commitments	14.78	*19.56*

NOTE [34]

Revenue from operations

Particulars	2020-21		*2019-20*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Sales & service:				
Construction and project related activity	86406.51		*97452.17*	
Manufacturing and trading activity	3760.72		*3225.64*	
Engineering service fees	5530.89		*5649.10*	
Software development products and services	20088.56		*16620.95*	
Income from financing activity/annuity based projects	14107.19		*14442.06*	
Property development activity	606.14		*2065.94*	
Fare collection and related activity	84.00		*370.14*	
Servicing fees	1178.07		*1321.35*	
Commission	110.27		*123.38*	
Charter hire income	3.56		*1.78*	
Investment/portfolio management and trusteeship fees	311.34		*353.25*	
Fees for operation and maintenance of power plant	2267.90		*2682.29*	
Revenue from sale of power	21.60		*–*	
		134476.75		*144308.05*
Other operational income:				
Lease rentals	81.96		*150.91*	
Property maintenance recoveries	56.44		*69.71*	
Premium earned (net) on related forward exchange contracts	61.50		*44.55*	
Profit on sale of investment property	466.20		*–*	
Technical fees	7.12		*0.06*	
Miscellaneous income	829.06		*879.08*	
		1502.28		*1144.31*
		135979.03		*145452.36*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [35]

Other income

Particulars	2020-21		*2019-20*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Interest income on [Note 46(a)]:				
Loans and advances to joint venture and associate companies	60.84		*109.34*	
Investments	638.57		*378.65*	
Others	678.25		*341.79*	
		1377.66		*829.78*
Dividend income on:				
Trade investments	14.24		*1.76*	
Current investments	0.21		*0.60*	
Others	14.02		*99.24*	
		28.47		*101.60*
Net gain/(loss) on sale or fair valuation of investments		1118.77		*733.84*
Net gain/(loss) on derivatives at fair value through profit or loss		(42.46)		*13.19*
Net gain/(loss) on sale of property, plant and equipment		62.61		*(33.28)*
Lease rentals		19.35		*19.94*
Miscellaneous income (net of expenses)		864.95		*695.83*
		3429.35		*2360.90*

NOTE [36]

Manufacturing, construction and operating expenses

Particulars	2020-21		*2019-20*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Cost of raw materials, components consumed:				
Raw materials and components	15660.55		*15632.01*	
Less: Scrap sales	89.15		*83.35*	
		15571.40		*15548.66*
Construction materials consumed		24558.23		*30316.12*
Purchase of stock-in-trade		1213.58		*841.09*
Stores, spares and tools consumed		2023.54		*2184.46*
Sub-contracting charges		22316.18		*26454.05*
Changes in inventories of finished goods, stock-in-trade, work-in-progress and property development:				
Closing stock:				
Finished goods	86.01		*98.56*	
Stock-in-trade	360.03		*308.36*	
Work-in-progress	5252.57		*5748.17*	
Cost of built-up space and property development land:				
Work-in-progress	3169.07		*3130.39*	
Completed property	384.60		*72.37*	
	9252.28		*9357.85*	
Carried forward	9252.28	65682.93	*9357.85*	*75344.38*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [36]

Manufacturing, construction and operating expenses *(contd.)*

Particulars	2020-21		*2019-20*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
Brought forward	9252.28	65682.93	*9357.85*	*75344.38*
Less: Opening stock:				
Finished goods	98.56		*55.09*	
Stock-in-trade	308.36		*291.28*	
Work-in-progress	5748.17		*5609.37*	
Cost of built-up space and property development land:				
Work-in-progress	3130.39		*3174.88*	
Completed property	72.37		*115.32*	
	9357.85		*9245.94*	
	105.57		*(111.91)*	
Inventorisation of investment property	237.80		*759.61*	
		343.37		*647.70*
Other manufacturing, construction and operating expenses:				
Power and fuel	1458.30		*1922.13*	
Royalty and technical know-how fees	57.50		*119.52*	
Packing and forwarding	536.23		*572.93*	
Rent and hire charges	2265.80		*2714.02*	
Bank guarantee charges	310.09		*248.67*	
Engineering, professional, technical and consultancy fees	2008.62		*2003.15*	
Insurance	471.08		*321.32*	
Rates and taxes	686.11		*632.18*	
Travelling and conveyance	828.06		*1113.94*	
Repairs to plant and equipment	69.78		*90.48*	
Repairs to buildings	22.74		*22.22*	
General repairs and maintenance	581.74		*640.32*	
Provision/(reversal) for foreseeable losses on construction contracts	23.66		*(103.28)*	
Other provisions	116.85		*12.84*	
Expenses on construction job in realty business	236.81		*392.48*	
Software development expenses	2199.44		*1759.24*	
Miscellaneous expenses	1110.75		*866.55*	
		12983.56		*13328.71*
Finance cost of financial services business and finance lease activity		7691.04		*8041.88*
		86700.90		*97362.67*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [37]

Employee benefits expense

Particulars	2020-21		2019-20	
	₹ crore	₹ crore	₹ crore	₹ crore
Salaries, wages and bonus		22464.37		*20821.99*
Contribution to and provision for:				
Provident fund and pension fund	519.31		*407.06*	
Superannuation/employee pension and social security schemes	296.55		*199.13*	
Gratuity funds [Note 52(b)(ii)]	180.30		*154.25*	
		996.16		*760.44*
Expenses on employee stock option scheme		137.67		*190.84*
Employee medical and other insurance premium expenses		329.80		*411.48*
Staff welfare expenses		1015.33		*1133.82*
Recoveries on account of deputation charges		(181.30)		*(204.57)*
		24762.03		*23114.00*

NOTE [38]

Sales, administration and other expenses

Particulars	2020-21		2019-20	
	₹ crore	₹ crore	₹ crore	₹ crore
Power and fuel		123.03		*157.71*
Packing and forwarding		74.66		*67.30*
Insurance		131.47		*113.37*
Rent and hire charges		211.70		*244.17*
Rates and taxes		292.25		*392.89*
Travelling and conveyance		317.25		*946.82*
Repairs to buildings		102.45		*98.85*
General repairs and maintenance		435.17		*544.72*
Professional fees		1239.15		*1176.94*
Directors' fees		7.97		*11.64*
Telephone, postage and telegrams		220.90		*227.03*
Advertising and publicity		101.32		*206.94*
Stationery and printing		49.10		*69.61*
Commission:				
Distributors and agents	33.56		*62.30*	
Others	8.47		*1.61*	
		42.03		*63.91*
Bank charges		145.10		*182.24*
Miscellaneous expenses		835.64		*1259.41*
Bad debts and advances written off (net of written back)	3039.99		*1759.76*	
Less: Allowances for expected credit loss written back	2481.66		*1885.56*	
		558.33		*(125.80)*
Impairment of debt instruments		151.26		*350.59*
Allowances for expected credit loss		3400.09		*2724.43*
Loss on fair valuation of loans towards financing activities (net)		158.76		*93.31*
Recoveries from joint venture and associate companies		(39.48)		*(40.40)*
Exchange (gain)/loss [net]		(37.31)		*(438.96)*
Other provisions		371.16		*319.99*
		8892.00		*8646.71*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [39]

Finance costs

Particulars	2020-21 ₹ crore	2019-20 ₹ crore
Interest expenses	3904.54	2723.26
Other borrowing costs	4.27	12.71
Exchange (gain)/loss [net]	4.63	60.69
	3913.44	2796.66

39(a) Aggregation of expenses disclosed vide Note 36 - Manufacturing, construction and operating expenses, Note 37 - Employee benefits expense, Note 38 - Sales, administration and other expenses and Note 39 - Finance costs

₹ crore

Sr. No.	Nature of expenses	2020-21					2019-20				
		Note 36	Note 37	Note 38	Note 39	Total	Note 36	Note 37	Note 38	Note 39	Total
1	Power and fuel	1458.30	–	123.03	–	1581.33	1922.13	–	157.71	–	2079.84
2	Packing and forwarding	536.23	–	74.66	–	610.89	572.93	–	67.30	–	640.23
3	Insurance	471.08	329.80	131.47	–	932.35	321.32	411.48	113.37	–	846.17
4	Rent and hire charges	2265.80	–	211.70	–	2477.50	2714.02	–	244.17	–	2958.19
5	Rates and taxes	686.11	–	292.25	–	978.36	632.18	–	392.89	–	1025.07
6	Travelling and conveyance	828.06	–	317.25	–	1145.31	1113.94	–	946.82	–	2060.76
7	Repairs to plant and equipment	69.78	–	–	–	69.78	90.48	–	–	–	90.48
8	Repairs to buildings	22.74	–	102.45	–	125.19	22.22	–	98.85	–	121.07
9	General repairs and maintenance	581.74	–	435.17	–	1016.91	640.32	–	544.72	–	1185.04
10	Engineering, professional, technical and consultancy fees	2008.62	–	1239.15	–	3247.77	2003.15	–	1176.94	–	3180.09
11	Finance costs	7691.04	–	–	3913.44	11604.48	8041.88	–	–	2796.66	10838.54
12	Miscellaneous expenses	1110.75	–	835.64	–	1946.39	866.55	–	1259.41	–	2125.96

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40]

The list of subsidiaries, associates, joint ventures and joint operations included in the Consolidated Financial Statements are as under:

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2021 Proportion of effective ownership interest (%)	As at 31-3-2021 Proportion of voting power held (%)	*As at 31-3-2020 Proportion of effective ownership interest (%)*	*As at 31-3-2020 Proportion of voting power held (%)*
	Indian subsidiaries					
1	Hi-Tech Rock Products and Aggregates Limited	India	100.00	100.00	*100.00*	*100.00*
2	L&T Geostructure Private Limited (formerly known as L&T Geostructure LLP)	India	100.00	100.00	*100.00*	*100.00*
3	L&T Geo – L&T JV for Maharatangarh project	India	100.00	100.00	*100.00*	*100.00*
4	L&T Geo – L&T UJV CMRL CS	India	100.00	100.00	*100.00*	*100.00*
5	L&T Infrastructure Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
6	L&T Cassidian Limited [a]	India	–	–	*100.00*	*100.00*
7	L&T Hydrocarbon Engineering Limited	India	100.00	100.00	*100.00*	*100.00*
8	L&T Gulf Private Limited [b]	India	–	–	*100.00*	*100.00*
9	Larsen & Toubro Infotech Limited	India	74.27	74.27	*74.53*	*74.53*
10	Syncordis Software Services India Private Limited	India	74.27	74.27	*74.53*	*74.53*
11	Ruletronics Systems Private Limited	India	74.27	74.27	*74.53*	*74.53*
12	Lymbyc Solutions Private Limited	India	74.27	74.27	*74.53*	*74.53*
13	Powerup Cloud Technologies Private Limited	India	74.27	74.27	*74.53*	*74.53*
14	L&T Technology Services Limited	India	74.24	74.24	*74.62*	*74.62*
15	L&T Thales Technology Services Private Limited	India	54.94	54.94	*55.22*	*55.22*
16	Graphene Semiconductor Services Private Limited	India	74.24	74.24	*74.62*	*74.62*
17	Seastar Labs Private Limited	India	74.24	74.24	*74.62*	*74.62*
18	Esencia Technologies India Private Limited	India	74.24	74.24	*74.62*	*74.62*
19	Mindtree Limited	India	61.03	61.03	*61.08*	*61.08*
20	L&T Capital Markets Limited [c]	India	–	–	*63.72*	*63.72*
21	L&T Finance Holdings Limited	India	63.62	63.62	*63.72*	*63.72*
22	L&T Finance Limited	India	63.62	63.62	*63.72*	*63.72*
23	L&T Housing Finance Limited [d]	India	–	–	*63.72*	*63.72*
24	L&T Infrastructure Finance Company Limited [d]	India	–	–	*63.72*	*63.72*
25	L&T Infra Debt Fund Limited	India	63.62	63.62	*63.72*	*63.72*
26	L&T Infra Investment Partners Advisory Private Limited	India	63.62	63.62	*63.72*	*63.72*
27	L&T Infra Investment Partners Trustee Private Limited	India	63.62	63.62	*63.72*	*63.72*
28	L&T Investment Management Limited	India	63.62	63.62	*63.72*	*63.72*
29	L&T Mutual Fund Trustee Limited	India	63.62	63.62	*63.72*	*63.72*
30	L&T Financial Consultants Limited	India	63.62	63.62	*63.72*	*63.72*
31	Mudit Cement Private Limited	India	63.62	63.62	*63.72*	*63.72*
32	L&T Infra Investment Partners	India	34.94	34.94	*34.99*	*34.99*
33	L&T Metro Rail (Hyderabad) Limited	India	100.00	100.00	*100.00*	*100.00*
34	Sahibganj Ganges Bridge-Company Private Limited [e]	India	–	–	*100.00*	*100.00*
35	L&T Arunachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
36	L&T Himachal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
37	L&T Power Development Limited	India	100.00	100.00	*100.00*	*100.00*
38	L&T Uttaranchal Hydropower Limited	India	100.00	100.00	*100.00*	*100.00*
39	Nabha Power Limited	India	100.00	100.00	*100.00*	*100.00*
40	Chennai Vision Developers Private Limited	India	100.00	100.00	*100.00*	*100.00*
41	L&T Asian Realty Project LLP	India	100.00	100.00	*100.00*	*100.00*
42	L&T Parel Project LLP	India	100.00	100.00	*100.00*	*100.00*
43	L&T Westend Project LLP	India	100.00	100.00	*100.00*	*100.00*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2021 Proportion of effective ownership interest (%)	As at 31-3-2021 Proportion of voting power held (%)	*As at 31-3-2020 Proportion of effective ownership interest (%)*	*As at 31-3-2020 Proportion of voting power held (%)*
	Indian subsidiaries					
44	LTR SSM Private Limited [f]	India	99.00	99.00	*99.00*	*99.00*
45	L&T Seawoods Limited	India	100.00	100.00	*100.00*	*100.00*
46	L&T Vision Ventures Limited	India	68.00	68.00	*68.00*	*68.00*
47	L&T Electricals and Automation Limited	India	100.00	100.00	*100.00*	*100.00*
48	L&T Realty Developers Limited (formerly known as L&T Construction Equipment Limited)	India	100.00	100.00	*100.00*	*100.00*
49	L&T Construction Equipment Limited (formerly known as L&T Construction Machinery Limited)	India	100.00	100.00	*100.00*	*100.00*
50	L&T Valves Limited	India	100.00	100.00	*100.00*	*100.00*
51	Bhilai Power Supply Company Limited	India	99.90	99.90	*99.90*	*99.90*
52	L&T Power Limited	India	99.99	99.99	*99.99*	*99.99*
53	Kesun Iron and Steel Company Private Limited [f]	India	95.00	95.00	*95.00*	*95.00*
54	L&T Aviation Services Private Limited	India	100.00	100.00	*100.00*	*100.00*
55	L&T Capital Company Limited	India	100.00	100.00	*100.00*	*100.00*
56	L&T Infra Contractors Private Limited [f]	India	100.00	100.00	*100.00*	*100.00*

[a] The company is dissolved on January 28, 2021
[b] The company is merged with L&T Hydrocarbon Engineering Limited w.e.f. April 1, 2020
[c] The Group has sold its stake on April 24, 2020
[d] The company is merged with L&T Finance Limited w.e.f. April 1, 2020
[e] The company is dissolved on March 30, 2021
[f] The company is in process of being struck off from the register of companies

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2021 Proportion of effective ownership interest (%)	As at 31-3-2021 Proportion of voting power held (%)	*As at 31-3-2020 Proportion of effective ownership interest (%)*	*As at 31-3-2020 Proportion of voting power held (%)*
	Foreign subsidiaries					
1	Larsen & Toubro (Oman) LLC	Sultanate of Oman	65.00	65.00	*65.00*	*65.00*
2	Larsen & Toubro Qatar LLC [a]	Qatar	49.00	100.00	*49.00*	*100.00*
3	Larsen & Toubro Saudi Arabia LLC	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
4	Larsen & Toubro T&D SA (Proprietary) Limited	South Africa	72.50	72.50	*72.50*	*72.50*
5	Larsen & Toubro Heavy Engineering LLC	Sultanate of Oman	70.00	100.00	*70.00*	*100.00*
6	Larsen & Toubro Hydrocarbon International Limited LLC [b]	Kingdom of Saudi Arabia	–	–	*100.00*	*100.00*
7	L&T Modular Fabrication Yard LLC	Sultanate of Oman	70.00	100.00	*70.00*	*100.00*
8	L&T Overseas Projects Nigeria Limited [c]	Nigeria	–	–	*100.00*	*100.00*
9	Larsen Toubro Arabia LLC	Kingdom of Saudi Arabia	75.00	100.00	*75.00*	*100.00*
10	L&T Hydrocarbon Saudi Company	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
11	Larsen & Toubro Kuwait Construction General Contracting Company WLL	Kuwait	49.00	100.00	*49.00*	*100.00*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2021		*As at 31-3-2020*	
			Proportion of effective ownership interest (%)	Proportion of voting power held (%)	*Proportion of effective ownership interest (%)*	*Proportion of voting power held (%)*
	Foreign subsidiaries					
12	PT Larsen & Toubro Hydrocarbon Engineering Indonesia	Indonesia	95.00	95.00	*95.00*	*95.00*
13	Larsen & Toubro Electromech LLC	Sultanate of Oman	70.00	100.00	*70.00*	*100.00*
14	L&T Hydrocarbon International FZE	UAE	100.00	100.00	*100.00*	*100.00*
15	L&T Information Technology Services (Shanghai) Co., Ltd.	China	74.27	74.27	*74.53*	*74.53*
16	L&T Infotech Financial Services Technologies Inc.	Canada	74.27	74.27	*74.53*	*74.53*
17	Larsen & Toubro Infotech Canada Limited	Canada	74.27	74.27	*74.53*	*74.53*
18	Larsen & Toubro Infotech LLC	USA	74.27	74.27	*74.53*	*74.53*
19	Larsen & Toubro Infotech South Africa (Proprietary) Limited	South Africa	51.68	51.68	*55.83*	*55.83*
20	Larsen & Toubro Infotech GmbH	Germany	74.27	74.27	*74.53*	*74.53*
21	L&T Information Technology Spain SL	Spain	74.27	74.27	*74.53*	*74.53*
22	Larsen & Toubro Infotech Norge AS	Norway	74.27	74.27	*74.53*	*74.53*
23	Larsen & Toubro LLC	USA	98.77	98.77	*98.79*	*98.79*
24	L&T Infotech S. DE R.L. DE C.V.	Mexico	74.27	74.27	*74.53*	*74.53*
25	Syncordis S.A.	Luxembourg	74.27	74.27	*74.53*	*74.53*
26	Syncordis France SARL	France	74.27	74.27	*74.53*	*74.53*
27	Syncordis Limited	UK	74.27	74.27	*74.53*	*74.53*
28	Syncordis PSF S.A.	Luxembourg	74.27	74.27	*74.53*	*74.53*
29	Nielsen+Partner Unternehmensberater GmbH	Germany	74.27	74.27	*74.53*	*74.53*
30	Nielsen+Partner Unternehmensberater AG	Switzerland	74.27	74.27	*74.53*	*74.53*
31	Nielsen+Partner Pte Ltd	Singapore	74.27	74.27	*74.53*	*74.53*
32	NIELSEN+PARTNER S.A. [d]	Luxembourg	–	–	*74.53*	*74.53*
33	Nielsen&Partner Company Limited	Thailand	74.27	74.27	*74.53*	*74.53*
34	Nielsen&Partner Pty Ltd	Australia	74.27	74.27	*74.53*	*74.53*
35	Ruletronics Limited	UK	74.27	74.27	*74.53*	*74.53*
36	Ruletronics Systems Inc.	USA	74.27	74.27	*74.53*	*74.53*
37	Larsen & Toubro Infotech UK Limited [e]	UK	74.27	74.27	–	–
38	LTI Middle East FZ-LLC [f]	UAE	74.27	74.27	–	–
39	Lymbyc Solutions Inc.	USA	74.27	74.27	*74.53*	*74.53*
40	L&T Technology Services LLC	USA	74.24	74.24	*74.62*	*74.62*
41	Graphene Solutions PTE Ltd.	Singapore	74.24	74.24	*74.62*	*74.62*
42	Graphene Solutions SDN. BHD.	Malaysia	74.24	74.24	*74.62*	*74.62*
43	Graphene Solutions Taiwan Limited	Taiwan	74.24	74.24	*74.62*	*74.62*
44	Esencia Technologies Inc.	USA	74.24	74.24	*74.62*	*74.62*
45	L&T Technology Services (Shanghai) Co. Ltd	China	74.24	74.24	*74.62*	*74.62*
46	L&T Technology Services (Canada) Ltd	Canada	74.24	74.24	*74.62*	*74.62*
47	Orchestra Technology, Inc. [g]	USA	74.24	74.24	–	–
48	Mindtree Software (Shanghai) Co. Limited	China	61.03	61.03	*61.08*	*61.08*
49	Bluefin Solutions Sdn. Bhd.	Malaysia	61.03	61.03	*61.08*	*61.08*
50	Henikwon Corporation SDN. BHD. [h]	Malaysia	–	–	*100.00*	*100.00*
51	Kana Controls General Trading & Contracting Company W.L.L. [h]	Kuwait	–	–	*49.00*	*100.00*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of subsidiaries	Principal place of business	As at 31-3-2021		*As at 31-3-2020*	
			Proportion of effective ownership interest (%)	Proportion of voting power held (%)	*Proportion of effective ownership interest (%)*	*Proportion of voting power held (%)*
	Foreign subsidiaries					
52	L&T Electrical & Automation FZE [h]	UAE	–	–	*100.00*	*100.00*
53	L&T Electricals & Automation Saudi Arabia Company Limited LLC [h]	Kingdom of Saudi Arabia	–	–	*100.00*	*100.00*
54	PT. Tamco Indonesia [h]	Indonesia	–	–	*100.00*	*100.00*
55	Tamco Electrical Industries Australia Pty Limited [h]	Australia	–	–	*100.00*	*100.00*
56	Tamco Switchgear (Malaysia) SDN BHD [h]	Malaysia	–	–	*100.00*	*100.00*
57	Servowatch Systems Limited [i]	UK	–	–	*100.00*	*100.00*
58	Thalest Limited	UK	100.00	100.00	*100.00*	*100.00*
59	Larsen & Toubro (East Asia) Sdn.Bhd.	Malaysia	30.00	100.00	*30.00*	*100.00*
60	Larsen & Toubro International FZE	UAE	100.00	100.00	*100.00*	*100.00*
61	L&T Global Holdings Limited	UAE	100.00	100.00	*100.00*	*100.00*
62	L&T Capital Markets (Middle East) Ltd [j]	UAE	–	–	*63.72*	*63.72*
63	L&T Valves Arabia Manufacturing LLC	Kingdom of Saudi Arabia	100.00	100.00	*100.00*	*100.00*
64	L&T Valves USA LLC	USA	100.00	100.00	*100.00*	*100.00*

[a] The company is in process of liquidation
[b] The company is liquidated on May 16, 2020
[c] The company is dissolved on January 21, 2021
[d] The company is merged with Syncordis S.A. w.e.f. December 21, 2020
[e] The company has been incorporated on August 17, 2020
[f] The company has been incorporated on November 25, 2020
[g] The Group has acquired stake on October 2, 2020
[h] The Group has sold its stake on August 31, 2020
[i] The Group has sold its stake on December 1, 2020
[j] The company is liquidated on December 17, 2020

Sr. No.	Name of associates	Principal place of business	As at 31-3-2021		*As at 31-3-2020*	
			Proportion of effective ownership interest (%)	Proportion of voting power held (%)	*Proportion of effective ownership interest (%)*	*Proportion of voting power held (%)*
1	L&T-Chiyoda Limited	India	50.00	50.00	*50.00*	*50.00*
2	Gujarat Leather Industries Limited [a]	India	50.00	50.00	*50.00*	*50.00*
3	Larsen & Toubro Qatar & HBK Contracting Co. WLL	Qatar	50.00	50.00	*50.00*	*50.00*
4	L&T Camp Facilities LLC	UAE	49.00	49.00	*49.00*	*49.00*
5	Magtorq Private Limited	India	42.85	42.85	*42.85*	*42.85*
6	Magtorq Engineering Solutions Private Limited	India	39.28	39.28	*39.28*	*39.28*

[a] The company is under liquidation

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of joint ventures	Principal place of business	As at 31-3-2021 Proportion of effective ownership interest (%)	*As at 31-3-2020 Proportion of effective ownership interest (%)*
	Joint ventures			
1	L&T - MHI Power Boilers Private Limited (formerly known as L&T-MHPS Boilers Private Limited)	India	51.00	*51.00*
2	L&T - MHI Power Turbine Generators Private Limited (formerly known as L&T-MHPS Turbine Generators Private Limited)	India	51.00	*51.00*
3	L&T Howden Private Limited	India	50.10	*50.10*
4	L&T-Sargent & Lundy Limited	India	50.00	*50.00*
5	L&T Special Steels and Heavy Forgings Private Limited	India	74.00	*74.00*
6	L&T MBDA Missile Systems Limited	India	51.00	*51.00*
7	L&T Sapura Offshore Private Limited	India	60.00	*60.00*
8	L&T Sapura Shipping Private Limited	India	60.00	*60.00*
9	L&T Hydrocarbon Caspian LLC	Azerbaijan	50.00	*50.00*
10	L&T Infrastructure Development Projects Limited	India	51.00	*51.00*
11	L&T Chennai-Tada Tollway Limited	India	51.00	*51.00*
12	L&T Rajkot-Vadinar Tollway Limited	India	51.00	*51.00*
13	L&T Deccan Tollways Limited	India	52.89	*52.89*
14	L&T Samakhiali Gandhidham Tollway Limited	India	51.01	*51.01*
15	Kudgi Transmission Limited	India	51.00	*51.00*
16	L&T Sambalpur-Rourkela Tollway limited	India	51.00	*51.00*
17	Panipat Elevated Corridor Limited	India	51.00	*51.00*
18	Vadodara Bharuch Tollway Limited	India	51.00	*51.00*
19	L&T Transportation Infrastructure Limited	India	63.86	*63.86*
20	L&T Interstate Road Corridor Limited	India	51.00	*51.00*
21	Ahmedabad-Maliya Tollway Limited	India	51.00	*51.00*
22	L&T Halol-Shamlaji Tollway Limited	India	24.98	*24.98*
23	PNG Tollway Limited	India	37.74	*37.74*
24	Raykal Aluminium Company Private Limited	India	75.50	*75.50*
25	Indiran Engineering Projects and Systems Kish PJSC	Iran	50.00	*50.00*

Sr. No.	Name of joint operations (with specific ownership interest in the arrangement)	Principal place of business	As at 31-3-2021 Proportion of effective ownership interest (%)	*As at 31-3-2020 Proportion of effective ownership interest (%)*
1	Desbuild L&T Joint Venture	India	49.00	*49.00*
2	Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	India	50.00	*50.00*
3	Al Balagh Trading & Contracting Co W.L.L.- L&T Joint Venture	Qatar	80.00	*80.00*
4	L&T-AM Tapovan Joint Venture	India	65.00	*65.00*
5	HCC-L&T Purulia Joint Venture	India	43.00	*43.00*
6	International Metro Civil Contractors Joint Venture	India	26.00	*26.00*
7	Metro Tunneling Group	India	26.00	*26.00*
8	L&T-Hochtief Seabird Joint Venture	India	90.00	*90.00*
9	Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	India	75.00	*75.00*
10	Metro Tunneling Delhi-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	India	60.00	*60.00*
11	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	India	68.00	*68.00*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of joint operations (with specific ownership interest in the arrangement)	Principal place of business	As at 31-3-2021 Proportion of effective ownership interest (%)	*As at 31-3-2020 Proportion of effective ownership interest (%)*
12	Aktor-Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	Qatar	22.00	*22.00*
13	Civil Works Joint Venture	Kingdom of Saudi Arabia	29.00	*29.00*
14	L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	India	51.00	*51.00*
15	DAEWOO and L&T Joint Venture	India	50.00	*50.00*
16	L&T-STEC JV MUMBAI	India	65.00	*65.00*
17	L&T-ISDPL (JV)	India	100.00	*100.00*
18	L&T-IHI Consortium	India	100.00	*100.00*
19	L&T-Eastern Joint Venture [a]	UAE	–	*65.00*
20	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture	India	60.00	*60.00*
21	Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	India	50.00	*50.00*
22	L&T-Inabensa Consortium	India	100.00	*100.00*
23	L&T-Delma Mafraq Joint Venture	UAE	100.00	*100.00*
24	L&T-AL-Sraiya LRDP 6 Joint Venture	Qatar	75.00	*75.00*
25	Larsen & Toubro Limited & NCC Limited Joint Venture	India	55.00	*55.00*
26	Besix-Larsen & Toubro Joint Venture	UAE	50.00	*50.00*
27	Larsen & Toubro Ltd - Passavant Energy & Environment JV	India	50.00	*50.00*
28	LNT-Shriram EPC Tanzania UJV	Tanzania	90.00	*90.00*
29	LTH Milcom Private Limited	India	56.67	*56.67*
30	L&T - Tecton JV	India	60.00	*60.00*
31	L&T - Powerchina JV	UAE	55.00	*55.00*
32	L&T - PCIPL JV	India	99.00	*99.00*
33	Bauer-L&T Geo Joint Venture	India	50.00	*50.00*
34	EMAS Saudi Arabia Ltd	Kingdom of Saudi Arabia	50.00	*50.00*
35	L&T Infrastructure Engineering - LEA Associates South Asia JV	India	61.00	*61.00*
36	L&T Infra Engineering JV United Consultancy	Bhutan	75.81	*75.81*

[a] The joint arrangement is dissolved

Sr. No.	Name of joint operations (with specific proportion of activity carried out through the arrangement)	Principal place of business
1	L&T Sojitz Consortium	India
2	L&T-KBL (UJV) Hyderabad	India
3	L&T-KBL-MAYTAS UJV	India
4	Mallanna Sagar Reservoir LnT-Prasad-RK Infra JV	India
5	Larsen & Toubro Limited Waterleau Consortium	Qatar
6	L&T-BRAPL JV (package II)	India
7	L&T-BRAPL JV (package III)	India
8	IIS-L&T Consortium	India
9	PES Engg P Ltd-L&T Consortium	India
10	L&T ISDPL - DI (JV)	India

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [40] ***(contd.)***

Sr. No.	Name of joint operations (with specific proportion of activity carried out through the arrangement)	Principal place of business
11	L&T Galfar Consortium	Sultanate of Oman
12	Sojitz Corporation-L&T Consortium	India
13	Sojitz Corporation-Gayathri Projects Ltd-L&T consortium	India
14	PESB and Larsen & Toubro Joint Venture	Malaysia
15	Scomi Engineering Bhd-L&T consortium	India
16	L&T-Kyosan Consortium	India
17	LTSA-OTSA Inside Kingdom Consortium	Kingdom of Saudi Arabia
18	LTUAE-OTDMCC Outside Kingdom Consortium	UAE
19	Consortium of M/s. J. Ray McDermott Sdn. Bhd. and M/s. L&T Hydrocarbon Engineering Limited	India
20	Consortium of L&T Hydrocarbon Engineering Limited and EMAS AMC Pte. Ltd.	Kingdom of Saudi Arabia
21	Consortium of L&T Hydrocarbon Engineering Limited and Reliance Naval and Engineering Limited	India
22	Consortium of L&T Hydrocarbon Engineering Limited, GE Oil & Gas UK Ltd, McDermott International Management S. de RL, Berlian McDermott Sdn Bhd and Vetco Gray Pte Ltd	India
23	Consortium of L&T Hydrocarbon Engineering Limited, Technip France and Technic India Limited	India
24	L&T Parel Project LLP-Omkar Realtors & Developers Private Limited (Crescent bay)	India
25	L&T Asian Realty Project LLP-Nirmal Life Style Developers Private Limited (Nirmal Lifestyle)	India
26	L&T Asian Realty Project LLP-L&T Finance Limited, Aryaman Developers Private Limited and Xrbia Chakan Developers Private Limited (Centrona Project)	India
27	L&T Infrastructure Engineering Limited-Fortress Infrastructure Advisory Services	India
28	L&T Infrastructure Engineering Limited-Mahindra Consulting Engineers Ltd. and PriceWaterhouse Coopers Private Limited	India
29	L&T Infrastructure Engineering Limited-PriceWaterhouse Coopers Private Limited	India
30	L&T Infrastructure Engineering Limited-Rajendran Associates	India
31	L&T Infrastructure Engineering Limited-Transtek Engineers & Services Private Limited	India
32	L&T Infrastructure Engineering Limited-Vax Consultants Private Limited	India
33	L&T Infrastructure Engineering Limited-Aakar Abhinav Consultants Private Limited	India
34	L&T Infrastructure Engineering Limited-Centre for Symbiosis of Technology Environment & Management (STEM)	India
35	L&T Infrastructure Engineering Limited-CRISIL Risk & Infrastructure Solutions Limited	India
36	L&T Infrastructure Engineering Limited-Rites Limited and KPMG	India
37	L&T Infrastructure Engineering Limited-Tractabel Engineering	India
38	L&T Infrastructure Engineering Limited-LEA Associates South Asia Private Limited	India

NOTE [41]

The components of other equity shown in the Consolidated Balance Sheet include the Group's share in the respective reserves of subsidiaries, joint arrangements and associates. Reserve attributable to non-controlling interest is reported separately in the Consolidated Balance Sheet. Retained earnings comprise Group's share in general reserve and balance of Profit and Loss.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [42]

Disclosure pursuant to Ind AS 112 "Disclosure of Interest in other entities": Subsidiaries

(a) Change in the Group's ownership interest in a subsidiary (without ceding control)

(i) *On account of divestment of part stake:*

During the year 2019-20, the Group sold 3.89% stake in L&T Technology Services Limited and the proceeds of ₹ 668.95 crore were received in cash. An amount of ₹ 118.37 crore (being the proportionate share of the carrying amount of the net assets of L&T Technology Services Limited) has been transferred to non-controlling interests. The difference of ₹ 550.58 crore between the consideration received and the increase in the non-controlling interests has been credited to retained earnings.

(ii) On account of dilution due to exercise of Employee Stock Options:

₹ crore

Name of company	2020-21				*2019-20*			
	Dilution (%)	Proceeds received	Credit to non-controlling interest (Dr)/Cr [a]	Retained earnings (Dr)/Cr	*Dilution (%)*	*Proceeds received*	*Credit to non-controlling interest (Dr)/Cr [a]*	*Retained earnings (Dr)/Cr*
L&T Finance Holdings Limited	0.10%	8.58	32.75	(24.17)	*0.19%*	*39.70*	*52.61*	*(12.91)*
Larsen & Toubro Infotech Limited	0.27%	0.06	28.73	(28.67)	*0.26%*	*0.06*	*22.57*	*(22.51)*
L&T Technology Services Limited	0.38%	0.11	18.09	(17.98)	*0.38%*	*0.10*	*14.56*	*(14.46)*
Mindtree Limited	0.05%	0.15	6.99	(6.84)	*0.04%*	*0.12*	*(0.06)*	*0.18*
Total		8.90	86.56	(77.66)		*39.98*	*89.68*	*(49.70)*

[a] Represents proportionate share of the carrying amount of the net assets of subsidiaries.

(b) The effect of divestment with ceding of control in subsidiaries during the year is as under:

₹ crore

Name of company	Effect on consolidated profit/(loss) before non-controlling interest		Line item in Statement of Profit & Loss in which the gain/(loss) is recognised
	2020-21	*2019-20*	
L&T Capital Markets Limited	224.72	–	Exceptional items before tax
Subsidiaries in Electrical and Automation business: a. Henikwon Corporation SDN. BHD. b. Kana Controls General Trading & Contracting Company W.L.L. c. L&T Electrical & Automation FZE d. L&T Electricals & Automation Saudi Arabia Company Limited LLC e. PT. Tamco Indonesia f. Tamco Electrical Industries Australia Pty Limited g. Tamco Switchgear (Malaysia) SDN BHD h. Servowatch Systems Limited	(370.41)	–	Profit before tax from discontinued operations
Total	(145.69)	–	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [42] ***(contd.)***

(c) Disclosure of subsidiaries having material non-controlling interest:

(i) Summarised Statement of Profit and Loss

₹ *crore*

Particulars	L&T Finance Limited [a]		L&T Finance Holdings Limited	
	2020-21	*2019-20*	2020-21	*2019-20*
Revenue	12125.67	*12486.60*	166.74	*475.28*
Profit/(loss) for the year	1.36	*682.92*	116.05	*266.81*
Other comprehensive income	43.19	*(159.09)*	0.11	*(0.11)*
Total comprehensive income	44.55	*523.83*	116.16	*266.70*
Effective % of non-controlling interest	36.38%	*36.28%*	36.38%	*36.28%*
Profit/(loss) allocated to non-controlling interest (including consolidation adjustments)	226.45	*484.68*	6.94	*(58.38)*
Dividend (including dividend distribution tax) to non-controlling interest	–	–	–	*137.30*

[a] L&T Housing Finance Limited and L&T Infrastructure Finance Company Limited merged with L&T Finance Limited w.e.f. April 1, 2020. Previous year numbers have been regrouped.

₹ *crore*

Particulars	Larsen & Toubro Infotech Limited		L&T Technology Services Limited	
	2020-21	*2019-20*	2020-21	*2019-20*
Revenue	11563.54	*10287.59*	4971.60	*5225.65*
Profit/(loss) for the year	1787.39	*1552.36*	673.13	*790.03*
Other comprehensive income	438.62	*(438.10)*	254.00	*(260.32)*
Total comprehensive income	2226.01	*1114.26*	927.13	*529.71*
Effective % of non-controlling interest	25.73%	*25.46%*	25.76%	*25.38%*
Profit/(loss) allocated to non-controlling interest (including consolidation adjustments)	455.44	*367.53*	170.84	*189.98*
Dividend (including dividend distribution tax) to non-controlling interest	135.58	*143.38*	55.84	*66.10*

₹ *crore*

Particulars	Mindtree Limited	
	2020-21	*2019-20* [b]
Revenue	7967.80	*5930.10*
Profit/(loss) for the year	1110.30	*538.10*
Other comprehensive income	329.82	*(209.10)*
Total comprehensive income	1440.12	*329.00*
Effective % of non-controlling interest	38.97%	*38.92%*
Profit/(loss) allocated to non-controlling interest (including consolidation adjustments)	340.18	*144.33*
Dividend (including dividend distribution tax) to non-controlling interest	112.12	*211.01*

[b] from the date of acquisition

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [42] ***(contd.)***

(ii) Summarised Balance Sheet

₹ crore

Particulars	L&T Finance Limited [a]		L&T Finance Holdings Limited	
	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
Current assets (a)	49371.46	*49763.54*	2748.26	*1153.20*
Current liabilities (b)	37390.19	*34497.24*	754.58	*2099.72*
Net current assets (c)=(a) - (b)	11981.27	*15266.30*	1993.68	*(946.52)*
Non-current assets (d)	46845.00	*49836.42*	10091.42	*10184.59*
Non-current liabilities (e)	43204.83	*49476.85*	1074.82	*1393.23*
Net non-current assets (f)=(d) - (e)	3640.17	*359.57*	9016.60	*8791.36*
Net assets (g)=(c) + (f)	15621.44	*15625.87*	11010.28	*7844.84*
Accumulated non-controlling interest	2388.47	*2139.51*	3916.45	*2765.91*

[a] L&T Housing Finance Limited and L&T Infrastructure Finance Company Limited merged with L&T Finance Limited w.e.f. April 1, 2020. Previous year numbers have been regrouped.

₹ crore

Particulars	Larsen & Toubro Infotech Limited		L&T Technology Services Limited	
	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
Current assets (a)	7574.04	*5985.20*	3313.92	*2779.82*
Current liabilities (b)	2321.66	*2084.65*	1010.68	*980.61*
Net current assets (c)=(a) - (b)	5252.38	*3900.55*	2303.24	*1799.21*
Non-current assets (d)	2413.66	*2331.61*	1506.19	*1301.88*
Non-current liabilities (e)	726.24	*1003.32*	469.35	*481.06*
Net non-current assets (f)=(d) - (e)	1687.42	*1328.29*	1036.84	*820.82*
Net assets (g)=(c) + (f)	6939.80	*5228.84*	3340.08	*2620.03*
Accumulated non-controlling interest	1779.56	*1320.47*	869.76	*672.69*

₹ crore

Particulars	Mindtree Limited	
	As at 31-3-2021	*As at 31-3-2020*
Current assets (a)	4573.20	*3253.40*
Current liabilities (b)	1592.20	*1323.70*
Net current assets (c)=(a) - (b)	2981.00	*1929.70*
Non-current assets (d)	1787.40	*1903.10*
Non-current liabilities (e)	449.80	*676.20*
Net non-current assets (f)=(d) - (e)	1337.60	*1226.90*
Net assets (g)=(c) + (f)	4318.60	*3156.60*
Accumulated non-controlling interest	2193.14	*1829.41*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [42] ***(contd.)***

(iii) Summarised Statement of Cash Flows

₹ crore

Particulars	L&T Finance Limited [a]		L&T Finance Holdings Limited	
	2020-21	*2019-20*	2020-21	*2019-20*
Cash flows from operating activities	4761.01	*2243.71*	(170.40)	*82.24*
Cash flows from investing activities	(2471.20)	*376.24*	272.18	*(1006.23)*
Cash flows from financing activities	(3235.28)	*1013.62*	1295.74	*924.08*
Net increase/(decrease) in cash and cash equivalents	(945.47)	*3633.57*	1397.52	*0.09*

[a] L&T Housing Finance Limited and L&T Infrastructure Finance Company Limited merged with L&T Finance Limited w.e.f. April 1, 2020. Previous year numbers have been regrouped.

₹ crore

Particulars	Larsen & Toubro Infotech Limited		L&T Technology Services Limited	
	2020-21	*2019-20*	2020-21	*2019-20*
Cash flows from operating activities	2179.46	*1643.93*	1267.13	*664.41*
Cash flows from investing activities	(1638.19)	*(578.11)*	(964.62)	*(280.52)*
Cash flows from financing activities	(512.82)	*(918.39)*	(353.80)	*(377.23)*
Net increase/(decrease) in cash and cash equivalents	28.45	*147.43*	(51.29)	*6.66*

₹ crore

Particulars	Mindtree Limited	
	2020-21	*2019-20 [b]*
Cash flows from operating activities	1995.30	*634.00*
Cash flows from investing activities	(1183.30)	*153.40*
Cash flows from financing activities	(422.50)	*(614.70)*
Net increase/(decrease) in cash and cash equivalents	389.50	*172.70*

[b] from the date of acquisition

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [43]

Disclosures pursuant to Ind AS 112 "Disclosure of interest in other entities" :- Joint Ventures and Associates

(a) Summarised Balance Sheet of material joint ventures:

₹ *crore*

Particulars		L&T - MHI Power Boilers Private Limited (formerly known as L&T-MHPS Boilers Private Limited)		L&T Special Steels and Heavy Forgings Private Limited		L&T Infrastructure Development Projects Limited (consolidated)	
		As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
Current assets:							
Cash and bank balances		549.29	*850.71*	1.62	*0.05*	1605.66	*1220.91*
Other assets		2631.37	*2500.57*	246.59	*312.31*	1082.99	*1089.26*
Total current assets	(A)	3180.66	*3351.28*	248.21	*312.36*	2688.65	*2310.17*
Total non-current assets (including Goodwill)	(B)	551.12	*514.40*	194.69	*1198.72*	10815.82	*11554.09*
Current liabilities:							
Financial liabilities (excluding trade payables)		403.26	*469.40*	1820.11	*1710.89*	2031.78	*1233.69*
Other liabilities (including trade payables)		1583.95	*1663.34*	97.27	*146.66*	523.86	*420.88*
Total current liabilities	(C)	1987.21	*2132.74*	1917.38	*1857.55*	2555.64	*1654.57*
Non-current liabilities:							
Financial liabilities (excluding trade payables)		15.69	*–*	748.66	*672.74*	8326.21	*9341.03*
Other liabilities (including trade payables)		–	*–*	15.26	*15.78*	574.11	*561.93*
Total non-current liabilities	(D)	15.69	*–*	763.92	*688.52*	8900.32	*9902.96*
Non-controlling interest (NCI)	(E)	–	*–*	–	*–*	138.64	*163.78*
Net assets	(A+B-C-D-E)	1728.88	*1732.94*	(2238.40)	*(1034.99)*	1909.87	*2142.95*

(b) Reconciliation of carrying amounts of material joint ventures:

₹ *crore*

Particulars	L&T - MHI Power Boilers Private Limited (formerly known as L&T-MHPS Boilers Private Limited)		L&T Special Steels and Heavy Forgings Private Limited		L&T Infrastructure Development Projects Limited (consolidated)	
	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
Opening net assets	1732.94	*1445.42*	(1034.98)	*(812.48)*	2142.95	*1692.98*
Profit/(loss) for the year (net of NCI)	253.08	*312.20*	(1203.54)	*(222.12)*	(130.07)	*(284.03)*
Dividend distributed during the year (including dividend distribution tax)	(234.10)	*(28.22)*	–	*–*	–	*–*
Other comprehensive income (net of NCI)	(23.04)	*3.54*	0.13	*(0.26)*	(102.92)	*56.01*
Infusion during the year (including securities premium)	–	*–*	–	*–*	–	*863.00*
Amount adjusted against securities premium	–	*–*	–	*–*	–	*(148.29)*
Equity component of other financial instruments	–	*–*	–	*–*	–	*(70.00)*
Other adjustments	–	*–*	–	*(0.12)*	(0.09)	*33.28*
Closing net assets	1728.88	*1732.94*	(2238.39)	*(1034.98)*	1909.87	*2142.95*
Group's share (%)	51.00%	*51.00%*	74.00%	*74.00%*	51.00%	*51.00%*
Group's share	881.72	*883.80*	(1656.41)	*(765.88)*	1128.81	*1247.68*
Parent's investment in group companies	–	*–*	–	*–*	10.88	*10.88*
Losses absorbed against and impairment of other long term interest	–	*–*	1608.14	*731.75*	–	*–*
Other adjustments	–	*–*	48.27	*34.13*	19.85	*36.34*
Carrying amount	881.72	*883.80*	–	*–*	1159.54	*1294.90*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [43] *(contd.)*

(c) Summarised Statement of Profit and Loss of material joint ventures:

₹ crore

Particulars	L&T - MHI Power Boilers Private Limited (formerly known as L&T-MHPS Boilers Private Limited)		L&T Special Steels and Heavy Forgings Private Limited		L&T Infrastructure Development Projects Limited (consolidated)	
	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*
Revenue	1763.44	*2035.62*	235.25	*222.78*	1548.31	*1759.15*
Interest income	42.76	*36.22*	0.18	*0.20*	54.53	*137.25*
Depreciation and amortisation	(67.17)	*(65.00)*	(46.22)	*(48.59)*	(491.09)	*(487.30)*
Finance cost	(1.92)	*(5.19)*	(216.71)	*(199.45)*	(842.38)	*(1063.40)*
Tax expense	(89.15)	*(117.60)*	–	–	(34.91)	*(118.47)*
Profit/(loss) for the year (net of NCI) (i)	253.08	*312.20*	(1203.54)	*(222.12)*	(130.07)	*(284.03)*
Other comprehensive income (net of NCI) (ii)	(23.04)	*3.54*	0.13	*(0.26)*	(102.92)	*56.01*
Total comprehensive income (net of NCI) (i+ii)	230.04	*315.74*	(1203.41)	*(222.38)*	(232.99)	*(228.02)*

(d) Financial information in respect of individually not material joint ventures/associates:

₹ crore

Particulars	As at 31-3-2021	*As at 31-3-2020*
Aggregate carrying amount of investment in individually not material joint ventures/associates	629.00	*672.31*
Aggregate amounts of the Group's share of:		
Profit/(loss) for the year	22.03	*55.20*
Other comprehensive income for the year	(14.09)	*24.93*
Total comprehensive income for the year	7.94	*80.13*

(e) Carrying amount of investments in joint ventures/associates:

₹ crore

Particulars	As at 31-3-2021	*As at 31-3-2020*
Non-material associates	80.30	*115.02*
Non-material joint ventures	548.70	*557.29*
Sub-total	629.00	*672.31*
Material joint ventures	2041.26	*2178.70*
Total	2670.26	*2851.01*

(f) Share in profit/(loss) of joint ventures/associates (net):

₹ crore

Particulars	2020-21	*2019-20*
Non-material associates	6.18	*25.88*
Non-material joint ventures	15.85	*29.32*
Sub-total	22.03	*55.20*
Material joint ventures	(7.63)	*16.76*
Total	14.40	*71.96*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [44]

Disclosures pursuant to Ind AS 103 "Business Combinations":

Acquisition of Orchestra Technology, Inc.

(i) On October 2, 2020, the Group has acquired 100% stake in Orchestra Technology, Inc. (Orchestra), a US based company, operating in the IT & Technology Services segment.
Orchestra is Dallas, Texas based company which provides specialist technology solutions to the clients, mainly in telecom industry. Orchestra will help bolster Group's offerings in the areas of network engineering & enterprise mobility and next generation digital systems for 5G and IoT networks.

(ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

₹ crore

Particulars	Orchestra	
Assets		
Non-current assets		
Specialised software	4.09	
Trade names	4.68	
Customer contracts and relationship	43.41	52.18
Current assets		
Trade receivables	8.22	
Cash and bank balances	7.07	
Other current assets	10.28	25.57
Total Assets		77.75
Liabilities		
Non-current liabilities		
Deferred tax liabilty		4.50
Current liabilities		
Trade payables	3.53	
Short term borrowings	18.42	
Other current liabilities	42.82	64.77
Total Liabilities		69.27
Net Assets acquired		8.48

(iii) Calculation of Goodwill:

₹ crore

Particulars	Orchestra	
Total cash paid (A)	80.22	
Less: Payment towards assumed liabilities of the entity (B)	(49.55)	
Purchase consideration paid in cash for acquisition of net assets (C= A-B)		30.67
Present value of contingent consideration payable over future years (D)		18.64
Purchase consideration (E=C+D)		49.31
Less: Fair value of net assets acquired		8.48
Goodwill		40.83

(iv) Goodwill is attributable to future growth of business from this acquisition and assembled workforce. The goodwill is not deductible for income tax purposes.

(v) The Group has recognised contingent consideration in accordance with the terms of the share purchase agreement. The maximum contingent consideration of ₹ 27.44 crore is payable to the promoters of Orchestra upon achievement of the specified financial targets. The fair value of the contingent consideration is determined by assigning probabilities to achievement of the targets.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [44] ***(contd.)***

(vi) The entity has reported revenue of ₹ 63.22 crore and loss of ₹ 0.01 crore from the date of acquisition till March 31, 2021. Had the entity been acquired from April 1, 2020, it would have reported revenue of ₹ 125.00 crore and loss of ₹ 0.02 crore during 2020-21.

(vii) The transaction costs of ₹ 2.95 crore related to the acquisition have been expensed in the Statement of Profit & Loss for the year ended March 31, 2021

(viii) Trade receivables acquired have been substantially collected during the year.

NOTE [45]

Disclosure pursuant to Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations":

(a) On May 1, 2018, the Group signed, subject to regulatory approvals, definitive agreements with Schneider Electric SE for sale of its Electrical & Automation (E&A) business [refer Note 46 for composition of E&A business]. The Competition Commission of India (CCI) accorded on April 18, 2019 its approval (the detailed order was uploaded on its website on June 6, 2019) for acquisition of the Group's E&A business by Schneider Electric SE subject to fulfilment of certain conditions. The E&A business was classified as discontinued operation.

During the year 2020-21, the Group completed divestment of the E&A business (including Servowatch Systems Limited) for a cash consideration of ₹ 14077.66 crore. The operatng profit from E&A business upto the date of divestment and the gain on divestment have been shown below. The post-closing adjustments are under discussion.

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
(i)	Revenue from operations	1605.67	*5566.99*
(ii)	Other Income	5.38	*15.38*
(iii)	Total Income [(i)+(ii)]	1611.05	*5582.37*
(iv)	Total expenses	1528.47	*4699.12*
(v)	Profit/(loss) before tax [(iii)-(iv)]	82.58	*883.25*
(vi)	Tax expenses	30.12	*228.68*
(vii)	Profit/(loss) after tax [(v)-(vi)]	52.46	*654.57*
(viii)	Non-controlling interest - discontinued operations	–	–
(ix)	Profit for the year attributable to owners of the Company [(vii)-(viii)]	52.46	*654.57*
(x)	Gain on sale of E&A business before tax	10707.92	–
(xi)	Tax on above (including related deferred tax reversal)	2522.46	–
(xii)	Gain on sale of E&A business (net of tax) [includes reclassification of exchange differences on foreign curreny translation ₹ 138.50 crore]	8185.46	–
(xiii)	Other comprehensive income	14.90	*22.02*
(xiv)	Total comprehensive income [(ix)+(xii)+(xiii)]	8252.82	*676.59*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45] ***(contd.)***

(b) Details of net assets of Electrical & Automation business divested:

₹ crore

Particulars	As at the date of sale
Group(s) of assets classified as held for sale:	
Property, plant and equipment	812.09
Capital work-in-progress	11.22
Investment property	-
Goodwill	335.11
Other intangible assets	205.55
Intangible assets under development	130.46
Right-of-use assets	17.50
Other loans	3.35
Inventories	840.18
Trade receivables	1195.14
Cash and cash equivalents	151.74
Tax assets (net)	1.63
Other assets	504.59
Total	4208.56
Liabilities associated with group(s) of assets classified as held for sale:	
Borrowings	59.06
Trade payables	943.43
Provisions	169.44
Tax liabilities (net)	6.84
Other liabilities	574.71
Total	1753.48
Carrying amount of net assets sold	2455.08

(c) Summarised Statement of Cash Flows of discontinued operations:

₹ crore

Particulars	2020-21	*2019-20*
Cash flows from operating activities	87.01	*570.74*
Cash flows from investing activities	(57.17)	*(118.14)*
Cash flows from financing activities	6.98	*(31.00)*
Net increase/(decrease) in cash and cash equivalents	36.82	*421.60*

(d) The Group has following non-current assets/disposal group recognised as held for sale as on March 31, 2021:

Assets/disposal group	**Reportable segment**
Net assets (L&T Vision Ventures Limited)	Others

(e) The Group has following non-current assets/disposal group recognised as held for sale as on March 31, 2020:

Assets/discposal group	**Reportable Segment**
Electrical & Automation business	Electrical & Automation
Wealth management business [L&T Capital Markets Limited & L&T Capital Markets (Middle East) Limited]	Financial Services
Non-current assets (buildings) (L&T Financial Consultants Limited)	Financial Services
Net assets (L&T Vision Ventures Limited)	Others
Non-current assets (land taken on finance lease and buildings) (Mindtree Limited)	IT and Technology Services

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [45] ***(contd.)***

(f) The details of assets/disposal group classified as held for sale and liabilities associated thereto are as under:

₹ crore

Particulars	As at 31-3-2021	*As at 31-3-2020*
Group(s) of assets classified as held for sale:		
Property, plant and equipment	–	*780.95*
Capital work-in-progress	–	*21.79*
Investment property	–	*25.13*
Goodwill	–	*333.44*
Other intangible assets	–	*203.35*
Intangible assets under development	–	*122.25*
Right-of-use assets	–	*32.83*
Other loans	6.24	*3.52*
Inventories	–	*1009.04*
Trade receivables	–	*1184.41*
Cash and cash equivalents	–	*165.78*
Tax assets (net)	–	*4.74*
Other assets	–	*479.98*
Total	6.24	*4367.21*
Liabilities associated with group(s) of assets classified as held for sale:		
Borrowings	3.19	*61.26*
Trade payables	–	*1240.34*
Provisions	–	*203.84*
Tax liabilities (net)	–	*21.30*
Other liabilities	0.01	*457.43*
Total	3.20	*1984.17*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46]

Disclosure pursuant to Ind AS 108 "Operating Segment":

(a) Information about reportable segments:

₹ crore

Particulars	For the year ended 31-3-2021			*For the year ended 31-3-2020*		
	External	Inter-segment	Total	*External*	*Inter-segment*	*Total*
Revenue						
Infrastructure	61431.32	530.32	61961.64	*71941.58*	*740.75*	*72682.33*
Power	3174.15	18.49	3192.64	*2293.62*	*24.84*	*2318.46*
Heavy Engineering	2711.67	306.81	3018.48	*2853.18*	*351.86*	*3205.04*
Defence Engineering	3396.30	13.82	3410.12	*3690.48*	*8.68*	*3699.16*
Electrical & Automation [Note 45]	1520.63	85.04	1605.67	*5232.29*	*334.70*	*5566.99*
Hydrocarbon	16924.54	39.26	16963.80	*17420.45*	*25.02*	*17445.47*
IT & Technology Services	25463.36	155.40	25618.76	*22135.33*	*199.91*	*22335.24*
Financial Services	13403.55	–	13403.55	*13822.36*	*–*	*13822.36*
Developmental Projects	3621.43	–	3621.43	*4850.33*	*–*	*4850.33*
Others	5852.71	240.04	6092.75	*6445.03*	*238.68*	*6683.71*
Total	137499.66	1389.18	138888.84	*150684.65*	*1924.44*	*152609.09*
Less: Revenue from discontinued operations	1520.63	85.04	1605.67	*5232.29*	*334.70*	*5566.99*
Inter-segment revenue	–	1304.14	1304.14	*–*	*1589.74*	*1589.74*
Total	135979.03	–	135979.03	*145452.36*	*–*	*145452.36*
Segment result [Profit/(loss) before interest and tax]						
Infrastructure			4521.54			*5169.86*
Power			111.22			*236.11*
Heavy Engineering			488.32			*566.01*
Defence Engineering			616.98			*544.19*
Electrical & Automation [Note 45]			84.37			*888.06*
Hydrocarbon			1568.31			*1746.18*
IT & Technology Services			4823.20			*3693.23*
Financial Services			1285.78			*2678.65*
Developmental Projects			(196.55)			*387.28*
Others			1122.96			*1038.59*
Total			14426.13			*16948.16*
Result of discontinued operations			(84.37)			*(888.06)*
Inter-segment margins on capital jobs			(24.95)			*(63.01)*
Finance costs			(3913.44)			*(2796.66)*
Unallocated corporate income net of expenditure			1832.43			*230.52*
Profit before exceptional items and tax			12235.80			*13430.95*
Tax expense:						
Current tax			(3923.39)			*(3564.58)*
Deferred tax (net)			(87.43)			*301.38*
Net profit after tax (before exceptional items) from continuing operations			8224.98			*10167.75*
Exceptional items before tax			(3693.78)			*–*
Tax expense on exceptional items:						
Current tax			(48.44)			*–*
Deferred tax			186.20			*–*
Exceptional items (net of tax)			(3556.02)			*–*
Net profit after tax from continuing operations			4668.96			*10167.75*
Share in profit/(loss) after tax of joint ventures/associates (net)			14.40			*71.96*
Profit for the year from continuing operations			4683.36			*10239.71*
Discontinued operations						
Profit before tax from discontinued operations			10790.50			*883.25*
Tax expense of discontinued operations			(2552.58)			*(228.68)*
Net profit after tax from discontinued operations			8237.92			*654.57*
Net profit after tax from continuing operations & discontinued operations			12921.28			*10894.28*
Non-controlling interest for the year			(1338.35)			*(1345.25)*
Net profit after tax, non-controlling interests and share in profit/(loss) of joint ventures/associates			11582.93			*9549.03*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46]

(a) Information about reportable segments: *(contd.)*

₹ *crore*

Particulars	Segment Assets		Segment Liabilities	
	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
Infrastructure	77112.89	*78196.07*	51943.12	*51004.11*
Power	6694.17	*6126.80*	4672.13	*4381.75*
Heavy Engineering	3169.97	*4320.26*	1430.06	*1414.15*
Defence Engineering	5857.41	*7121.03*	3766.94	*4139.33*
Electrical & Automation [Note 45]	–	*4370.28*	–	*1973.08*
Hydrocarbon	14519.27	*15355.49*	11489.78	*12475.30*
IT & Technology Services	30340.20	*26514.97*	6898.22	*6876.49*
Financial Services	107342.41	*108481.90*	89968.72	*95021.16*
Developmental Projects	30091.85	*33166.54*	8689.24	*8768.35*
Others	13636.87	*13013.55*	5984.01	*4759.40*
Segment total	288765.04	*296666.89*	184842.22	*190813.12*
Corporate unallocated assets/liabilities	24749.90	*15365.22*	40752.66	*44974.94*
Inter-segment assets/liabilities	(2241.23)	*(3891.98)*	(2241.23)	*(3891.98)*
Consolidated total assets/liabilities	311273.71	*308140.13*	223353.65	*231896.08*

₹ *crore*

Particulars	Depreciation, amortisation, impairment & obsolescence included in segment expense		Non-cash expenses other than depreciation included in segment expense	
	2020-21	*2019-20*	2020-21	*2019-20*
Infrastructure	705.46	*702.67*	33.53	*39.76*
Power	35.58	*38.07*	0.48	*0.94*
Heavy Engineering	47.21	*46.29*	0.82	*1.18*
Defence Engineering	136.69	*140.45*	1.14	*1.40*
Electrical & Automation [Note 45]	0.69	*46.94*	2.14	*2.50*
Hydrocarbon	179.36	*151.56*	3.58	*2.81*
IT & Technology Services	1162.65	*941.28*	39.27	*52.08*
Financial Services	86.41	*78.44*	54.51	*88.64*
Developmental Projects	390.97	*151.77*	–	*–*
Others	104.26	*99.06*	2.39	*1.13*
Segment total	2849.28	*2396.53*	137.86	*190.44*
Unallocable	77.51	*131.89*	1.95	*2.90*
Less: Relates to discontinued operations	0.69	*46.94*	2.14	*2.50*
Inter-segment	21.89	*19.21*	–	*–*
Consolidated total	2904.21	*2462.27*	137.67	*190.84*

Note: Impairment loss included in segment expense: Financial Services segment ₹ 5.18 crore *(previous year: ₹ 12.00 crore)*, Developmental Projects segment ₹ 76.17 crore *(previous year: Nil)*, Other segment Nil *(previous year: ₹ 3.28 crore)* and Corporate Unallocated ₹ 1.92 crore *(previous year: ₹ 2.09 crore)*.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46]

(a) Information about reportable segments: *(contd.)*

₹ *crore*

Particulars	Interest income included in segment income		Finance costs included in segment expense		Profit/(loss) of associates and joint ventures accounted applying equity method not included in segment result	
	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*
Infrastructure	6.80	*22.60*	276.08	*379.58*	(1.73)	*0.80*
Power	–	*58.21*	–	–	173.29	*204.81*
Heavy Engineering	–	–	–	–	(86.68)	*(162.88)*
Defence Engineering	–	–	–	–	8.09	*(1.14)*
Electrical & Automation [Note 45]	0.63	*3.21*	–	–	–	–
Hydrocarbon	83.42	*243.26*	–	–	(50.03)	*9.98*
IT & Technology Services	33.05	*36.43*	–	–	–	–
Financial Services	257.82	*232.10*	7206.59	*7519.97*	–	–
Developmental Projects	394.47	*2.35*	627.12	*562.24*	(63.93)	*(16.88)*
Others	63.83	*60.56*	–	–	(0.14)	*(0.03)*
Segment total	840.02	*658.72*	8109.79	*8461.79*	(21.13)	*34.66*
Unallocable	912.40	*548.08*	(276.08)	*(365.83)*	35.53	*37.30*
Less: Relates to discontinued operations	0.63	*3.21*	–	–	–	–
Inter-segment	374.13	*373.81*	142.67	*54.08*	–	–
Consolidated total	1377.66	*829.78*	7691.04	*8041.88*	14.40	*71.96*

₹ *crore*

Particulars	Additions to non-current assets		Investment in associates and joint ventures accounted applying equity method included in segment assets	
	2020-21	*2019-20*	As at 31-3-2021	*As at 31-3-2020*
Infrastructure	1177.39	*1278.04*	4.23	*6.22*
Power	55.88	*97.67*	1173.34	*1123.84*
Heavy Engineering	36.32	*176.76*	–	–
Defence Engineering	56.83	*183.32*	13.80	*5.71*
Electrical & Automation [Note 45]	68.81	*235.19*	–	–
Hydrocarbon	105.93	*300.18*	319.28	*419.82*
IT & Technology Services	1024.00	*12711.68*	–	–
Financial Services	692.09	*474.70*	–	–
Developmental Projects	324.35	*2007.26*	1159.54	*1296.49*
Others	735.65	*674.04*	0.07	*0.20*
Segment total	4277.25	*18138.84*	2670.26	*2852.28*
Unallocable	1809.22	*852.08*	–	*(1.27)*
Inter-segment	(1207.12)	*(54.47)*	–	–
Consolidated total	4879.35	*18936.45*	2670.26	*2851.01*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46] ***(contd.)***

(b) Geographical Information:

₹ *crore*

Particulars	Revenue [a]	
	2020-21	*2019-20*
India (i)	86564.17	*100897.26*
Foreign countries (ii):		
United States of America	17806.21	*14143.55*
Kingdom of Saudi Arabia	7641.83	*7218.18*
Algeria	3019.13	*1213.26*
Kuwait	2930.32	*2596.72*
Sultanate of Oman	2333.69	*2966.19*
United Arab Emirates	1981.85	*3851.08*
Qatar	1670.39	*3692.20*
Other countries	13552.07	*14106.21*
Total foreign countries (ii)	50935.49	*49787.39*
Total (i+ii)	137499.66	*150684.65*
Less: Discontinued operations	1520.63	*5232.29*
Total	135979.03	*145452.36*

[a] Geography wise break up of revenue is based on location of project other than service industries where it is based on location of customer.

₹ *crore*

Particulars	Non-current assets	
	As at 31-3-2021	*As at 31-3-2020*
India	48168.09	*51085.35*
Foreign countries	2601.29	*2420.74*
Total	50769.38	*53506.09*

(c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Group's total revenue.

(d) The Group's reportable segments are organised based on the nature of products and services offered by these segments.

(e) Segment reporting: basis of identifying operating segments, reportable segments and definition of each reportable segment:

(i) Basis of identifying operating segments:

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components); (b) whose operating results are regularly reviewed by the Group's Corporate Executive Management to make decisions about resource allocation and performance assessment; and (c) for which discrete financial information is available.

The Group has nine reportable segments [described under "segment composition"] which are the Group's independent businesses. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements. In arriving at the reportable segment, the six operating segments have been aggregated and reported as "infrastructure segment" as these operating segments have similar economic characteristics in terms of long term average gross margins, nature of the products and services, type of customers, methods used to distribute the products and services and the nature of regulatory environment applicable to them.

(ii) Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [46] ***(contd.)***

(iii) Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Group's Corporate Executive Management. The performance of financial services segment and finance lease activities of power development segment are measured based on segment profit (before tax) after deducting the interest expense.

(iv) Segment composition:

- **Infrastructure segment** comprises engineering and construction of (a) building and factories, (b) transportation infrastructure, (c) heavy civil infrastructure, (d) power transmission & distribution, (e) water & effluent treatment and (f) metallurgical & material handling systems.
- **Power segment** comprises turnkey solutions for Coal-based and Gas-based thermal power plants including power generation equipment with associated systems and/or balance-of-plant packages.
- **Heavy Engineering segment** comprises manufacture and supply of custom designed, engineered critical equipment & systems to core sector industries like Fertiliser, Refinery, Petrochemical, Chemical, Oil & Gas and Thermal & Nuclear Power.
- **Defence Engineering segment** comprises (a) design, development, serial production and through life-support of equipment, systems and platforms for Defence and Aerospace sectors and (b) design, construction and repair/refit of defence vessels.
- **Electrical & Automation segment** [disclosed as discontinued operation] comprises (a) manufacture and sale of low and medium voltage switchgear components, custom-built low and medium voltage switchboards, electronic energy meters/ protection (relays) systems and control & automation products and (b) marine control & automation systems.
- **Hydrocarbon segment** comprises EPC solutions for the global Oil & Gas Industry from front-end design through detailed engineering, modular fabrication, procurement, project management, construction, installation and commissioning.
- **IT & Technology Services segment** comprises information technology and integrated engineering services.
- **Financial Services segment** comprises (a) rural finance, housing finance, wholesale finance, mutual fund and (b)wealth management (upto the date of sale i.e. April 24, 2020).
- **Developmental Projects segment** comprises development, operation and maintenance of basic infrastructure projects, toll and fare collection and power generation & development.
- **Others segment** includes realty, manufacture and sale of industrial valves, smart world & communication projects (including military communications), manufacture, marketing and servicing of construction equipment and parts thereof, marketing and servicing of mining machinery and parts thereof and manufacture and sale of rubber processing machinery. None of the businesses reported as part of others segment meet any of the quantitative thresholds for determining reportable segments for the year ended March 31, 2021.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47]

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":

(a) Disaggregation of revenue into operating segments and geographical areas:

₹ *crore*

Segment	2020-21				
	Revenue as per Ind AS 115			Other revenue	Total as per Statement of Profit and Loss/ Segment report
	Domestic	Foreign	Total		
Infrastructure	45439.78	15689.25	61129.03	302.29	61431.32
Power	3004.23	148.25	3152.48	21.67	3174.15
Heavy Engineering	1176.67	1492.11	2668.78	42.89	2711.67
Defence Engineering	2565.67	823.24	3388.91	7.39	3396.30
Electrical & Automation (discontinued operations)	1048.59	462.59	1511.18	9.45	1520.63
Hydrocarbon	8923.18	7985.88	16909.06	15.48	16924.54
IT & Technology Services	1806.84	23656.52	25463.36	–	25463.36
Financial Services	455.59	1.68	457.27	12946.28	13403.55
Developmental Projects	2564.96	–	2564.96	1056.47	3621.43
Others	4682.73	648.53	5331.26	521.45	5852.71
Total	71668.24	50908.05	122576.29	14923.37	137499.66
Less: Revenue from discontinued operations	1048.59	462.59	1511.18	9.45	1520.63
Revenue from continuing operations	70619.65	50445.46	121065.11	14913.92	135979.03

₹ *crore*

Segment	*2019-20*				
	Revenue as per Ind AS 115			*Other revenue*	*Total as per Statement of Profit and Loss/ Segment report*
	Domestic	*Foreign*	*Total*		
Infrastructure	*53893.46*	*17883.73*	*71777.19*	*164.39*	*71941.58*
Power	*1848.75*	*385.96*	*2234.71*	*58.91*	*2293.62*
Heavy Engineering	*1390.92*	*1428.61*	*2819.53*	*33.65*	*2853.18*
Defence Engineering	*3344.95*	*342.33*	*3687.28*	*3.20*	*3690.48*
Electrical & Automation (discontinued operations)	*3904.50*	*1320.59*	*5225.09*	*7.20*	*5232.29*
Hydrocarbon	*9804.07*	*7527.39*	*17331.46*	*88.99*	*17420.45*
IT & Technology Services	*1834.31*	*20301.02*	*22135.33*	*–*	*22135.33*
Financial Services	*669.83*	*–*	*669.83*	*13152.53*	*13822.36*
Developmental Projects	*3712.05*	*–*	*3712.05*	*1138.28*	*4850.33*
Others	*5822.88*	*570.75*	*6393.63*	*51.40*	*6445.03*
Total	*86225.72*	*49760.38*	*135986.10*	*14698.55*	*150684.65*
Less: Revenue from discontinued operations	*3904.50*	*1320.59*	*5225.09*	*7.20*	*5232.29*
Revenue from continuing operations	*82321.22*	*48439.79*	*130761.01*	*14691.35*	*145452.36*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] ***(contd.)***

(b) Break up of revenue (as per Ind AS 115) into over a period of time and at a point in time:

₹ crore

Year	Over a period of time			At a point in time		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
2020-21	112080.96	112.61	112193.57	8984.15	1398.57	10382.72
2019-20	*120248.36*	*276.15*	*120524.51*	*10512.65*	*4948.94*	*15461.59*

(c) Movement in expected credit loss ("ECL") during the year:

₹ crore

Particulars	Provision on trade receivables		Provision on contract assets	
	2020-21	*2019-20*	2020-21	*2019-20*
Provision as at April 1	3181.21	*3000.83*	1012.05	*856.31*
Changes in allowance for ECL:				
Provision/(reversal) of allowance for ECL	375.05	*313.00*	144.83	*173.42*
Additional provision (net)	279.07	*178.37*	17.95	*2.14*
Write off as bad debts	(425.58)	*(194.62)*	–	*–*
Translation adjustment	(4.25)	*12.12*	(0.61)	*3.40*
Classified as held for sale	–	*(154.10)*	–	*(23.25)*
Addition on account of business combination	0.09	*25.61*	–	*0.03*
Provision as at March 31	3405.59	*3181.21*	1174.22	*1012.05*

(d) Contract balances:

(i) Movement in contract balances during the year:

₹ crore

Particulars	2020-21			*2019-20*		
	Contract assets (A)	Contract liabilities (B)	Net contract balances (A-B)	*Contract assets (A)*	*Contract liabilities (B)*	*Net contract balances (A-B)*
Opening balance as at April 1	51849.63	28019.45	23830.18	*46475.33*	*28272.43*	*18202.90*
Closing balance as at March 31	47619.14	27819.73	19799.41	*51849.63*	*28019.45*	*23830.18*
Net increase/(decrease)	(4230.49)	(199.72)	(4030.77)	*5374.30*	*(252.98)*	*5627.28*

Balances do not include balances classified as held for sale.

Note:

During the current year, decrease in net contract balances is primarily due to lower revenue recognition as compared to progress bills raised.

During the previous year, increase in net contract balances is primarily due to higher revenue recognition as compared to progress bills raised.

(ii) Revenue recognised from opening balance of contract liabilities amounts to ₹ 6529.93 crore *(previous year: ₹ 7536.12 crore).*

(iii) Revenue recognised from the performance obligation satisfied (or partially satisfied) upto previous year (arising out of contract modifications) amounts to ₹ 184.65 crore *(previous year: ₹ 295.31 crore).*

(e) Cost to obtain/fulfil the contract:

(i) Amortisation in Statement of Profit and Loss: ₹ 8.88 crore *(previous year: ₹ 18.97 crore).*

(ii) Recognised as contract assets as at March 31, 2021: ₹ 104.69 crore *(as at March 31, 2020 ₹ 118.87 crore).*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] ***(contd.)***

(f) Reconciliation of contracted price with revenue during the year:

₹ crore

Particulars	2020-21		*2019-20*	
Opening contracted price of orders on hand as at April 1[a]		726478.59		*640145.61*
Add:				
Fresh orders/change orders received (net)		172612.76		*176430.35*
Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net)		(19858.81)		*(24041.59)*
Addition/(deletion) on account of business combination/divestment		(5195.92)		*2320.76*
Increase/(decrease) due to exchange rate movements (net) and others		(1971.03)		*6929.54*
Less:				
Orders completed during the year		114481.26		*75306.08*
Closing contracted price of orders on hand as at March 31[a]		757584.33		*726478.59*
Total revenue recognised during the year	122576.29		*135986.10*	
Less: Revenue out of orders completed during the year	31443.00		*34451.56*	
Revenue out of orders under execution at the end of the year (I)		91133.29		*101534.54*
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)		324114.92		*304746.53*
Increase due to exchange rate movements (net) (III)		585.64		*2422.33*
Balance revenue to be recognised in future viz. Order book (IV)		341750.48		*317775.19*
Closing contracted price of orders on hand as at March 31[a] (I+II+III+IV)		757584.33		*726478.59*
Closing contracted price of orders on hand at the end of the year – Continuing operations		757584.33		*722210.41*
Closing contracted price of orders on hand at the end of the year – Discontinued operations		–		*4268.18*

[a] including full value of partially executed contracts

(g) Outstanding performance and time for its expected conversion into revenue:

₹ crore

Outstanding performance		Total	Time for expected conversion in revenue					
			Upto 1 Year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Beyond 5 years
As at March 31, 2021	Continuing operations	341750.48	133445.56	111800.51	64675.40	18652.99	6020.31	7155.71
As at March 31, 2020	*Total*	*317775.19*	*126750.06*	*104518.84*	*58127.31*	*19742.88*	*4517.78*	*4118.32*
	Continuing operations	*315199.16*	*124719.69*	*104141.46*	*58051.78*	*19719.71*	*4500.33*	*4066.19*
	Discontinued operations	*2576.03*	*2030.37*	*377.38*	*75.53*	*23.17*	*17.45*	*52.13*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [47] ***(contd.)***

(h) The Group has undertaken a project for construction, operation and maintenance of the Metro Rail System on Design-Build-Finance-Operate-Transfer (DBFOT) basis as per the concession agreement with the government authorities. The significant terms of the arrangement are as under:

Period of the concession	Initial period of 35 years and extendable by another 25 years at the option of the concessionaire subject to fulfilment of certain conditions under concession agreement. Considered further extension of initial concession period by 7 years in terms of Article 29 of Concession Agreement.
Remuneration	Fare collection rights from the users of the Metro Rail System, license to use land provided by the government for constructing depots and for transit oriented development and earn lease rental income on such development and grant of viability gap fund.
Funding from grantor	Viability Gap Funding of ₹ 1458 crore.
Infrastructure return at the end of the concession period	Being DBFOT project, the project assets have to be transferred at the end of concession period.
Renewal and termination options	Further extension of 25 years will be granted at the option of the concessionaire upon satisfaction of Key Performance Indicators laid under the concession agreement. This option is to be exercised by the concessionaire during the 33rd year of the initial concession period. Termination of the concession agreement can either be due to (a) Force Majeure (b) Non Political event (c) Indirect political event (d) Political event. On occurrence of any of the above events, the obligations, dispute resolution, termination payments etc are as detailed in the concession agreement.
Rights & Obligations	Major obligations of the concessionaire are relating to – (a) project agreements (b) change in ownership (c) issuance of Golden Share to the Government (d) maintenance of aesthetic quality of the Rail System (e) operation and maintenance of the rolling stock and equipment necessary and sufficient for handling Users equivalent to 110% of the Average PHPDT etc. Major obligations of the Government are – (a) providing required constructible right of way for construction of rail system and land required for construction of depots and transit oriented development (b) providing reasonable support and assistance in procuring applicable permits required for construction (c) providing reasonable assistance in obtaining access to all necessary infrastructure facilities and utilities (d) obligations relating to competing facilities (e) obligations relating to supply of electricity etc.
Classification of service arrangement	Intangible assets have been recognised towards rights to charge the users of the utility.
Construction revenue recognised	₹ 80.04 crore *(previous year: ₹ 512.75 crore)* [included in Note 47 (a) above]

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [48]

Exceptional items (net of tax) for 2020-21 include:

(a) Gain on divestment of wealth management business: ₹ 176.28 crore.

(b) Impairment of funded exposure in L&T Special Steels and Heavy Forgings Private Limited: ₹ 1075.30 crore (net), comprising impairment of ₹ 1139.03 crore, applying value-in-use method and using discount rate of 11.90% and provision towards constructive obligation to fund its future losses ₹ 14.85 crore, reduced by interest income of ₹ 78.58 crore from the joint venture.

(c) Impairment of following assets in power development business on assessment of recoverable value and management's long-term plan for the business: ₹ 2657.00 crore comprising

(i) Property, plant and equipment including capital work-in-progress in a hydro power project: ₹ 1053.00 crore, applying value-in-use method and using discount rate of 12.75%.

(ii) Finance lease receivables in a thermal power project: ₹ 1604.00 crore, applying fair value method based on benchmark multiples (level 2 of the fair value hierarchy).

NOTE [49]

Disclosure pursuant to Ind AS 1 "Presentation of financial statements":

(a) Current assets expected to be recovered within twelve months and after twelve months from the reporting date:

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2021			*As at 31-3-2020*		
			Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
1	Inventories	11	3606.22	2214.32	5820.54	*3637.58*	*2109.07*	*5746.65*
2	Trade receivables	13	41202.04	1027.74	42229.78	*40284.22*	*447.30*	*40731.52*
3	Other loans	17	647.22	1.34	648.56	*716.00*	*–*	*716.00*
4	Other financial assets	18	2838.46	0.01	2838.47	*2926.52*	*1.35*	*2927.87*
5	Other current assets	19	46580.54	8210.94	54791.48	*49689.89*	*8969.80*	*58659.69*

(b) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2021			*As at 31-3-2020*		
			Within twelve months	After twelve months	Total	*Within twelve months*	*After twelve months*	*Total*
1	Lease liability		367.44	38.66	406.10	*374.37*	*50.58*	*424.95*
2	Trade payables:							
	Due to micro enterprises and small enterprises		368.94	120.05	488.99	*423.25*	*56.26*	*479.51*
	Due to others	28	42662.63	2352.99	45015.62	*41695.77*	*1468.65*	*43164.42*
3	Other financial liabilities	29	5547.65	21.90	5569.55	*4902.41*	*20.82*	*4923.23*
4	Other current liabilities	30	25762.66	5506.97	31269.63	*25575.15*	*5241.52*	*30816.67*
5	Provisions	31	2244.34	754.34	2998.68	*2536.17*	*214.68*	*2750.85*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [50]

Disclosure with regard to changes in liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows":

₹ crore

Sr. No.	Particulars	Non-current borrowings (Note 22)	Current borrowings (Note 26)	Current maturities of long term borrowings (Note 27)	Non-current lease liability	Current lease liability	Total
i	Balance as at 31-3-2019	74120.79	29223.84	22210.54	–	–	125555.17
ii	Transition impact of Ind AS 116	(0.06)	–	–	876.58	298.48	1175.00
iii	Additions to lease liability	–	–	–	380.66	279.57	660.23
iv	Changes from financing cash flows	29105.80	4915.20	(20203.40)	(58.66)	(199.37)	13559.57
v	The effect of changes in foreign exchange rates	391.81	246.68	157.81	41.25	4.61	842.16
vi	Interest accrued (net of interest paid)	(142.63)	696.56	399.10	–	–	953.03
vii	Other changes (transfer within categories)	(21145.53)	–	21145.53	(58.90)	58.90	–
viii	Conversion to equity	–	–	(54.81)	–	–	(54.81)
ix	De-recognition of lease liability	–	–	–	(15.17)	(1.12)	(16.29)
x	Liabilities classified as held for sale	–	(61.26)	–	–	(17.57)	(78.83)
xi	Addition on account of business combination	1.15	–	–	575.84	1.45	578.44
xii	Balance as at 31-3-2020 (xii = i to xi)	82331.33	35021.02	23654.77	1741.60	424.95	143173.67
xiii	Additions to lease liability	–	–	–	153.00	202.79	355.79
xiv	Changes from financing cash flows	13804.46	(6151.20)	(16385.72)	(188.28)	(193.36)	(9114.10)
xv	The effect of changes in foreign exchange rates	37.85	(166.70)	(31.87)	(6.19)	0.62	(166.29)
xvi	Interest accrued (net of interest paid)	(258.27)	(614.32)	1341.88	–	–	469.29
xvii	Other changes (transfer within categories)	(13795.33)	(345.00)	14140.33	9.34	(9.34)	–
xviii	De-recognition of lease liability	–	–	–	(91.75)	(19.56)	(111.31)
xix	Liabilities classified as held for sale/realised on disposal	–	22.03	–	–	–	22.03
xx	Balance as at 31-3-2021 (xx = xii to xix)	82120.04	27765.83	22719.39	1617.72	406.10	134629.08

Amounts reported in Statement of Cash Flows under financing activities:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
a	Proceeds from non-current borrowings	35737.52	*42587.43*
b	Repayment of non-current borrowings	(38318.78)	*(33685.03)*
c	Proceeds from/(repayment of) other borrowings (net)	(6151.20)	*4915.20*
d	Repayment of lease liability	(381.64)	*(258.03)*
e	Total changes from financing cash flows (e = a to d)	(9114.10)	*13559.57*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [51]

Disclosure pursuant to Ind AS 12 "Income Taxes":

(a) Major components of tax expense/(income):

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
	Consolidated Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current income tax:		
	Current income tax expense	6124.21	*3983.86*
	Effect of previously unrecognised tax losses and tax offsets used during the current year	(164.99)	*(148.77)*
	Tax expense of earlier years	117.77	*(80.96)*
		6076.99	*3754.13*
	(ii) Deferred tax:		
	Tax expense on origination and reversal of temporary differences	350.21	*(251.71)*
	Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised	(1.56)	*(752.38)*
	Effect on deferred tax balances due to the change in income tax rate	–	*741.84*
		348.65	*(262.25)*
	Income tax expense/(income) reported in the Consolidated Statement of Profit and Loss [(i)+(ii)]	6425.64	*3491.88*
	Income tax expense attributable to:		
	Profit from continuing operations (including exceptional items)	3873.06	*3263.20*
	Profit from discontinued operations	2552.58	*228.68*
		6425.64	*3491.88*
(b)	Other comprehensive income section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On re-measurement of defined benefit plans	13.53	*(49.19)*
		13.53	*(49.19)*
	(B) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	0.16	*(1.41)*
		0.16	*(1.41)*
	(ii) Items to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On gain/(loss) on cash flow hedges other than mark to market	(2.45)	*36.29*
		(2.45)	*36.29*
	(B) Deferred tax expense/(income):		
	Net gain/(loss) on cost of hedging reserve	2.98	*(8.14)*
	On mark to market gain/(loss) on cash flow hedges	481.63	*(370.71)*
	On gain/(loss) on fair value of debt securities	31.14	*19.46*
	On exchange differences in translating the financial statements of foreign operations	4.42	*(4.45)*
		520.17	*(363.84)*
	Income tax expense/(income) reported in the Other comprehensive income [(i)+(ii)]	531.41	*(378.15)*
(c)	Retained earnings:		
	Deferred tax	–	*(31.03)*
	Income tax expense/(income) reported in retained earnings	–	*(31.03)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [51] ***(contd.)***

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
(a)	Profit before tax from:		
	Continuing operations (including exceptional items)	8542.02	*13430.95*
	Discontinued operations	10790.50	*883.25*
		19332.52	*14314.20*
(b)	Corporate tax rate as per Income Tax Act, 1961	25.17%	*25.17%*
(c)	Tax on accounting profit [(c)=(a)*(b)]	4865.61	*3602.60*
(d)	(i) Tax on income exempt from tax:		
	Dividend income and interest on tax free bonds	–	*(7.08)*
	(ii) Tax on expense not tax deductible:		
	(A) Corporate Social Responsibility expenses	52.83	*69.39*
	(B) Expenses in relation to exempt income	–	*80.04*
	(C) Tax on employee perquisites borne by the Group	2.52	*2.08*
	(iii) Tax effect on impairment and fair valuation losses recognised on which deferred tax asset is not recognised	875.18	*(6.83)*
	(iv) Effect of previously unrecognised tax losses and unutilised tax credits used to reduce tax expense	(166.56)	*(901.15)*
	(v) Tax effect of losses of current year on which no deferred tax benefit is recognised	488.34	*106.56*
	(vi) Effect of tax paid on foreign source income which is exempt from tax in India	(329.17)	*(325.91)*
	(vii) Effect on deferred tax due to change in income tax rate	–	*741.84*
	(viii) Effect of current tax related to earlier years	117.77	*(80.96)*
	(ix) Tax effect on various other Items	519.12	*211.30*
	Total effect of tax adjustments [(i) to (ix)]	1560.03	*(110.72)*
(e)	Tax expense recognised during the year [(e)=(c)+(d)]	6425.64	*3491.88*
(f)	Effective tax rate [(f)=(e)/(a)]	33.24%	*24.39%*

(c) (i) Unused tax losses for which no deferred tax asset is recognised in Balance Sheet:

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	₹ crore	Expiry year	*₹ crore*	*Expiry year*
Tax losses (Business loss and unabsorbed depreciation)				
- Amount of losses having expiry	1189.04	FY 2021-22 to FY 2028-29	*3206.46*	*FY 2020-21 to FY 2027-28*
- Amount of losses having no expiry	6874.92		*6611.48*	
Tax losses (Capital loss)	1280.40	FY 2021-22 to FY 2028-29	*624.38*	*FY 2020-21 to FY 2027-28*
Total	9344.36		*10442.32*	

(ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet:

₹ crore

Sr. No.	Particulars	As at 31-3-2021	*As at 31-3-2020*
(a)	Towards provision for diminution in value of investments	2020.94	*630.94*
(b)	Arising out of upward revaluation of tax base of assets (on account of indexation benefit)	2991.19	*2718.10*
(c)	Other items giving rise to temporary differences	2113.58	*78.08*
	Total	7125.71	*3427.12*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [51] ***(contd.)***

(d) Major components of deferred tax liabilities and deferred tax assets:

₹ crore

Particulars	*Deferred tax liabilities/ (assets) as at 31-3-2020*	Charge/(credit) to Statement of Profit and Loss	Effect due to acquisition	Effect due to disposal	Charge/(credit) to Other comprehensive income	Debit/(credit) to hedge reserve (other than through OCI)	Exchange difference	Deferred tax liabilities/ (assets) as at 31-3-2021
Deferred tax liabilities:								
- Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	*2123.08*	395.26	–	(0.06)	–	–	(0.01)	2518.27
- Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	*133.66*	41.53	–	–	–	–	–	175.19
- Net gain/(loss) on derivative transactions to be offered for tax purposes in the year of transfer/ settlement	*(229.13)*	1.60	–	–	484.60	0.37	–	257.44
- Other items giving rise to temporary differences	*529.42*	(73.73)	15.72	–	–	–	0.86	472.27
Deferred tax liabilities	*2557.03*	364.66	15.72	(0.06)	484.60	0.37	0.85	3423.17
Offsetting of deferred tax liabilities with deferred tax (assets)	*(1103.99)*							(2244.51)
Net deferred tax liabilities	*1453.04*							1178.66
Deferred tax (assets):								
- Provision for doubtful debts, loans & advances and contract assets	*(1601.62)*	(184.64)	–	–	–	–	–	(1786.26)
- Unpaid statutory liabilities	*(355.85)*	64.10	–	–	–	–	–	(291.75)
- Unabsorbed depreciation	*(838.99)*	(378.80)	–	–	–	–	–	(1217.79)
- Carried forward tax losses	*(916.29)*	456.25	–	–	–	–	–	(460.04)
- Unutilised MAT credit	*(309.00)*	92.00	–	–	–	–	–	(217.00)
- Other items giving rise to temporary differences	*(928.82)*	(64.92)	(11.22)	(0.06)	35.73	–	0.62	(968.67)
Deferred tax (assets)	*(4950.57)*	(16.01)	(11.22)	(0.06)	35.73	–	0.62	(4941.51)
Offsetting of deferred tax (assets) with deferred tax liabilities	*1103.99*							2244.51
Net deferred tax (assets)	*(3846.58)*							(2697.00)
Net deferred tax liability/(assets)	*(2393.54)*	348.65	4.50	(0.12)	520.33	0.37	1.47	(1518.34)

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [52]

Disclosure pursuant to Ind AS 19 "Employee Benefits" [Note 1(II)(p)]:

(a) Defined contribution plans: Amount of ₹ 670.80 crore *(previous year: ₹ 463.20 crore)* has been incurred. Out of above, ₹ 657.31 crore *(previous year: ₹ 443.18 crore)* is included in "Employee benefit expense" [Note 37] and ₹ 7.24 crore *(previous year: ₹ 19.61 crore)* pertains to discontinued operations in the Statement of Profit and Loss and ₹ 6.25 crore *(previous year: ₹ 0.41 crore)* has been capitalised.

(b) Defined benefit plans:

(i) The amounts recognised in Balance Sheet are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
A) Present value of defined benefit obligation								
– Wholly funded	1092.19	*1051.92*	–	–	–	–	5235.33	*4671.90*
– Wholly unfunded	210.43	*233.47*	360.06	*340.27*	377.95	*369.12*	–	–
	1302.62	*1285.39*	360.06	*340.27*	377.95	*369.12*	5235.33	*4671.90*
Less: Fair value of plan assets	1026.42	*851.04*	–	–	–	–	5727.47	*4960.42*
Less: Unrecognised past service costs	–	–	–	–	–	–	–	–
Add: Amount not recognised as an asset [limit in para 64(b)]	1.06	*1.40*	–	–	–	–	7.14	*6.34*
Amount to be recognised as liability or (asset)	277.26	*435.75*	360.06	*340.27*	377.95	*369.12*	(485.00)	*(282.18)*
B) Amounts reflected in the Balance Sheet								
Liabilities	277.78	*438.09*	360.06	*340.27*	377.95	*369.12*	49.22	*51.82*
Assets	(0.52)	*(2.34)*	–	–	–	–	–	–
Net liability/(asset)	277.26	*435.75*	360.06	*340.27*	377.95	*369.12*	49.22	*51.82*
Net liability/(asset) - Current	277.26	*435.75*	21.64	*21.61*	29.09	*29.49*	49.22	*51.82*
Net liability/(asset) - Non-current	–	–	338.42	*318.66*	348.86	*339.63*	–	–

(ii) The amounts recognised in Statement of Profit and Loss are as follows:

₹ crore

	Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
		2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*
1	Current service cost	183.77	*164.01*	21.81	*22.41*	4.03	*3.57*	172.20[c]	*157.67* [c]
2	Interest cost	67.41	*62.53*	22.31	*17.65*	23.62	*24.31*	402.85	*357.39*
3	Interest income on plan assets	(54.36)	*(50.73)*	–	–	–	–	(402.85)	*(357.39)*
4	Actuarial losses/(gains) - Difference between actual return on plan assets and interest income	(53.12)	*(21.53)*	–	–	–	–	(194.87)	*(253.37)*
5	Actuarial losses/(gains) - Others	3.05	*117.60*	(12.06)	*83.68*	5.25	*26.24*	–	–
6	Past service cost	–	*0.17*	–	–	–	–	–	–
7	Actuarial gain/(loss) not recognised in books	–	–	–	–	–	–	194.87	*253.37*
8	Adjustment for earlier years	0.19	–	–	–	–	–	–	–
9	Effect of the limit in para 64(b)	(0.59)	*(0.33)*	–	–	–	–	–	–
10	Translation adjustments	0.29	*(2.14)*	–	–	–	–	–	–
11	Amount capitalised out of the above	(0.32)	*(0.34)*	(0.02)	*(0.03)*	–	–	–	–
	Total (1 to 11)	146.32	*269.24*	32.04	*123.71*	32.90	*54.12*	172.20	*157.67*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [52] ***(contd.)***

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*
I. Amount included in "Employee benefits expense"	180.30	*154.25*	21.34	*21.51*	4.03	*3.57*	169.09	*150.74*
II. Amount included as part of "Manufacturing, construction and operating expenses"	0.87	*0.64*	–	–	–	–	–	–
III. Amount included as part of "Finance costs"	12.20	*10.54*	22.31	*17.65*	23.62	*24.31*	–	–
IV. Amount included as part of "Other comprehensive income"	(50.59)	*96.02*	(12.06)	*83.68*	5.25	*26.24*	–	–
V. Amount included in "Profit from discontinued operations"	3.54	*7.79*	0.45	*0.87*		–	3.11	*6.93*
Total (I+II+III+IV+V)	146.32	*269.24*	32.04	*123.71*	32.90	*54.12*	172.20	*157.67*
Actual return on plan assets	107.48	*72.26*	–	–	–	–	597.72	*610.76*

(iii) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

₹ crore

Particulars	Gratuity plan		Post-retirement medical benefit plan		Pension plan		Trust-managed provident fund plan	
	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*	2020-21	*2019-20*
Opening balance of the present value of defined benefit obligation	1285.39	*1008.05*	340.27	*241.63*	369.12	*337.28*	4671.90	*4090.42*
Add: Current service cost	183.77	*164.01*	21.81	*22.41*	4.03	*3.57*	172.20 [c]	*157.67* [c]
Add: Interest cost	67.41	*62.53*	22.31	*17.65*	23.62	*24.31*	402.85	*357.39*
Add: Contribution by plan participants		–		–		–		–
i) Employer	–	–	–	–	–	–	–	–
ii) Employee	–	–	–	–	–	–	483.25	*414.78*
iii) Transfer-in/(out)	–	–	–	–	–	–	–	–
Add/(less): Actuarial losses/(gains) arising from changes in -								
i) Demographic assumptions	(5.08)	*(1.98)*	2.44	*6.78*	–	*(0.04)*	–	–
ii) Financial assumptions	36.90	*93.00*	9.07	*40.13*	6.00	*24.41*	–	–
iii) Experience adjustments	(29.36)	*26.26*	(23.58)	*36.76*	(0.75)	*1.87*	–	–
Less: Benefits paid [a]	(223.37)	*(158.46)*	(11.98)	*(12.52)*	(24.07)	*(22.28)*	(579.02)	*(483.54)*
Less: Unfunded liablity classified as held for sale/divestment	(1.04)	*(23.40)*	(0.28)	*(12.57)*	–	–	–	–
Add: Past service cost	–	*0.17*	–	–	–	–	–	–
Add: Liabilities assumed on transfer of employees	(5.22)	*0.46*	–	–	–	–	79.50	*134.63*
Add: Business combination/acquisition	–	*95.16*	–	–	–	–	–	–
Add: Adjustment for earlier years	(0.17)	*(0.17)*	–	–	–	–	4.68	*(0.07)*
Add/(less): Translation adjustments	(6.61)	*19.76*	–	–	–	–	(0.03)	*0.62*
Closing balance of the present value of defined benefit obligation	1302.62	*1285.39*	360.06	*340.27*	377.95	*369.12*	5235.33	*4671.90*

[a] Excluding amount pertaining to discontinued operations.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [52] ***(contd.)***

(iv) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

₹ crore

Particulars	Gratuity plan		Trust-managed provident fund plan	
	2020-21	*2019-20*	2020-21	*2019-20*
Opening balance of the fair value of the plan assets	851.04	*649.28*	4960.42	*4128.60*
Add: Interest income on plan assets [b]	54.36	*50.73*	402.85	*357.39*
Add/(less): Actuarial gains/(losses) - Difference between actual return on plan assets and interest income	53.12	*21.53*	194.87	*253.37*
Add: Contribution by the employer	223.73	*136.91*	171.45	*160.88*
Add: Contribution by plan participants	–	*–*	437.87	*408.23*
Add: Assets assumed on transfer of employees	(0.83)	*0.10*	134.49	*135.02*
Add: Business combination/disposal (net)	–	*63.80*	–	*–*
Less: Benefits paid	(154.99)	*(71.31)*	(579.02)	*(483.54)*
Add: Adjustment for earlier years	–	*–*	4.54	*0.47*
Closing balance of the plan assets	1026.43	*851.04*	5727.47	*4960.42*

Notes: The fair value of the plan assets under the trust-managed provident fund plan has been determined at amounts based on their value at the time of redemption, assuming a constant rate of return to maturity.

[b] Basis used to determine interest income on plan assets:

The Trust formed by the Parent Company and a few subsidiaries manage the investments of provident funds and gratuity fund. Interest income on plan assets is determined by multiplying the fair value of the plan assets by the discount rate stated in (vii) below both determined at the start of the annual reporting period.

The Group expects to fund ₹ 74.42 crore *(previous year: ₹ 168.82 crore)* towards its gratuity plan and ₹ 180.66 crore *(previous year: ₹ 174.71 crore)* towards its trust-managed provident fund plan during the year 2021-22.

[c] Employer's contribution to provident fund.

(v) The fair value of major categories of plan assets are as follows:

₹ crore

Particulars	Gratuity plan					
	As at 31-03-2021			*As at 31-03-2020*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	50.74	50.74	*–*	*3.06*	*3.06*
Equity instruments	26.70	–	26.70	*11.62*	*–*	*11.62*
Debt instruments - Corporate bonds	264.93	0.31	265.24	*244.33*	*–*	*244.33*
Debt instruments - Central Government bonds	200.58	–	200.58	*170.41*	*–*	*170.41*
Debt instruments - State Government bonds	97.14	–	97.14	*92.54*	*–*	*92.54*
Debt instruments - Public Sector Unit bonds	21.64	–	21.64	*14.91*	*–*	*14.91*
Mutual funds - Equity	20.00	19.90	39.90	*11.62*	*9.35*	*20.97*
Mutual funds - Debt	1.69	3.17	4.86	*–*	*–*	*–*
Mutual funds - Others	–	2.90	2.90	*0.25*	*2.62*	*2.87*
Special deposit scheme	–	1.48	1.48	*–*	*2.60*	*2.60*
Fixed deposits	–	3.44	3.44	*–*	*3.00*	*3.00*
Insurer managed fund	–	381.90	381.90	*–*	*277.54*	*277.54*
Other (payables)/receivables	4.60	(74.69)	(70.09)	*–*	*7.19*	*7.19*
Closing balance of the plan assets	637.28	389.15	1026.43	*545.68*	*305.36*	*851.04*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [52] ***(contd.)***

₹ crore

Particulars	Trust-managed provident fund plan					
	As at 31-3-2021			*As at 31-3-2020*		
	Quoted	Unquoted	Total	*Quoted*	*Unquoted*	*Total*
Cash and cash equivalents	–	50.18	50.18	*–*	*24.63*	*24.63*
Equity instruments	100.23	0.05	100.28	*16.09*	*–*	*16.09*
Debt instruments - Corporate bonds	1640.71	23.77	1664.48	*1391.85*	*–*	*1391.85*
Debt instruments - Central Government bonds	1264.76	–	1264.76	*1069.27*	*–*	*1069.27*
Debt instruments - State Government bonds	1313.54	–	1313.54	*1236.85*	*–*	*1236.85*
Debt instruments - Public Sector Unit bonds	709.73	–	709.73	*774.67*	*–*	*774.67*
Mutual funds - Equity	125.00	157.99	282.99	*77.90*	*66.76*	*144.66*
Mutual funds - Debt	0.72	–	0.72	*0.09*	*–*	*0.09*
Mutual funds - Others	–	20.82	20.82	*10.84*	*0.04*	*10.88*
Special deposit scheme	–	271.56	271.56	*–*	*271.69*	*271.69*
Fixed deposits	–	1.66	1.66	*–*	*2.13*	*2.13*
Others	24.15	22.60	46.75	*13.26*	*4.35*	*17.61*
Closing balance of the plan assets	5178.84	548.63	5727.47	*4590.82*	*369.60*	*4960.42*

(vi) The average duration (in number of years) of the defined benefit obligation at the end of the reporting period is as follows:

	Plans	As at 31-3-2021	*As at 31-3-2020*
1.	Gratuity	6.97	*6.83*
2.	Post-retirement medical benefit plan	14.92	*14.60*
3.	Pension plan	8.01	*7.81*

(vii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):

	Plans	As at 31-3-2021	*As at 31-3-2020*
(A)	Discount rate:		
	(a) Gratuity plan	6.30%	*6.48%*
	(b) Pension plan	6.30%	*6.48%*
	(c) Post-retirement medical benefit plan	6.30%	*6.48%*
(B)	Annual increase in healthcare costs (see note below)	5.00%	*5.00%*
(C)	Salary growth rate:		
	(a) Gratuity plan	6.06%	*5.77%*
	(b) Pension plan	9%	*7.92%*

(D) Attrition rate for various age groups:

(a) For gratuity plan, the attrition rate varies from 1% to 31% *(previous year: 1% to 25%).*

(b) For pension plan, the attrition rate varies from 0% to 2% *(previous year: 0% to 2%).*

(c) For post-retirement medical benefit plan, the attrition rate varies from 1% to 19% *(previous year: 1% to 19%).*

(E) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(F) The interest payment obligation of trust-managed provident fund is expected to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised in the Statement of Profit and Loss as actuarial losses.

(G) The obligation of the Group under the post-retirement medical benefit plan is limited to the overall ceiling limits. At present, healthcare cost, as indicated in the principal actuarial assumption given above, has been assumed to increase at 5% p.a.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [52] ***(contd.)***

(H) A one percentage point change in actuarial assumptions would have the following effects on defined benefit obligation:

₹ crore

Particulars	Effect of 1% increase		Effect of 1% decrease	
	As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
Gratuity				
Impact of change in salary growth rate	89.01	*86.20*	(79.91)	*(76.84)*
Impact of change in discount rate	(79.22)	*(76.50)*	90.02	*86.74*
Post-retirement medical benefit plan				
Impact of change in health care cost	27.96	*27.19*	(22.84)	*(22.27)*
Impact of change in discount rate	(48.28)	*(46.36)*	61.81	*59.00*
Company pension plan				
Impact of change in discount rate	(28.08)	*(27.51)*	32.39	*31.72*

(viii) Characteristics of defined benefit plans and associated risks:

(A) Gratuity plan:

The Parent Company operates gratuity plan through a trust whereby every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable to vested employees at retirement, death while in employment or on termination of employment. The benefit vests after five years of continuous service. The company's scheme is more favourable as compared to the obligation under The Payment of Gratuity Act, 1972.

The defined benefit plans for gratuity of the Parent Company and material domestic subsidiary companies are administered by separate gratuity funds that are legally separate from the Parent Company and the material domestic subsidiary companies. The trustees nominated by the Group are responsible for the administration of the plans. There are no minimum funding requirements of these plans. The funding of these plans is based on gratuity fund's actuarial measurement framework set out in the funding policies of the plan. These actuarial measurements are similar compared to the assumptions set out in (vii) *supra*. An insignificant portion of the gratuity plan of the Group attributable to subsidiary companies is administered by the respective subsidiary companies and is funded through insurer managed funds. A part of the gratuity plan is unfunded and managed within the Group. Further, the unfunded portion also includes amounts payable in respect of the Group's foreign operations which result in gratuity payable to employees engaged as per the local laws of country of operation. Employees do not contribute to any of these plans.

(B) Post-retirement medical care plan:

The post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling sanctioned based on cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

(C) Pension plan:

In addition to contribution to State-managed pension plan (EPS scheme), the Group operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees. The quantum of pension depends on the cadre of the employee at the time of retirement. The plan is unfunded. Employees do not contribute to the plan.

(D) Trust-managed provident fund plan:

The Parent Company and a few subsidiaries manage provident fund plan through a provident fund trust for its employees which is permitted under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan mandates contribution by employer at a fixed percentage of employee's salary. Employees also contribute to the plan at a fixed percentage of their salary as a minimum contribution and additional sums at their discretion. The plan guarantees interest at the rate notified by the provident fund authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The interest payment obligation of trust-managed provident fund is expected to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised in the Statement of Profit and Loss as actuarial loss. Any loss/gain arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

All the above defined benefit plans expose the Group to general actuarial risks such as interest rate risk and market (investment) risk.

(ix) The Code on Wages, 2019 and the Code on Social Security, 2020 have been enacted, however, the effective date from which changes are applicable are yet to be notified. The impact of the same would be given in the financial statements in the period in which the Codes become effective and the Rules/Schemes thereunder are notified.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [53]

Disclosure pursuant to Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance":

The Group's exports qualify for various export benefits offered in the form of duty credit scrips under foreign trade policy framed by Department General of Foreign Trade India (DGFT). Income/reduction from underlying expenses recognised towards such export incentives and duty drawback amounts to ₹ 311.26 crore *(previous year: ₹ 253.61 crore).*

Other government grants received: (a) towards employee benefit expenses on fulfilment of certain employee related conditions consequent to the outbreak of COVID-19 pandemic ₹ 53.91 crore *(previous year: Nil)* and (b) Research & Development tax credit in a foreign jurisdiction ₹ 5.10 crore *(previous year: ₹ 1.80 crore).*

NOTE [54]

Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

(a) List of related parties:

(i) Name of associate companies with whom transactions were carried out during the year:

Associate Companies:			
1	L&T-Chiyoda Limited	2	Magtorq Private Limited
3	L&T Camp Facilities LLC	4	Larsen & Toubro Qatar & HBK Contracting Co. WLL

(ii) Name of joint venture companies with whom transactions were carried out during the year:

Joint Venture Companies:			
1	L&T Infrastructure Development Projects Limited	2	L&T Interstate Road Corridor Limited
3	Ahmedabad - Maliya Tollway Limited	4	L&T Halol-Shamlaji Tollway Limited
5	L&T Chennai-Tada Tollway Limited	6	Panipat Elevated Corridor Limited
7	L&T Rajkot-Vadinar Tollway Limited	8	Vadodara Bharuch Tollway Limited
9	L&T Deccan Tollways Limited	10	L&T Samakhiali Gandhidham Tollway Limited
11	Kudgi Transmission Limited	12	L&T Sambalpur- Rourkela Tollway limited
13	PNG Tollway Limited	14	L&T Transportation Infrastructure Limited
15	L&T - MHI Power Boilers Private Limited (Formerly L&T-MHPS Boilers Private Limited)	16	L&T - MHI Power Turbine Generators Private Limited (Formerly L&T-MHPS Turbine Generators Private Limited)
17	L&T-Sargent & Lundy Limited	18	L&T Howden Private Limited
19	Raykal Aluminium Company Private Limited	20	L&T Kobelco Machinery Private Limited [a]
21	L&T Sapura Shipping Private Limited	22	L&T Sapura Offshore Private Limited
23	L&T Special Steels and Heavy Forgings Private Limited	24	L&T MBDA Missile Systems Limited
25	L&T-Gulf Private Limited [b]		

[a] The Group has sold its stake on April 17, 2019

[b] Reclassified as subsidiary w.e.f. November 20, 2019 due to purchase of additional stake and merged with L&T Hydrocarbon Engineering Limited w.e.f. April 1, 2020.

(iii) Name of post-employment benefit plans with whom transactions were carried out during the year:

Provident Fund Trusts:	
1	Larsen & Toubro Officers & Supervisory Staff Provident Fund
2	Larsen & Toubro Limited Provident Fund of 1952
3	Larsen & Toubro Limited Provident Fund
4	L&T Kansbahal Officers & Supervisory Provident Fund
5	L&T Kansbahal Staff & Workmen Provident Fund
6	L&T Construction Equipment Employees Provident Fund Trust
7	L&T Valves Employees Provident Fund

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

Gratuity Trusts:	
1	Larsen & Toubro Officers & Supervisors Gratuity Fund
2	Larsen & Toubro Gratuity Fund
3	L&T Technology Services Limited Employee Group Gratuity Scheme
4	L&T Shipbuilding Limited Employees Group Gratuity Assurance Scheme
5	Nabha Power Limited Employees' Group Gratuity Assurance Scheme
6	L&T Hydrocarbon Engineering Ltd Group Gratuity Scheme
7	Mindtree Limited Employees Gratuity Fund Trust [a]
8	L&T-Gulf Employees Group Gratuity Assurance Scheme [b]

[a] w.e.f. July 2, 2019

[b] w.e.f. November 20, 2019

Superannuation Trust
Larsen & Toubro Limited Senior Officers' Superannuation Scheme

(iv) Name of Key Management Personnel (of the Parent Company) and their relatives with whom transactions were carried out during the year:

(A) Executive Directors:			
1	Mr. S. N. Subrahmanyan (Chief Executive Officer & Managing Director)	2	Mr. R. Shankar Raman (Whole-time Director & Chief Financial Officer)
3	Mr. Shailendra Roy (Whole-time Director) [a]	4	Mr. D. K. Sen (Whole-time Director)
5	Mr. M. V. Satish (Whole-time Director)	6	Mr. J. D. Patil (Whole-time Director)
7	Mr. Subramanian Sarma (Whole-time Director) [b]	8	Mr. S. V. Desai (Whole-time Director) [c]
9	Mr. T. Madhava Das (Whole-time Director) [c]		

(B) Non-executive/Independent Directors:			
1	Mr. A. M. Naik (Group Chairman)	2	Mr. M. M. Chitale
3	Mr. Subodh Bhargava	4	Mr. M. Damodaran
5	Mr. Vikram Singh Mehta	6	Mr. Adil Zainulbhai
7	Mr. Akhilesh Krishna Gupta [d]	8	Ms. Sunita Sharma [e]
9	Mr. Thomas Mathew T [f]	10	Mr. Ajay Shankar [g]
11	Ms. Naina Lal Kidwai [h]	12	Mr. Sanjeev Aga
13	Mr. Narayanan Kumar	14	Mr. Arvind Gupta [i]
15	Mr. Hemant Bhargava	16	Ms. Preetha Reddy [j]

[a] Ceased w.e.f. July 7, 2020 on account of superannuation

[b] Appointed as Whole-time Director w.e.f. August 19, 2020 (Non-executive Director till August 18, 2020)

[c] Appointed w.e.f. July 11, 2020

[d] Ceased w.e.f. September 8, 2019 on account of completion of term

[e] Ceased w.e.f. May 3, 2021 on account of withdrawal of nomination by Life Insurance Corporation of India

[f] Ceased w.e.f. April 2, 2020 on account of completion of term

[g] Ceased w.e.f. May 29, 2020 on account of completion of term

[h] Ceased w.e.f. February 28, 2021 on account of completion of term

[i] Ceased w.e.f. March 26, 2020 on account of withdrawal of nomination by Specified Undertaking of the Unit Trust of India

[j] Appointed w.e.f. March 1, 2021

(v) Entity with common Key Managerial Person

Mindtree Foundation [a]

[a] w.e.f. September 17, 2019

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

(b) Disclosure of related party transactions:

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2020-21 Amount	2020-21 Amounts for major parties	*2019-20 Amount*	*2019-20 Amounts for major parties*
(i)	Purchase of goods & services (including commission paid)				
	Joint ventures, including:	1164.45		*853.97*	
	L&T - MHI Power Boilers Private Limited		698.19		*587.70*
	L&T - MHI Power Turbine Generators Private Limited		253.06		*117.38*
	L&T Howden Private Limited		116.81		*2.88*
	Associates:	165.94		*249.53*	
	L&T-Chiyoda Limited		147.76		*234.65*
	Magtorq Private Limited		18.18		*14.88*
	Total	1330.39		*1103.50*	
(ii)	Sale of goods/contract revenue & services				
	Joint ventures, including:	51.22		*104.30*	
	L&T - MHI Power Boilers Private Limited		40.53		*96.79*
	L&T Special Steels and Heavy Forgings Private Limited		5.49		*3.52*
	Associate:	7.74		–	
	L&T-Chiyoda Limited		7.74		–
	Total	58.96		*104.30*	
(iii)	Purchase/lease of property, plant and equipment				
	Joint ventures:	–		*0.20*	
	L&T - MHI Power Boilers Private Limited		–		*0.05*
	L&T Sapura Shipping Private Limited		–		*0.15*
	Total	–		*0.20*	
(iv)	Sale of property, plant and equipment				
	Joint venture:	–		*0.44*	
	L&T - MHI Power Boilers Private Limited		–		*0.44*
	Key management personnel:	0.61		–	
	Mr. Shailendra Roy		0.61		–
	Total	0.61		*0.44*	
(v)	Investments as other equity				
	Joint venture:	–		*0.33*	
	L&T - MHI Power Turbine Generators Private Limited		–		*0.33*
	Total	–		*0.33*	
(vi)	Sale/Redemption of investments				
	Joint venture:	–		*22.42*	
	L&T Infrastructure Development Projects Limited		–		*22.42*
	Total	–		*22.42*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2020-21 Amount	2020-21 Amounts for major parties	2019-20 Amount	2019-20 Amounts for major parties
(vii)	Net inter-corporate deposits given/(repaid)				
	Joint ventures:	151.59		97.52	
	L&T Special Steels and Heavy Forgings Private Limited		151.59		115.21
	L&T Sapura Shipping Private Limited		–		(17.69)
	Total	151.59		97.52	
(viii)	Net inter-corporate borrowing taken/(repaid)				
	Joint venture:	32.00		57.50	
	L&T MBDA Missile Systems Limited		32.00		57.50
	Total	32.00		57.50	
(ix)	Charges paid for miscellaneous services				
	Joint ventures, including:	4.73		9.90	
	L&T-Sargent & Lundy Limited		3.61		8.21
	L&T - MHI Power Boilers Private Limited		0.99		1.63
	Associate:	25.17		7.29	
	L&T-Chiyoda Limited		25.17		7.29
	Total	29.90		17.19	
(x)	Rent paid, including lease rentals under leasing arrangements				
	Joint ventures, including:	0.01		3.49	
	L&T Special Steels and Heavy Forgings Private Limited		–		3.20
	L&T - MHI Power Turbine Generators Private Limited		0.01		–
	Total	0.01		3.49	
(xi)	Rent received, overheads recovered and miscellaneous income				
	Joint ventures, including:	75.95		72.71	
	L&T - MHI Power Boilers Private Limited		31.86		28.40
	L&T-Sargent & Lundy Limited		11.57		11.39
	L&T - MHI Power Turbine Generators Private Limited		8.66		8.32
	L&T Infrastructure Development Projects Limited		5.47		7.93
	Associate:	25.39		18.44	
	L&T-Chiyoda Limited		25.39		18.44
	Total	101.34		91.15	
(xii)	Charges recovered for deputation of employees to related parties				
	Joint ventures, including:	4.81		5.50	
	L&T Infrastructure Development Projects Limited		1.14		0.66
	L&T Special Steels and Heavy Forgings Private Limited		0.73		0.77
	L&T Sapura Shipping Private Limited		2.94		4.08
	Associate:	2.83		6.59	
	L&T-Chiyoda Limited		2.83		6.59
	Total	7.64		12.09	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2020-21 Amount	2020-21 Amounts for major parties	*2019-20 Amount*	*2019-20 Amounts for major parties*
(xiii)	Dividend received				
	Joint ventures, including:	133.88		*12.53*	
	L&T - MHI Power Boilers Private Limited		119.39		*11.94*
	Associate:	40.50		–	
	L&T-Chiyoda Limited		40.50		–
	Total	174.38		*12.53*	
(xiv)	Commission received, including those under agency arrangements				
	Joint venture:	–		*0.05*	
	L&T - MHI Power Boilers Private Limited		–		*0.05*
	Total	–		*0.05*	
(xv)	Guarantee charges recovered from				
	Joint venture:	0.47		*0.55*	
	L&T - MHI Power Turbine Generators Private Limited		0.47		*0.55*
	Total	0.47		*0.55*	
(xvi)	Interest paid to				
	Joint ventures:	13.64		*4.16*	
	L&T MBDA Missile Systems Limited		2.81		*2.42*
	L&T - MHI Power Turbine Generators Private Limited		10.83		*1.74*
	Total	13.64		*4.16*	
(xvii)	Interest received from				
	Joint ventures, including:	206.60		*133.10*	
	L&T Special Steels and Heavy Forgings Private Limited		134.52		*104.14*
	L&T Infrastructure Development Projects Limited		21.44		*21.56*
	Kudgi Transmission Limited		45.93		*2.79*
	Associate:	0.19		*0.26*	
	L&T Camp Facilities LLC		0.19		*0.26*
	Total	206.79		*133.36*	
(xviii)	Amount recognised/(reversed) in P&L as provision towards bad and doubtful debts (including expected credit loss on account of delay)				
	Joint ventures, including:	0.31		*4.76*	
	L&T Special Steels and Heavy Forgings Private Limited		(0.09)		*0.08*
	L&T - MHI Power Boilers Private Limited		0.39		*(0.37)*
	L&T Sapura Offshore Private Limited		–		*5.08*
	Total	0.31		*4.76*	
(xix)	Amount recognised in P&L on account of impairment loss on loans & advances recoverable				
	Joint venture:	1139.03		–	
	L&T Special Steels and Heavy Forgings Private Limited		1139.03		–
	Total	1139.03		–	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

₹ crore

Sr. No.	Nature of transaction/relationship/major parties	2020-21 Amount	2020-21 Amounts for major parties	*2019-20 Amount*	*2019-20 Amounts for major parties*
(xx)	Amount recognised in Profit and Loss on account of provision towards constructive obligation				
	Joint venture:	14.84		–	
	L&T Special Steels and Heavy Forgings Private Limited		14.84		–
	Total	14.84		–	
(xxi)	Donation given:				
	Entity with common Key Management Personnel:	1.65		*1.15*	
	Mindtree Foundation		1.65		*1.15*
	Total	1.65		*1.15*	
(xxii)	Contribution to post employment benefit plan				
(A)	Towards Employer's contribution to provident fund trusts, including:	199.05		*165.75*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		186.25		*152.29*
	Total	199.05		*165.75*	
(B)	Towards Employer's contribution to gratuity fund trusts, including:	188.49		*110.32*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		86.47		*55.65*
	L&T Technology Services Limited Employee Group Gratuity Scheme		18.06		*17.32*
	Mindtree Limited Employees Gratuity Fund Trust		56.12		*22.56*
	Total	188.49		*110.32*	
(C)	Towards Employer's contribution to superannuation trust:	6.81		*10.99*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		6.81		*10.99*
	Total	6.81		*10.99*	

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of transaction during respective year.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

(xxiii) Compensation to Key Management Personnel (KMP):

₹ crore

Key Management Personnel	2020-21					*2019-20*		
	Short term employee benefits	Post employment benefits	Other long term benefit	Share based payment	Total	*Short term employee benefits*	*Post employment benefits*	*Total*
Executive Directors:								
(a) Mr. S. N. Subrahmanyan	11.26	2.97	–	–	14.23	*11.87*	*3.13*	*15.00*
(b) Mr. R. Shankar Raman	7.50	1.98	–	–	9.48	*7.89*	*2.08*	*9.97*
(c) Mr. Shailendra Roy	4.83	7.64 [a]	10.20 [b]	–	22.67	*5.26*	*1.37*	*6.63*
(d) Mr. D. K. Sen	3.93	1.01	–	–	4.94	*3.56*	*0.91*	*4.47*
(e) Mr. M. V. Satish	4.24	1.08	–	–	5.32	*4.60*	*1.18*	*5.78*
(f) Mr. J. D. Patil	4.23	1.09	–	–	5.32	*4.04*	*1.04*	*5.08*
(g) Mr. Subramanian Sarma (Executive Director w.e.f. August 19, 2020)	4.48	1.02	–	8.39	13.89	–	–	–
(h) Mr. S. V. Desai	2.83	0.64	–	–	3.47	–	–	–
(i) Mr. T. Madhava Das	2.94	0.72	–	–	3.66	–	–	–
Non-executive/Independent Directors:								
(a) Mr. A. M. Naik (Group Chairman)	9.18	3.00 [c]	–	–	12.18	*9.13*	*3.00 [c]*	*12.13*
(b) Mr. Subramanian Sarma (Non-executive Director till August 18, 2020)	3.10	1.26	–	–	4.36	*16.33*	–	*16.33*
(c) Other Non-executive/Independent Directors	5.86	–	–	–	5.86	*5.01*	–	*5.01*
Total	64.38	22.41	10.20	8.39	105.38	*67.69*	*12.71*	*80.40*

[a] Post retirement benefits include gratuity ₹ 6.60 crore

[b] Represents encashment of past service accumulated leave

[c] Represents pension

(c) Amount due to/from related parties (including commitments):

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2021 Amount	As at 31-3-2021 Amounts for major parties	*As at 31-3-2020 Amount*	*As at 31-3-2020 Amounts for major parties*
(i)	Accounts receivable				
	Joint ventures, including:	133.39		*118.38*	
	L&T - MHI Power Boilers Private Limited		75.49		*98.03*
	L&T MBDA Missile Systems Limited		2.83		*12.00*
	L&T Deccan Tollways Limited		50.00		–
	Associates:	2.38		*0.21*	
	L&T-Chiyoda Limited		2.18		–
	Larsen & Toubro Qatar & HBK Contracting Co. WLL		0.20		*0.21*
	Total	135.77		*118.59*	
(ii)	Accounts payable including other payable				
	Joint ventures, including:	1726.78		*1302.14*	
	L&T - MHI Power Boilers Private Limited		863.49		*746.15*
	L&T - MHI Power Turbine Generators Private Limited		576.54		*476.41*
	L&T Infrastructure Development Projects Limited		177.35		*(2.58)*
	Associates, including:	60.52		*109.25*	
	L&T-Chiyoda Limited		45.99		*92.02*
	L&T Camp Facilities LLC		8.79		*11.94*
	Total	1787.30		*1411.39*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

₹ *crore*

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2021 Amount	As at 31-3-2021 Amounts for major parties	*As at 31-3-2020 Amount*	*As at 31-3-2020 Amounts for major parties*
(iii)	Investment in debt securities [including preference shares (debt portion)]				
	Joint ventures:	1097.54		*1049.70*	
	L&T Special Steels and Heavy Forgings Private Limited *		213.17		*213.17*
	L&T Infrastructure Development Projects Limited		272.65		*266.60*
	Kudgi Transmission Limited		611.72		*569.93*
	Total	1097.54		*1049.70*	
	* Before set-off of losses under equity accounting				
(iv)	Loans & advances recoverable				
	Joint ventures, including:	2150.48		*2065.71*	
	L&T Special Steels and Heavy Forgings Private Limited *		1746.17		*1635.67*
	Associates:	32.27		*27.58*	
	L&T Camp Facilities LLC		14.44		*16.87*
	L&T-Chiyoda Limited		12.83		*8.37*
	Magtorq Private Limited		5.00		*2.34*
	Total	2182.75		*2093.29*	
	* Before set-off of losses under equity accounting				
(v)	Impairment/provision of loans & advances recoverable				
	Joint ventures:	1144.11		*5.08*	
	L&T Special Steels and Heavy Forgings Private Limited		1139.03		*–*
	L&T Sapura Offshore Private Limited		5.08		*5.08*
	Total	1144.11		*5.08*	
(vi)	Provision towards constructive obligation				
	Joint venture:	14.84		*–*	
	L&T Special Steels and Heavy Forgings Private Limited		14.84		*–*
	Total	14.84		*–*	
(vii)	Unsecured loans taken				
	Joint venture:	90.91		*59.68*	
	L&T MBDA Missile Systems Limited		90.91		*59.68*
	Total	90.91		*59.68*	
(viii)	Advances received in the capacity of supplier of goods/ services classified as "advances from customers"				
	Joint venture:	20.46		*6.97*	
	L&T - MHI Power Boilers Private Limited		20.46		*6.97*
	Total	20.46		*6.97*	

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2021 Amount	As at 31-3-2021 Amounts for major parties	*As at 31-3-2020 Amount*	*As at 31-3-2020 Amounts for major parties*
(ix)	Due to directors [a]:	41.04		*40.29*	
	Key management personnel, including:				
	Mr. A. M. Naik		3.60		*2.06*
	Mr. S. N. Subrahmanyan		8.40		*9.01*
	Mr. R. Shankar Raman		5.49		*5.88*
	Mr. Shailendra Roy		0.92		*3.37*
	Mr. D. K. Sen		2.40		*2.03*
	Mr. M. V. Satish		2.66		*3.02*
	Mr. J. D. Patil		2.91		*2.72*
	Mr. Subramanian Sarma		5.31		*8.33*
	Mr. S. V. Desai		2.29		*–*
	Mr. T. Madhava Das		2.43		*–*
	Total	41.04		*40.29*	
(x)	Post employment benefit plans				
(A)	Due to provident fund trusts, including:	56.45		*53.33*	
	Larsen & Toubro Officers & Supervisory Staff Provident Fund		52.92		*48.19*
	Total	56.45		*53.33*	
(B)	Due to gratuity trusts, including:	19.77		*159.35*	
	Larsen & Toubro Officers & Supervisors Gratuity Fund		–		*94.08*
	L&T Technology Services Limited Employee Group Gratuity Scheme		11.11		*17.00*
	Mindtree Limited Employees Gratuity Fund Trust		7.60		*27.24*
	Total	19.77		*159.35*	
(C)	Due to superannuation fund:	4.48		*3.91*	
	Larsen & Toubro Limited Senior Officers' Superannuation Scheme		4.48		*3.91*
	Total	4.48		*3.91*	
(xi)	Revenue commitment given				
	Joint ventures, including:	2224.37		*2316.16*	
	L&T - MHI Power Boilers Private Limited		1643.73		*1224.92*
	L&T - MHI Power Turbine Generators Private Limited		387.72		*668.92*
	Associates, including:	363.31		*245.94*	
	L&T-Chiyoda Limited		327.86		*220.96*
	Total	2587.68		*2562.10*	
(xii)	Revenue commitment received				
	Joint ventures, including:	187.73		*65.13*	
	L&T - MHI Power Boilers Private Limited		158.78		*21.28*
	L&T - MHI Power Turbine Generators Private Limited		8.90		*6.88*
	L&T MBDA Missile Systems Limited		20.00		*30.00*
	Total	187.73		*65.13*	

[a] includes commission due to other Non-executive directors ₹ 4.63 crore *(as at 31-3-2020 : ₹ 3.87 crore)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [54] ***(contd.)***

₹ crore

Sr. No.	Category of balance/relationship/major parties	As at 31-3-2021 Amount	As at 31-3-2021 Amounts for major parties	*As at 31-3-2020 Amount*	*As at 31-3-2020 Amounts for major parties*
(xiii)	Provision for doubtful debts on outstanding balances in respect of				
	Joint ventures, including:	23.30		*23.09*	
	L&T - MHI Power Boilers Private Limited		23.28		*23.00*
	Total	23.30		*23.09*	
(xiv)	Guarantees given on behalf of				
	Joint ventures, including:	363.85		*514.74*	
	L&T - MHI Power Turbine Generators Private Limited		312.67		*394.94*
	L&T Special Steels and Heavy Forgings Private Limited		21.95		*90.42*
	Total	363.85		*514.74*	

"Major parties" denote entities accounting for 10% or more of the aggregate for that category of balance during respective year.

Note: 1. All the related party contracts/arrangements have been entered into on arm's length basis.

2. The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

NOTE [55]

Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":

Particulars		2020-21	*2019-20*
Basic EPS			
Profit after tax from continuing operations as per accounts (₹ crore)	A	3345.01	*8894.46*
Profit after tax from discontinued operations as per accounts (₹ crore)	B	8237.92	*654.57*
Profit after tax from continuing operations & discontinued operations as per accounts (₹ crore)	C=A+B	11582.93	*9549.03*
Weighted average number of equity shares outstanding	D	1,40,41,46,937	*1,40,33,69,848*
Basic EPS from continuing operations (₹)	A/D	23.82	*63.38*
Basic EPS from discontinued operations (₹)	B/D	58.67	*4.66*
Basic EPS from continuing operations & discontinued operations (₹)	C/D	82.49	*68.04*
Diluted EPS			
Profit after tax from continuing operations as per accounts (₹ crore)	A	3345.01	*8894.46*
Profit after tax from discontinued operations as per accounts (₹ crore)	B	8237.92	*654.57*
Profit after tax from continuing operations & discontinued operations as per accounts (₹ crore)	C=A+B	11582.93	*9549.03*
Weighted average number of equity shares outstanding	D	1,40,41,46,937	*1,40,33,69,848*
Add: Weighted average number of potential equity shares on account of employee stock options	E	14,20,264	*18,52,930*
Weighted average number of equity shares outstanding for diluted EPS	F=D+E	1,40,55,67,201	*1,40,52,22,778*
Diluted EPS from continuing operations (₹)	A/F	23.80	*63.29*
Diluted EPS from discontinued operations (₹)	B/F	58.61	*4.66*
Diluted EPS from continuing operations & discontinued operations (₹)	C/F	82.41	*67.95*
Face value per share (₹)		2	*2*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [55] ***(contd.)***

The following potential equity shares are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share:

Particulars	2020-21	*2019-20*
Weighted average number of potential equity shares on account of conversion of foreign currency convertible bonds	–	*5,190,133*

NOTE [56]

Disclosure pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets":

(a) Movement in provisions:

₹ crore

Sr. No.	Particulars	Class of provisions					
		Product warranties	Expected tax liability in respect of indirect taxes	Litigation-related obligations	Contractual rectification cost-construction contracts	Others	Total
1	*Balance as at 1-4-2020*	*13.15*	*308.03*	*214.15*	*561.35*	*61.44*	*1158.12*
2	Additional provision during the year	4.72	144.30	489.10	389.55	17.92	1045.59
3	Provision used during the year	–	(87.43)	(231.46)	(241.46)	–	(560.35)
4	Unused provision reversed during the year	(4.57)	(26.10)	–	(172.31)	(6.93)	(209.91)
5	Translation adjustments	(0.23)	–	–	(0.84)	–	(1.07)
6	Additional provision for unwinding of interest and change in discount rate	0.12	–	–	–	–	0.12
7	Balance as at 31-3-2021 (1 to 6)	13.19	338.80	471.79	536.29	72.43	1432.50

Breakup of provisions:

₹ crore

Particulars	Note 24	Note 31	Total
Balance as at 1-4-2020	30.52	1127.60	1158.12
Balance as at 31-3-2021	68.38	1364.12	1432.50

(b) Nature of provisions:

(i) Product warranties: The Group gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period.

Provision made as at March 31, 2021 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of three years from the date of Balance Sheet.

(ii) Expected tax liability in respect of indirect taxes represents mainly the differential sales tax liability on account of non-collection of declaration forms and liability for goods and services tax, customs duty and excise duty.

(iii) Provision for litigation-related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

(iv) Contractual rectification cost represents the estimated cost the Group is likely to incur during defect liability period as per the contract obligations and in respect of completed construction contracts accounted under Ind AS 115 "Revenue from contracts with customers".

(v) Other provisions mainly includes backwork charges, provision for foreseeable losses and onerous contracts.

(c) Disclosure in respect of contingent liabilities is given in Note 32.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [57]

Research & Development

The expenditure on research and development activities is as follows:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
(i)	Recognised as expense in the Statement of Profit and Loss	197.16	*274.39*
(ii)	Capital expenditure on:		
	(a) tangible assets	1.24	*7.60*
	(b) intangible assets being expenditure on new product development	9.80	*34.28*
	(c) other intangible assets	8.10	*5.32*
(iii)	Expenditure reimbursable by the customer	–	*0.08*

Of the above, expenditure on research and development activities of discontinued operations is as follows:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
(i)	Recognised as expense in the Statement of Profit and Loss	32.29	*88.32*
(ii)	Capital expenditure on:		
	(a) tangible assets	0.49	*4.19*
	(b) intangible assets being expenditure on new product development	9.39	*30.17*
	(c) other intangible assets	0.01	*1.93*
(iii)	Expenditure reimbursable by the customer	–	*–*

NOTE [58]

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Market risk management

(a) Foreign exchange rate and interest rate risk:

The Group regularly reviews its foreign currency and interest rate related exposures - both hedged and open exposures. The Group primarily follows cash flow hedge accounting for Highly Probable Forecasted Exposures (HPFE), hence, the movement in mark to market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-balance sheet exposure, the changes in MTM of the hedge contracts will impact the Balance Sheet of the Group. Further, given the effective horizons of the Group's risk management activities which coincide with the durations of the projects under execution, which could extend across 3-4 years and given the business uncertainties associated with the timing and estimation of the project exposures, the recognition of the gains and losses related to these instruments may not always coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may affect the Group's financial condition and operating results. The Group monitors the potential risk arising out of the market factors like exchange rates, interest rates, price of traded investment products etc. on a regular basis. For on-balance sheet exposures, the Group monitors the risks on net unhedged exposures.

(i) Foreign exchange rate risk:

In general, the Group is a net receiver of foreign currency. Accordingly, changes in exchange rates, and in particular a strengthening of the Indian Rupee, may adversely affect the Group's net sales and gross margins expressed in Indian Rupee. There is a risk that the Group may have to adjust local currency product pricing due to competitive pressures when there have been significant volatility in foreign currency exchange rates.

The Group may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. In addition, the Group has entered, and may enter in the future, into non-designated foreign currency contracts to partially offset the foreign currency exchange gains and losses on its foreign-denominated debt issuances. The Group's practice is to hedge a portion of its material net foreign exchange exposures with tenors in line with the project/business life cycle. The Group may also choose not to hedge certain foreign exchange exposures.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [58] ***(contd.)***

The net exposure to foreign currency risk (based on notional amount) in respect of recognised financial assets, recognised financial liabilities and derivatives for major currencies is as follows:

₹ crore

Particulars	As at 31-3-2021						*As at 31-3-2020*					
	US Dollar including pegged currencies	EURO	Malaysian Ringgit	Canadian Dollar	Japanese Yen	Kuwaiti Dinar	*US Dollar including pegged currencies*	*EURO*	*Malaysian Ringgit*	*Canadian Dollar*	*Japanese Yen*	*Kuwaiti Dinar*
Net exposure to foreign currency risk in respect of recognised financial assets/(recognised financial liabilities)	(1207.93)	400.90	89.12	232.84	(505.18)	(52.56)	*(5875.09)*	*320.56*	*127.86*	*129.31*	*(394.37)*	*314.93*
Derivatives including embedded derivatives for hedging receivable/(payable) exposure with respect to non-financial assets/(non-financial liabilities)	357.96	65.82	–	–	–	–	*494.65*	*(28.50)*	–	–	–	–
Derivatives including embedded derivatives for hedging receivable/(payable) exposures with respect to firm commitments and highly probable forecast transactions	29116.78	(4244.49)	75.32	37.78	1031.00	404.79	*27222.66*	*(213.93)*	*163.93*	*(29.22)*	*890.32*	*877.29*
Receivable/(payable) exposures with respect to forward contracts and embedded derivatives not designated as cash flow hedge	2337.79	164.57	–	–	(14.43)	21.02	*(2991.34)*	*56.90*	–	–	*21.08*	–

To provide a meaningful assessment of the foreign currency risk associated with the Group's foreign currency derivative positions against off-balance sheet exposures and unhedged portion of on-balance sheet financial assets and liabilities, the Group uses a multi-currency correlated value-at-risk ("VAR") model. The VAR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian Rupee taking into account the correlations between them. The VAR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VAR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Group uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increase in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VAR for the Group at 95% confidence level is ₹ 203.08 crore as at March 31, 2021 and ₹ 111.39 crore as at March 31, 2020.

Actual future gains and losses associated with the Group's investment portfolio and derivative positions may differ materially from the sensitivity analysis performed as at March 31, 2021 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchange rates and the Group's actual exposures and position.

(ii) Interest rate risk:

The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt and lending. The Group's outstanding debt in local currency is a combination of fixed rate and floating rate. For the portion of local currency debt on fixed rate basis, there is no interest rate risk. For the portion of local currency debt on floating rate basis, there is a natural hedge with receivables in respect of financial services business. There is a portion of debt that is linked to international interest rate benchmarks like LIBOR. The Group also hedges a portion of these risks by way of derivative instruments like interest rate swaps and currency swaps.

The Group has availed ECBs and the details of outstanding ECBs as on March 31, 2021 are given below. These borrowings have a floating interest rate linked to LIBOR. With the transition of LIBOR into another benchmark (widely anticipated to be SOFR for USD LIBOR) which is expected to be effective from January 1, 2022 in a phased manner, there will be a spread adjustment on these loans as below -

		USD Mn
a)	Borrowings linked to LIBOR as at 31.03.2021	938
b)	Borrowings expected to be settled before transition from LIBOR to alternate benchmark	456
c)	Borrowings expected to be outstanding on transition date (a-b)	482
d)	Hedged borrowings out of (c) above	225
e)	Unhedged borrowings expected to be outstanding on transition date requiring spread adjustment (c-d)	257

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [58] ***(contd.)***

Based on the expected transitioning methodology, the median historical spread between the two benchmarks is likely to be used as a spread adjustment. The banks and the Group are likely to consider a spread adjustment which is neutral to counterparties financially.

The exposure of the Group's borrowing to interest rate changes is ₹ 48077.49 crore *(as at 31-03-2020 ₹ 60042.02 crore).*

A hypothetical 50 basis point shift in respective currency LIBOR and other benchmarks, holding all other variables constant, on the unhedged loans would result in a corresponding increase/decrease in interest cost for the Group on a yearly basis as follows:

₹ crore

Particulars	Increase/(decrease) in Profit after Tax		Increase/(decrease) in Equity	
	2020-21	*2019-20*	As at 31-3-2021	*As at 31-3-2020*
INR loans (net of loans given)				
Interest rates - increase by 0.50% in INR interest rate	2.09	*(24.65)*	2.09	*(24.65)*
Interest rates - decrease by 0.50% in INR interest rate	(2.09)	*24.65*	(2.09)	*24.65*
USD (including pegged currencies) loans				
Interest rates - increase by 0.50% in USD interest rate	(19.80)	*(33.99)*	(19.80)	*(33.99)*
Interest rates - decrease by 0.50% in USD interest rate	19.80	*33.99*	19.80	*33.99*

(b) Liquidity risk management:

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate committed credit lines. Given the need to fund diverse businesses, the Group maintains flexibility by needbased drawing from committed credit lines. Management regularly monitors the position of cash and cash equivalents. The maturity profiles of financial assets/liabilities including debt financing plans and liquidity ratios are considered while reviewing the liquidity position.

The Group's investment policy and strategy are focused on preservation of capital and supporting the Group's liquidity requirements. The Group uses a combination of internal and external tools to execute its investment strategy and achieve its investment objectives. The Group typically invests in money market funds, large debt funds, Government of India securities, equity and equity marketable securities and other highly rated securities under a exposure limit framework. The investment policy focusses on minimising the potential risk of principal loss. To provide a meaningful assessment of the price risk associated with the Group's investment portfolio, the Group performed a sensitivity analysis to determine the impact of change in prices of the securities on the value of the investment portfolio assuming a 0.50% movement in the fair market value of debt funds and debt securities and a 5% movement in the NAV of the equity and equity marketable securities as below -

₹ crore

Particulars	Increase/(decrease) in investment value	
	As at 31-3-2021	*As at 31-3-2020*
Debt funds and debt securities - increase by 0.50% in fair market value	119.74	*39.42*
Debt funds and debt securities - decrease by 0.50% in fair market value	(119.74)	*(39.42)*
Equity and equity marketable securities - increase by 5% in NAV	6.10	*6.49*
Equity and equity marketable securities - decrease by 5% in NAV	(6.10)	*(6.49)*

The investments in money market funds are for the purpose of liquidity management only and hence not subject to any material price risk.

(c) Credit risk management:

(i) Financial services business:

Financial services business has a risk management framework that monitors and ensures that the business lines operate within the defined risk appetite and risk tolerance levels defined by the management. Risk management function is closely involved in management and control of credit risk, portfolio monitoring, market risks including liquidity risk and operational risks. The credit risk function independently evaluates proposals based on well-established sector specific internal frameworks, in order to identify, mitigate and allocate risks as well as to enable risk-based pricing of assets. Regulatory and process risks are identified, mitigated and managed by a separate group. Risk management policies are made under the guidance of Risk Management Committee and are approved by Board of Directors.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [58] ***(contd.)***

(ii) Other than financial services business:

The Group's customer profile include public sector enterprises, state owned companies and large private corporates. Accordingly, the Group's customer credit risk is low. The Group's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/ corporate guarantees. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

(iii) Reconciliation of loss allowance provision for financial services business - Loans:

₹ crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1-4-2019	480.00	228.11	3912.88	4620.99
On new assets originated or purchased	339.90	34.94	77.01	451.85
Amount written off	–	–	(1657.06)	(1657.06)
Transfers to Stage 1	81.11	(73.77)	(7.34)	–
Transfers to Stage 2	(12.70)	15.34	(2.64)	–
Transfers to Stage 3	(40.96)	(118.59)	159.55	–
Impact on year end ECL of exposure transferred between stages during the year	(68.33)	121.33	1115.94	1168.94
Increase/(decrease) in provision on existing financial assets (net of recovery)	(208.64)	61.29	187.59	40.24
Loss allowance as at 31-3-2020	570.38	268.65	3785.93	4624.96
Provision on new financial assets	461.25	60.59	35.71	557.55
Amount written off	–	–	(2230.13)	(2230.13)
Transfers to Stage 1	43.35	(26.24)	(17.11)	–
Transfers to Stage 2	(30.17)	34.57	(4.40)	–
Transfers to Stage 3	(27.72)	(143.69)	171.41	–
Impact on year end ECL of exposure transferred between stages during the year	(42.17)	331.10	1476.54	1765.47
Increase/(decrease) in provision on existing financial assets (net of recovery)	(66.11)	(179.38)	603.77	358.28
Loss allowance as at 31-3-2021	908.81	345.60	3821.72	5076.13

(iv) Reconciliation of allowance for expected credit loss ("ECL") on trade receivables (other than financial services business):

₹ crore

Particulars	2020-21	*2019-20*
Provision as at April 1	3181.21	*3000.83*
Changes in allowance for ECL:		
Provision/(reversal) of allowance for ECL	375.05	*313.00*
Additional provision (net)	279.07	*178.37*
Write off as bad debts	(425.58)	*(194.62)*
Translation adjustment	(4.25)	*12.12*
Classified as held for sale	–	*(154.10)*
Addition on account of business combination	0.09	*25.61*
Provision as at March 31 (Note 13)	3405.59	*3181.21*

(v) Amounts written off:

₹ crore

Particulars	2020-21	*2019-20*
Amount of financial assets written off during the period but still enforceable	1972.77	*900.38*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [58] ***(contd.)***

(d) Commodity price risk management :

The Group bids for and executes EPC projects on turnkey basis. EPC projects entail procurement of various equipment and materials which may have direct or indirect linkages to commodity prices like Steel (both long and flat steel), Copper, Aluminium, Zinc, Lead, Nickel, etc. Accordingly, the Group is exposed to the price risk on these commodities. To mitigate the risk of commodity prices, the Group relies on contractual provisions like pass through of prices, price variation provisions, etc and further uses financial derivatives where available [Note 59 (k)(iii)]. There is certain residual risk carried by the Group that cannot be hedged against.

The Group is also exposed to contingent risk on account of commodity price movements that may not be fully offset by contractual provisions in the projects that it has bid for but which are not awarded yet. Commodity prices are volatile and have witnessed 60% to 75% movement for the year. This may impact the margin on projects where the Group has submitted bids on a firm price basis. However, for projects where the Group is eligible for an adjustment, based on price variation clause, there may not be a major impact. The actual impact will depend on the exact project wins and the relative contractual provisions therein.

NOTE [59]

Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

₹ crore

Sr. No.	Particulars	Note	As at 31-3-2021	*As at 31-3-2020*
I.	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Investment in equity instruments	6,12	642.70	*551.20*
	(ii) Investment in preference shares	6,12	87.01	*89.21*
	(iii) Investment in mutual funds and units of fund	6,12	20236.28	*7877.25*
	(iv) Investment in government securities, debentures and bonds	6,12	1739.80	*1857.96*
	(v) Derivative instruments not designated as cash flow hedges	9,18	167.47	*99.93*
	(vi) Embedded derivatives not designated as cash flow hedges	9,18	33.68	*177.84*
	(vii) Investment in security receipts	6	4114.88	*2498.65*
	(viii) Loans	7,8,16,17	22877.66	*24877.64*
	(ix) Other investments	6,12	0.94	*0.94*
	Sub-total (I)		49900.42	*38030.62*
II.	Measured at amortised cost:			
	(i) Loans	7,8,16,17	72264.26	*77673.47*
	(ii) Investment in government securities, debentures and bonds	6,12	584.31	*59.73*
	(iii) Other investments	6,12	800.37	*330.35*
	(iv) Trade receivables	13	42229.78	*40731.52*
	(v) Advances recoverable in cash	18	1758.74	*1748.66*
	(vi) Cash and bank balances	9,14,15	16753.48	*15392.64*
	(vii) Other receivables		113.36	*112.65*
	Sub-total (II)		134504.30	*136049.02*
III.	Measured at fair value through Other comprehensive income (FVTOCI):			
	(i) Investment in government securities, debentures and bonds	6,12	8749.31	*3898.80*
	(ii) Investment in equity instruments	6,12	0.10	*31.71*
	(iii) Investment in preference shares	6,12	0.67	*0.67*
	(iv) Derivative instruments designated as cash flow hedges	9,18	1344.88	*1043.49*
	(v) Embedded derivative designated as cash flow hedges	9,18	19.13	*108.59*
	Sub-total (III)		10114.09	*5083.26*
	Total (I+II+III)		194518.81	*179162.90*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

(b) Category-wise classification for applicable financial liabilities:

₹ *crore*

Sr. No.	Particulars	Note	As at 31-3-2021	*As at 31-3-2020*
I.	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Derivative instruments not designated as cash flow hedges	23,29	57.01	*158.76*
	(ii) Embedded derivatives not designated as cash flow hedges	23,29	11.73	*57.18*
	(iii) Others		150.24	*218.20*
	Sub-total (I)		218.98	*434.14*
II.	Measured at amortised cost:			
	(i) Borrowings	22,26,27	132605.26	*141007.12*
	(ii) Trade payables:			
	Due to micro enterprises and small enterprises		488.99	*479.51*
	Due to others	28	45015.62	*43164.42*
	(iii) Lease liability		2023.82	*2166.55*
	(iv) Others		5062.69	*3513.03*
	Sub-total (II)		185196.38	*190330.63*
III.	Derivative instruments (including embedded derivatives) through Other comprehensive income:			
	(i) Derivative instruments designated as cash flow hedges	23,29	416.22	*1814.94*
	(ii) Embedded derivatives designated as cash flow hedges	23,29	57.49	*61.24*
	Sub-total (III)		473.71	*1876.18*
IV.	Financial guarantee contracts	23,29	0.91	*1.02*
	Total (I+II+III+IV)		185889.98	*192641.97*

(c) Items of income, expenses, gains or losses related to financial instruments:

₹ *crore*

Sr. No.	Particulars	2020-21	*2019-20*
I.	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Profit or Loss and amortised cost:		
A.	(i) Financial asset or financial liabilities measured at fair value through Profit or Loss:		
	1. Gains/(losses) on fair valuation or sale of investments	1002.28	*561.72*
	2. Gains/(losses) on fair valuation or sale of loans (Financial Services)	(158.76)	*(93.31)*
	3. Gains/(losses) on fair valuation/settlement of derivative:		
	(a) Gains/(losses) on fair valuation or settlement of forward contracts not designated as cash flow hedges	(107.03)	*(300.59)*
	(b) Gains/(losses) on fair valuation or settlement of embedded derivative contracts not designated as cash flow hedges	(146.41)	*124.73*
	(c) Gains/(losses) on fair valuation or settlement of futures not designated as cash flow hedges	(42.46)	*13.19*
	Sub-total (A)	547.62	*305.74*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
B.	Financial assets measured at amortised cost:		
	(i) Exchange difference gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade receivables, loans given etc.)	(314.22)	*1076.54*
	(ii) (Allowance)/reversal for expected credit loss during the year	(2713.53)	*(1950.15)*
	(iii) Provision for impairment loss (other than ECL) [net]	(327.76)	*(311.09)*
	(iv) Impairment loss recognised in Statement of Profit and Loss [as exceptional items (net of tax)]	(2743.03)	*–*
	(v) Gains/(losses) on derecognition:		
	(a) Bad debts written off (net)	(363.02)	*175.60*
	(b) Gains/(losses) on transfer of financial assets (non-recourse)	(253.79)	*(78.35)*
	Sub-total (B)	(6715.35)	*(1087.45)*
C.	Financial liabilities measured at amortised cost:		
	(i) Exchange difference gains/(losses) on revaluation or settlement of items denominated in foreign currency (trade payables, borrowing availed etc.)	336.01	*(777.86)*
	(ii) Unclaimed credit balances written back	232.51	*190.30*
	Sub-total (C)	568.52	*(587.56)*
	Total [I] = (A+B+C)	(5599.21)	*(1369.27)*
II.	Net gains/(losses) on financial assets and financial liabilities measured at fair value through Other comprehensive income:		
A.	Gains recognised in Other comprehensive income:		
	(i) Financial assets measured at fair value through Other comprehensive income:		
	(a) Gains/(losses) on fair valuation or sale of government securities, bonds, debentures etc.	239.71	*269.68*
	(ii) Derivative measured at fair value through Other comprehensive income:		
	(a) Gains/(losses) on fair valuation or settlement of forward contracts designated as cash flow hedges	1911.09	*(1039.11)*
	(b) Gains/(losses) on fair valuation or settlement of embedded derivative contracts designated as cash flow hedges	30.97	*100.98*
	Sub-total (A)	2181.77	*(668.45)*
	Less:		
B.	Gains reclassified to Profit or Loss from Other comprehensive income:		
	(i) Financial assets measured at fair value through Other comprehensive income:		
	1. On government securities, bonds, debentures etc. upon sale	116.02	*154.47*
	(ii) Derivative measured at fair value through Other comprehensive income:		
	1. On forward contracts upon hedged future cash flows affecting the Profit or Loss or related assets or liabilities	405.36	*355.35*
	2. On embedded derivative contracts upon hedged future cash flows affecting the Profit or Loss or related assets or liabilities	3.72	*(18.39)*
	Sub-total (B)	525.10	*491.43*
	Net gains recognised in Other comprehensive income (A-B)	1656.67	*(1159.88)*
C.	Impairment loss recognised in Statement of Profit and Loss	(151.26)	*(350.59)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] *(contd.)*

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
III.	Other income/(expense):		
A.	Dividend income:		
	Dividend income from investments measured at fair value through Profit or Loss	28.47	*101.62*
	Sub-total (A)	28.47	*101.62*
B.	Interest income:		
	(i) Financial assets measured at amortised cost	12984.43	*11306.24*
	(ii) Financial assets measured at fair value through Other comprehensive income	615.14	*371.43*
	(iii) Financial assets measured at fair value through Profit or Loss	1820.54	*3332.76*
	Sub-total (B)	15420.11	*15010.43*
C.	Interest expense:		
	(i) Financial liabilities measured at amortised cost	(11067.75)	*(10168.49)*
	(ii) Derivative instruments (including embeded derivatives) that are measured at fair value through Other comprehensive income (reclassified to Profit or Loss during the year)	(137.51)	*(150.06)*
	(iii) Financial liabilities measured at fair value through Profit or Loss	(0.17)	*5.95*
	Sub-total (C)	(11205.43)	*(10312.60)*
	Total [III] =(A+B+C)	4243.15	*4799.45*

(d) Fair value of financial assets and financial liabilities measured at amortised cost:

₹ crore

Particulars	Note	As at 31-3-2021		*As at 31-3-2020*	
		Carrying amount	Fair value	*Carrying amount*	*Fair value*
Financial assets:					
Loans	7,8,16,17	52659.55	52659.55	*58644.08*	*58644.08*
Government securities, debentures and bonds	6,12	584.31	584.31	*59.73*	*59.73*
Total		53243.86	53243.86	*58703.81*	*58703.81*
Financial liabilities:					
Borrowings	22,26,27	63597.99	67013.48	*57893.50*	*58893.74*
Total		63597.99	67013.48	*57893.50*	*58893.74*

Notes:

1. Carrying amount of loans are net of provision for expected credit losses
2. The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of loans given and borrowings taken for short term or at floating rate of interest are considered to be close to the fair value. Accordingly, these items have not been included in the above table.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

(e) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

₹ crore

As at 31-3-2021	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	–	6833.45	45826.10	52659.55	Discounted cash flow
Government securities, debentures and bonds	550.34	33.97	–	584.31	
Total	550.34	6867.42	45826.10	53243.86	
Financial liabilities:					
Borrowings	582.62	21378.04	45052.82	67013.48	Discounted cash flow
Total	582.62	21378.04	45052.82	67013.48	

₹ crore

As at 31-3-2020	*Level 1*	*Level 2*	*Level 3*	*Total*	*Valuation technique for level 3 items*
Financial assets:					
Loans	–	*8658.31*	*49985.77*	*58644.08*	*Discounted cash flow*
Government securities, debentures and bonds	*59.66*	*0.07*	–	*59.73*	
Total	*59.66*	*8658.38*	*49985.77*	*58703.81*	
Financial liabilities:					
Borrowings	*737.02*	*13948.81*	*44207.91*	*58893.74*	*Discounted cash flow*
Total	*737.02*	*13948.81*	*44207.91*	*58893.74*	

Valuation technique Level 2: Future cash flows discounted using G-sec/LIBOR rates plus corporate spread.

(f) Fair value hierarchy of financial assets and financial liabilities at fair value:

₹ crore

Particulars	Note	As at 31-3-2021				*As at 31-3-2020*			
		Level 1	Level 2	Level 3	Total	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets:									
Financial assets at FVTPL:									
(i) Equity shares	6, 12	104.79	–	537.91	642.70	*8.05*	–	*543.15*	*551.20*
(ii) Preference shares	6, 12	–	–	87.01	87.01	–	–	*89.21*	*89.21*
(iii) Mutual funds	6, 12	20174.92	–	–	20174.92	*7770.81*	–	–	*7770.81*
(iv) Debt instruments viz. government securities, bonds and debentures	6, 12	1014.35	–	725.45	1739.80	*997.64*	–	*860.32*	*1857.96*
(v) Derivative instruments not designated as cash flow hedges	9,18	–	167.47	–	167.47	–	*99.93*	–	*99.93*
(vi) Embedded derivative instruments not designated as cash flow hedges	9,18	–	33.68	–	33.68	–	*177.84*	–	*177.84*
(vii) Other investments	6, 12	–	0.94	4176.24	4177.18	–	*0.94*	*2605.09*	*2606.03*
(viii) Loans (Financial Services)	16	–	–	22877.66	22877.66	–	–	*24877.64*	*24877.64*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

₹ *crore*

Particulars	Note	As at 31-3-2021				*As at 31-3-2020*			
		Level 1	Level 2	Level 3	Total	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets at FVTOCI									
(i) Debt instruments viz. government securities, bonds and debentures	6, 12	6503.01	2104.54	141.76	8749.31	*2729.27*	*876.46*	*293.07*	*3898.80*
(ii) Preference shares	6	–	–	0.67	0.67	*–*	*–*	*0.67*	*0.67*
(iii) Equity shares	6	–	–	0.10	0.10	*31.61*	*–*	*0.10*	*31.71*
(iv) Derivative financial instruments designated as cash flow hedges	9,18	–	1344.88	–	1344.88	*–*	*1043.49*	*–*	*1043.49*
(v) Embedded derivative financial instruments designated as cash flow hedges	9,18	–	19.13	–	19.13	*–*	*108.59*	*–*	*108.59*
Total		27797.07	3670.64	28546.80	60014.51	*11537.38*	*2307.25*	*29269.25*	*43113.88*
Financial liabilities:									
Financial liabilities at FVTPL:									
(i) Designated at FVTPL:									
(a) Derivative instruments not designated as cash flow hedges	23,29	–	57.01	–	57.01	*–*	*158.76*	*–*	*158.76*
(b) Embedded derivative instruments not designated as cash flow hedges	23,29	–	11.73	–	11.73	*–*	*57.18*	*–*	*57.18*
(c) Others	23,29	–	–	150.24	150.24	*–*	*–*	*218.20*	*218.20*
(ii) Designated at FVTOCI:									
(a) Derivative financial instruments designated as cash flow hedges	23,29	–	416.22	–	416.22	*–*	*1814.94*	*–*	*1814.94*
(b) Embedded derivative financial instruments designated as cash flow hedges	23,29	–	57.49	–	57.49	*–*	*61.24*	*–*	*61.24*
Total		–	542.45	150.24	692.69	*–*	*2092.12*	*218.20*	*2310.32*

Valuation technique and key inputs used to determine fair value:

A. Level 1: Mutual funds, bonds, debentures and government securities - Quoted price in the active market

B. Level 2: (a) Derivative Instruments - Present vaue technique using forward exchange rates as at reporting period.

(b) Preference share and government securities, bonds and debentures - Future cash flows are discounted using G-sec rates as at reporting date.

(g) Movement of items measured using unobservable inputs (Level 3):

₹ *crore*

Particulars	Equity shares	Preference shares	Debt instruments	Loans	Other investments	Total
Balance as at 31-3-2019	542.56	99.81	874.75	24395.92	979.86	26892.90
Addition during the year	0.10	0.67	–	6927.18	2099.75	9027.70
Reclassification from Level 2 to Level 3	–	–	536.54	–	–	536.54
Disposal during the year	–	(6.17)	(7.31)	(6415.32)	(298.05)	(6726.85)
Gains/(losses) recognised in Profit or Loss	0.59	(4.43)	–	(30.14)	(176.47)	(210.45)
Impairment recognised in Profit or Loss	–	–	(250.59)	–	–	(250.59)
Balance as at 31-3-2020	543.25	89.88	1153.39	24877.64	2605.09	29269.25
Addition during the year	–	10.85	–	3721.30	1913.27	5645.42
Disposal during the year	–	(13.60)	(9.29)	(5562.49)	(214.55)	(5799.93)
Gains/(losses) recognised in Profit or Loss	(5.24)	0.55	(125.61)	(158.79)	(127.57)	(416.66)
Impairment recognised in Profit or Loss	–	–	(151.28)	–	–	(151.28)
Balance as at 31-3-2021	538.01	87.68	867.21	22877.66	4176.24	28546.80

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

(h) Sensitivity disclosure for level 3 fair value measurements:

Particulars	Fair value as at 31-3-2021 (₹ crore)	Fair value as at *31-3-2020* (₹ crore)	Significant unobservable inputs	Sensitivity
Equity shares	469.71	*474.95*	Book value	31-3-2021: Increase/(decrease) of 5% in the book value would result in impact on profit or loss by ₹ 19.57 crore *31-3-2020: Increase/(decrease) of 5% in the book value would result in impact on profit or loss by ₹ 19.57 crore*
	68.30	*68.30*	31-3-2021: 1. Net realisation per month ₹ 31.83 per sq/ft. 2. Capitalisation rate 11.50% *31-3-2020:* *1. Net realisation per month ₹ 31.83 per sq/ft.* *2. Capitalisation rate 12.25%*	31-3-2021: 1% change in net realisation would result in +/- ₹ 0.28 crore (post tax- ₹ 0.21 crore) 25 bps change in capitalisation rate would result in +/- ₹ 0.60 crore (post tax- ₹ 0.45 crore) *31-3-2020: 1% change in net realisation would result in +/- ₹ 0.33 crore (post tax- ₹ 0.24 crore)* *25 bps change in capitalisation rate would result in +/- ₹ 0.65 crore (post tax- ₹ 0.49 crore)*
Preference shares	10.85	–	Book value	31-3-2021: Increase/(decrease) of 5% in the book value would result in impact on profit or loss by ₹ 0.54 crore
	76.83	*89.88*	Expected yield	31-3-2021: Increase/(decrease) in the fair value by 5% would result in impact on profit or loss by ₹ 3.82 crore *31-3-2020: Increase/(decrease) in the fair value by 5% would result in impact on profit or loss by ₹ 4.44 crore*
Debt instruments	867.21	*1153.39*	Expected yield	31-3-2021: Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 1.76 crore *31-3-2020: Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 1.79 crore*
Loans	22877.66	*24877.64*	Expected yield	31-3-2021: Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 42.80 crore *31-3-2020: Increase/(decrease) in fair value by 0.25% would result in impact on profit or loss by ₹ 46.54 crore*
Other investments	4176.24	*2605.09*	Net Assets Value (NAV)	31-3-2021: Increase/(decrease) in the NAV by 5% would result in impact on profit or loss by ₹ 156.25 crore *31-3-2020: Increase/(decrease) in the NAV by 5% would result in impact on profit or loss by ₹ 97.47 crore*

(i) Movement of financial liabilities measured using unobservable inputs (Level 3):

₹ crore

Particulars	Contingent consideration
Balance as at 31-3-2019	157.00
Addition during the year	61.50
Charge recognised in Statement of Profit and Loss	9.35
Settled during the year	(20.67)
Foreign exchange difference	11.02
Balance as at 31-3-2020	218.20
Addition during the year	18.48
Charge recognised in Statement of Profit and Loss	(49.95)
Settled during the year	(40.81)
Foreign exchange difference	4.32
Balance as at 31-3-2021	150.24

Note: A one percentage point change in the unobservable inputs used in fair valuation of Level 3 liabilities does not have a significant impact on the value.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

(j) Maturity profile of financial liabilities based on undiscounted cash flows:

₹ crore

Particulars	Note	As at 31-3-2021 Within twelve months	As at 31-3-2021 After twelve months	As at 31-3-2021 Total	*As at 31-3-2020 Within twelve months*	*As at 31-3-2020 After twelve months*	*As at 31-3-2020 Total*
A. Non-derivative liabilities:							
Borrowings	22,26,27	54887.25	95784.33	150671.58	*64484.49*	*95134.82*	*159619.31*
Trade payables:							
Due to micro enterprises and small enterprises		368.94	120.05	488.99	*423.25*	*56.26*	*479.51*
Due to others	28	42662.63	2352.99	45015.62	*41695.77*	*1468.65*	*43164.42*
Other financial liabilities	23,29	5084.70	128.23	5212.93	*3458.62*	*272.61*	*3731.23*
Lease liability		395.55	1637.77	2033.32	*407.46*	*1783.06*	*2190.52*
Total		103399.07	100023.37	203422.44	*110469.59*	*98715.40*	*209184.99*
B. Derivative liabilities:							
Forward contracts	23,29	413.98	69.63	483.61	*1287.28*	*707.84*	*1995.12*
Embedded derivatives	23,29	69.74	–	69.74	*121.12*	*2.09*	*123.21*
Total		483.72	69.63	553.35	*1408.40*	*709.93*	*2118.33*

(k) Details of outstanding hedge instruments for which hedge accounting is followed:

(i) Outstanding currency exchange rate hedge instruments:

(A) Forward covers taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2021 Nominal amount (₹ crore)	As at 31-3-2021 Average rate (₹)	As at 31-3-2021 Within twelve months (₹ crore)	As at 31-3-2021 After twelve months (₹ crore)	*As at 31-3-2020 Nominal amount (₹ crore)*	*As at 31-3-2020 Average rate (₹)*	*As at 31-3-2020 Within twelve months (₹ crore)*	*As at 31-3-2020 After twelve months (₹ crore)*
(a) Receivable hedges:								
US Dollar	37310.77	79.03	20391.92	16918.85	*33569.57*	*76.26*	*19267.26*	*14302.31*
EURO	1715.73	90.63	1450.44	265.29	*2277.73*	*84.47*	*2068.58*	*209.15*
Malaysian Ringgit	91.85	19.40	91.85	–	*173.51*	*17.85*	*125.19*	*48.32*
Omani Riyal	785.49	193.34	599.11	186.38	*485.60*	*193.42*	*107.43*	*378.17*
Arab Emirates Dirham	926.09	21.26	779.75	146.34	*1174.53*	*20.78*	*830.91*	*343.62*
Canadian Dollar	37.78	57.24	37.78	–	–	–	–	–
British Pound	257.70	100.22	257.70	–	*55.12*	*99.23*	*55.12*	–
Japanese Yen	2537.18	0.73	2426.78	110.40	*1640.41*	*0.69*	*1324.82*	*315.59*
Kuwaiti Dinar	831.62	255.45	645.10	186.52	*1393.32*	*238.30*	*1170.76*	*222.56*
Qatari Riyal	1207.41	20.72	958.10	249.31	*1401.35*	*20.99*	*1319.32*	*82.03*
Bangladesh Taka	–	–	–	–	*1859.64*	*0.90*	*1674.92*	*184.72*
Saudi Riyal	–	–	–	–	*52.82*	*19.97*	*52.82*	–
Australian Dollar	72.07	55.10	72.07	–	–	–	–	–
South African Rand	63.52	4.67	63.52	–	*2.96*	*5.00*	*2.96*	–
Danish krone	38.91	11.94	38.91	–	–	–	–	–
Mauritian Rupee	–	–	–	–	*149.67*	*1.91*	*111.93*	*37.74*
Thai Baht	–	–	–	–	*1.56*	*2.35*	*1.56*	–
Swedish Krona	108.54	8.70	108.54	–	–	–	–	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

Particulars	As at 31-3-2021				*As at 31-3-2020*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
(b) Payable hedges:								
US Dollar	14875.35	73.39	11322.88	3552.47	*16377.55*	*73.86*	*12888.45*	*3489.10*
EURO	7293.72	87.63	7013.89	279.83	*4376.52*	*84.32*	*4086.26*	*290.26*
Qatari Riyals	29.59	20.69	29.59	–	–	–	–	–
Arab Emirates Dirham	46.35	20.28	46.35	–	*396.31*	*20.75*	*396.31*	–
British Pound	26.41	101.30	26.41	–	*47.35*	*94.10*	*47.35*	–
Japanese Yen	1325.68	0.72	1325.68	–	*771.37*	*0.70*	*657.29*	*114.08*
Kuwaiti Dinar	242.90	242.90	242.90	–	*409.62*	*236.91*	*409.62*	–
Omani Riyal	9.46	189.04	9.46	–	–	–	–	–
Swiss Franc	355.03	80.29	185.27	169.76	*176.13*	*76.89*	*176.13*	–
Chinese Yuan	85.99	11.23	85.99	–	*84.13*	*10.67*	*75.37*	*8.76*
Bangladesh Taka	–	–	–	–	*766.73*	*0.88*	*766.73*	–
Mauritian Rupee	–	–	–	–	*385.17*	*1.86*	*385.17*	–
Canadian Dollar	3.51	58.77	3.51	–	*31.46*	*54.37*	*31.46*	–

(B) Options taken to hedge exchange rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2021				*As at 31-3-2020*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
(a) Receivable hedges:								
US Dollar/Indian Rupees	1052.91	81.76	90.50	962.41	915.51	87.19	–	915.51
EURO/US Dollar	1093.04	$1.08 to $1.18	582.92	510.12	936.12	$1.16	577.04	359.08
US Dollar/EURO	618.03	$1.15 to $1.18	238.53	379.50	681.58	$1.16 to $1.24	485.62	195.96
(b) Payable hedges:								
US Dollar/EURO	618.03	$1.15 to $1.18	238.53	379.50	681.58	$1.16 to $1.24	485.62	195.96
EURO/US Dollar	273.94	$1.08	106.23	167.71	298.75	$1.05	213.02	85.73

(C) Forward covers taken to hedge exchange rate risk and accounted as fair value hedge:

Particulars	As at 31-3-2021				*As at 31-3-2020*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
(a) Receivable hedges:								
US Dollar	1444.18	73.26	1444.18	–	1694.48	73.82	1694.48	–
Canadian Dollar	3.48	58.01	3.48	–	14.45	53.00	14.45	–
British Pound	66.98	100.72	66.98	–	40.12	89.00	40.12	–
Australian Dollar	3.34	55.64	3.34	–	10.60	44.00	10.60	–
South African Rand	1.95	4.86	1.95	–	37.99	5.00	37.99	–
Danish Krone	–	–	–	–	4.41	11.00	4.41	–
Norwegian Krone	–	–	–	–	3.70	7.00	3.70	–
EURO	86.29	86.29	86.29	–	–	–	–	–
Arab Emirates Dirham	112.90	20.34	112.90	–	–	–	–	–
Swedish Krona	10.04	8.37	10.04	–	18.46	8.00	18.46	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

(D) Forward covers taken to hedge exchange rate risk and accounted as net investment hedge:

Particulars	As at 31-3-2021				*As at 31-3-2020*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
(a) Receivable hedges:								
US Dollar	–	–	–	–	29.00	72.51	29.00	–
Arab Emirates Dirham	–	–	–	–	102.55	20.11	102.55	–
Qatari Riyal	–	–	–	–	45.77	20.70	45.77	–

(ii) Outstanding interest rate hedge instruments:

Interest rate swaps taken to hedge interest rate risk and accounted as cash flow hedge:

Particulars	As at 31-3-2021				*As at 31-3-2020*			
	Nominal amount (₹ crore)	Average rate (%)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (%)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
Floating interest rate borrowings - US Dollar	–	–	–	–	*4.32*	*7.35*	*4.32*	–

(iii) Outstanding commodity price hedge instruments:

Commodity forward contract:

Particulars	As at 31-3-2021				*As at 31-3-2020*			
	Nominal amount (₹ crore)	Average rate (₹)	Within twelve months (₹ crore)	After twelve months (₹ crore)	*Nominal amount (₹ crore)*	*Average rate (₹)*	*Within twelve months (₹ crore)*	*After twelve months (₹ crore)*
Copper (Tn)[a]	(114.88)	587748.64	(114.88)	–	*53.65*	*404260.66*	*27.25*	*26.40*
Aluminium (Tn)[a]	(11.71)	151245.62	11.78	(23.49)	*355.02*	*133756.31*	*355.02*	–
Iron Ore (Tn)	33.68	7447.47	33.68	–	*25.71*	*5643.17*	*15.18*	*10.53*
Coking Coal (Tn)	–	–	–	–	*24.58*	*13101.74*	*15.50*	*9.08*
Lead (Tn)	48.19	142370.06	48.19	–	*42.56*	*146921.65*	*42.56*	–
Nickel (Tn)	143.04	1030545.11	143.04	–	*112.49*	*992854.36*	*112.49*	–

[a] Negative nominal amount represents sell position (net).

(I) Carrying amounts of hedge instruments for which hedge accounting is followed:

(A) Cash flow hedge:

₹ crore

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
(a) Current:						
Asset - Other financial assets	664.21	–	165.25	*795.45*	*(0.96)*	*83.78*
Liability - Other financial liabilities	329.79	–	61.35	*1055.95*	–	*136.18*
(b) Non-current:						
Asset - Other financial assets	451.91	–	–	*53.00*	–	–
Liability - Other financial liabilities	44.22	–	3.02	*580.21*	–	*1.71*
(ii) Swap contracts						
(a) Non-current:						
Asset - Other financial assets	–	–	–	*155.06*	–	–
Liability - Other financial liabilities	–	–	–	*59.55*	–	–

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

₹ crore

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(iii) Option contracts						
(a) Current:						
Asset - Other financial assets	20.38	–	–	*26.61*	–	–
Liability - Other financial liabilities	9.79	–	–	*8.97*	–	–
(b) Non-current:						
Asset - Other financial assets	62.26	–	–	*39.13*	–	–
Liability - Other financial liabilities	25.54	–	–	*33.36*	–	–

(B) Fair value hedge:

₹ crore

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
(a) Current:						
Asset - Other financial assets	7.65	–	–	–	–	–
Liability - Other financial liabilities	3.06	–	–	*63.86*	–	–
(ii) Option contracts						
(a) Current:						
Asset - Other financial assets	–	–	–	*4.84*	–	–
(b) Non-current:						
Asset - Other financial assets	–	–	–	*4.67*	–	–

(C) Net investment hedge:

₹ crore

Particulars	As at 31-3-2021			*As at 31-3-2020*		
	Currency exposure	Interest rate exposure	Commodity price exposure	*Currency exposure*	*Interest rate exposure*	*Commodity price exposure*
(i) Forward contracts						
(a) Current:						
Liability - Other financial liabilities	–	–	–	*0.26*	–	–

(m) Breakup of cash flow hedging reserve and cost of hedging reserve:

₹ crore

Particulars	As at 31-3-2021		*As at 31-3-2020*	
	Cash flow hedging reserve	Cost of hedging reserve	*Cash flow hedging reserve*	*Cost of hedging reserve*
Balance towards continuing hedges	284.77	(4.34)	*(412.63)*	*(13.78)*
Balance for which hedge accounting discontinued	207.34	(2.67)	*(9.14)*	*(1.37)*
Total	492.11	(7.01)	*(421.77)*	*(15.15)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [59] ***(contd.)***

(n) Reclassification of hedging reserve and cost of hedging reserve to Profit or Loss:

₹ *crore*

Particulars	2020-21	*2019-20*
(A) Future cash flows are no longer expected to occur:		
(i) Sales, administration and other expenses	39.49	*(16.65)*
(B) Hedged expected future cash flows affecting Profit or loss:		
(i) Progress billing	260.25	*(100.64)*
(ii) Revenue from operations	38.12	*166.52*
(iii) Manufacturing, construction and operating expenses	90.86	*(131.68)*
(iv) Finance costs	(137.54)	*(150.26)*
(v) Sales, administration and other expenses	242.30	*313.90*
(vi) Discontinued operations	–	*3.38*

(o) Movement of cash flow hedging reserve and cost of hedging reserve:

₹ *crore*

Cash flow hedging reserve	2020-21	*2019-20*
Opening balance	(421.77)	*239.11*
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedges	222.30	*248.63*
Changes in fair value of forward contracts designated as hedging instruments	1837.49	*(1001.89)*
Changes in intrinsic value of option contracts	(6.94)	*3.64*
Changes in fair value of swaps	28.16	*(43.85)*
Amount reclassified to Profit or Loss	(421.08)	*(307.86)*
Amount included in non-financial asset/liability	(6.62)	*5.39*
Amount included in progress billing in Balance Sheet	(260.25)	*100.64*
Taxes related to above	(479.18)	*334.42*
Closing balance	492.11	*(421.77)*

₹ *crore*

Cost of hedging reserve	2020-21	*2019-20*
Opening balance	(15.15)	*5.89*
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	(138.38)	*(151.87)*
Included in carrying amount of hedge item	–	*0.55*
Amount reclassified to Profit or Loss	149.50	*122.14*
Taxes related to above	(2.98)	*8.14*
Closing balance	(7.01)	*(15.15)*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [60]

Value of financial assets and inventories hypothecated as collateral for liabilities and/or commitments and/or contingent liabilities:

₹ crore

Particulars	As at 31-3-2021	*As at 31-3-2020*
Current:		
Inventories and trade receivables	15290.95	*15325.09*
Cash and cash equivalents	345.59	*22.70*
Loans	34777.90	*39286.44*
Other assets	522.27	*85.90*
Total inventories and current financial assets hypothecated as collateral	50936.71	*54720.13*
Non-current:		
Investments	–	*1447.99*
Loans	47357.97	*46722.84*
Total non-current financial assets hypothecated as collateral	47357.97	*48170.83*

NOTE [61]

Disclosure pursuant to Ind AS 116 "Leases":

(a) Where the Group is a lessor:

(i) Finance leases:

A. Assets given under leases mainly include power plant where the Group has agreed to manufacture/construct an asset and convey, in substance, a right to the beneficiary to use the asset over a major part of its economic life, for a pre-determined consideration.

B. Finance lease income recognised in the Statement of Profit and Loss: ₹ 1023.64 crore *(previous year: ₹ 1035.33 crore)*. Out of above, ₹ 984.30 crore *(previous year: ₹ 1003.04 crore)* is on the net investment in finance lease and ₹ 39.34 crore *(previous year: ₹ 32.29 crore)* is income relating to variable lease payments not included in the measurement of the net investment in finance leases.

C. Selling profit on finance lease recognised in the Statement of Profit and Loss: ₹ 14.55 crore *(previous year: Nil)*.

D. Sub-lease income recognised on finance leases: ₹ 0.18 crore *(previous year: ₹ 0.25 crore)*.

E. The gross investment in these leases and the present value of minimum lease payments receivable is as under:

₹ crore

Sr. No.	Particulars	Minimum lease payments		Present value of minimum lease payments	
		As at 31-3-2021	*As at 31-3-2020*	As at 31-3-2021	*As at 31-3-2020*
1	Receivable not later than 1 year	1151.43	*1189.58*	207.15	*214.76*
2	Receivable later than 1 year and not later than 2 years	1235.89	*1137.71*	310.37	*185.55*
3	Receivable later than 2 years and not later than 3 years	1517.28	*1231.54*	642.15	*306.33*
4	Receivable later than 3 years and not later than 4 years	1290.94	*1511.98*	478.38	*637.00*
5	Receivable later than 4 years and not later than 5 years	1017.77	*1289.63*	246.40	*476.96*
6	Receivable later than 5 years	12449.61	*13467.38*	5841.02	*6087.22*
7	Unguaranteed residual value	990.36	*990.36*	990.36	*990.36*
8	Gross investment in leases (1+2+3+4+5+6+7)	19653.28	*20818.18*	8715.83	*8898.18*
9	Less: Unearned finance income	10937.45	*11920.00*		
10	Present value of minimum lease payments receivable (8-9)	8715.83	*8898.18*		
11	Less: Impairment [in Developmental Projects Segment (Note 48)]/expected credit loss on lease receivables	1687.42	*–*	1687.42	*–*
	Net lease receivables (10-11)	7028.41	*8898.18*	7028.41	*8898.18*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [61] ***(contd.)***

F. Reconciliation of carrying amount of net investment in finance lease receivables:

₹ crore

Sr. No.	Particulars	2020-21	*2019-20*
1	Opening balance	8898.18	*9067.70*
2	Impact of Ind AS 116 - derecognition of right-of-use asset on sub- lease treated as finance lease	–	*3.26*
3	Finance income/sub-lease income recognised during the year	984.48	*1003.29*
4	Addition to finance lease during the year	28.65	*76.10*
5	Lease rental received during the year	(1195.48)	*(1252.17)*
6	Impairment [in Developmental Projects Segment (Note 48)]/expected credit loss recognised during the year	(1687.42)	–
	Closing balance (1+2+3+4+5+6)	7028.41	*8898.18*

(ii) Operating leases:

A. The Group has given on non-cancellable lease certain assets such as buildings, plant & equipment, furniture & fixtures and vehicles. Leases are renewed only on mutual consent and at a prevalent market price and sub-lease is generally restricted.

B. Operating lease income recognised in the Statement of Profit and Loss: ₹ 101.31 crore *(previous year: ₹ 170.85 crore).*

C. Sub-lease income recognised on operating leases: ₹ 3.94 crore *(previous year: ₹ 1.28 crore).*

D. Annual undiscounted lease payments receivable is as under:

₹ crore

Sr. No.	Particulars	As at 31-3-2021	*As at 31-3-2020*
1	Receivable not later than 1 year	70.29	*116.97*
2	Receivable later than 1 year and not later than 2 years	48.66	*81.77*
3	Receivable later than 2 years and not later than 3 years	22.82	*50.78*
4	Receivable later than 3 years and not later than 4 years	7.41	*27.28*
5	Receivable later than 4 years and not later than 5 years	0.37	*7.41*
6	Receivable later than 5 years	0.64	*0.61*
	Total (1+2+3+4+5+6)	150.19	*284.82*

(b) Where the Group is a lessee:

(i) The Group has taken on lease various assets such as plant & equipment, buildings, office premises, furniture & fixtures, vehicles and computers. Generally, leases are renewed only on mutual consent and at a prevalent market price and sub-lease is restricted.

(ii) The Group during the year has leased out surplus capacity in leased assets and has accounted an income of ₹ 4.12 crore *(previous year: ₹ 1.53 crore)* on such sub-leases.

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [61] ***(contd.)***

(iii) Details with respect to right-of-use assets:

₹ crore

Class of asset	Depreciation for the year [a]		Additions during the year		Carrying amount	
	2020-21	*2019-20*	2020-21	*2019-20* [b]	As at 31-3-2021	*As at 31-3-2020*
Land	19.03	*17.81*	5.64	*26.57*	368.80	*385.44*
Buildings	363.20	*288.15*	354.63	*1125.51*	1602.80	*1716.20*
Plant & equipment	73.57	*45.60*	5.78	*114.52*	42.82	*117.77*
Furniture & fixtures	1.67	*1.67*	–	–	5.14	*6.81*
Vehicles	0.16	*0.21*	0.34	*0.15*	0.45	*0.27*
Computers	0.24	–	1.76	–	1.52	–
Total	457.87	*353.44*	368.15	*1266.75*	2021.53	*2226.49*

[a] Depreciation for the year includes depreciation on land Nil *(previous year: ₹ 0.14 crore)* and on buildings Nil *(previous year: ₹ 0.04 crore)* pertaining to discontinued operations.

[b] Include addition on account of business combination ₹ 607.03 crore (₹ 23.89 crore in land and ₹ 583.14 crore in buildings).

(iv) Interest expense on lease liabilities amounts to ₹ 203.57 crore *(previous year: ₹ 162.79 crore)* [including ₹ 0.28 crore *(previous year: ₹ 0.74 crore)* pertaining to discontinued operations].

(v) Amounts not included in the measurement of the lease liability and recognised as expense in the Statement of Profit and Loss during the year are as follows:

A. Short term leases - ₹ 2339.65 crore *(previous year: ₹ 2749.00 crore)* [including ₹ 4.60 crore *(previous year: ₹ 10.91 crore)* pertaining to discontinued operations];

B. Low value leases - ₹ 38.88 crore *(previous year: ₹ 48.45 crore).*

(vi) Total cash outflow for leases amounts to ₹ 2791.11 crore *(previous year: ₹ 3090.44 crore)* [including ₹ 5.89 crore *(previous year: ₹ 13.63 crore)* pertaining to discontinued operations] during the year including cash outflow of short term and low value leases.

(vii) The Group has entered into certain lease agreements, which had not commenced by the year end and as a result, a lease liability and right-of-use asset has not been recognised as at year end. The aggregate future cash flows to which the Group is exposed in respect of these contracts are:

Fixed payments of ₹ 8.39 crore *(previous year: ₹ 17.99 crore)* per year, for a lease term of 10 years *(previous year: 9 years).*

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [62]

Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended 31-3-2021:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
Parent Company								
Larsen and Toubro Limited	79.63%	60413.54	97.88%	11336.97	43.52%	491.55	93.05%	11828.52
Indian Subsidiaries								
Infrastructure:								
Hi-Tech Rock Products and Aggregates Limited	(0.00%)	(0.01)	0.05%	5.50	–	–	0.04%	5.50
L&T Geostructure Private Limited (Formerly known as L&T Geostructure LLP)	0.32%	239.32	0.34%	39.80	0.03%	0.30	0.32%	40.10
L&T Infrastructure Engineering Limited	0.06%	45.48	0.00%	0.11	0.02%	0.20	0.00%	0.31
Heavy Engineering:								
L&T Cassidian Limited	–	–	–	–	–	–	–	–
Hydrocarbon:								
L&T Hydrocarbon Engineering Limited	3.76%	2850.72	7.13%	826.41	(8.58%)	(96.85)	5.74%	729.56
IT & Technology Services:								
Larsen & Toubro Infotech Limited	9.15%	6939.80	15.43%	1787.39	38.83%	438.62	17.51%	2226.01
L&T Technology Services Limited	4.40%	3340.08	5.81%	673.13	22.49%	254.00	7.29%	927.13
Mindtree Limited (Consolidated)	5.69%	4319.02	9.59%	1110.50	29.20%	329.82	11.33%	1440.32
L&T Thales Technology Services Private Limited	0.05%	37.86	0.11%	12.48	0.00%	0.02	0.10%	12.50
Syncordis Software Services India Private Limited	0.01%	3.85	0.01%	1.18	–	–	0.01%	1.18
Graphene Semiconductor Services Private Limited	0.01%	10.84	0.01%	0.73	–	–	0.01%	0.73
Seastar Labs Private Limited	0.00%	0.11	0.00%	0.40	–	–	0.00%	0.40
Ruletronics Systems Private Limited	0.00%	3.50	(0.00%)	(0.40)	–	–	(0.00%)	(0.40)
Esencia Technologies India Private Limited	0.00%	0.60	(0.00%)	(0.02)	–	–	(0.00%)	(0.02)
Lymbyc Solutions Private Limited	0.00%	2.68	(0.01%)	(1.11)	–	–	(0.01%)	(1.11)
Powerup Cloud Technologies Private Limited	0.01%	4.52	(0.03%)	(3.15)	(0.00%)	(0.04)	(0.02%)	(3.19)
Financial Services:								
L&T Capital Markets Limited	–	–	0.03%	3.73	–	–	0.03%	3.73
L&T Finance Holdings Limited	14.51%	11010.28	1.00%	116.05	0.01%	0.11	0.91%	116.16
L&T Infra Debt Fund Limited	1.76%	1335.59	0.55%	63.23	(0.15%)	(1.67)	0.49%	61.56
L&T Infra Investment Partners Advisory Private Limited	0.02%	17.94	0.03%	3.31	–	–	0.03%	3.31
L&T Infra Investment Partners Trustee Private Limited	0.00%	0.07	0.00%	0.01	–	–	0.00%	0.01
L&T Investment Management Limited	0.85%	643.07	1.40%	162.04	0.14%	1.60	1.29%	163.64
L&T Mutual Fund Trustee Limited	0.00%	0.92	(0.00%)	(0.39)	–	–	(0.00%)	(0.39)
L&T Financial Consultants Limited	0.23%	177.45	0.82%	95.31	(0.00%)	(0.01)	0.75%	95.30
Mudit Cement Private Limited	(0.07%)	(53.46)	(0.10%)	(11.30)	–	–	(0.09%)	(11.30)
L&T Finance Limited	20.59%	15621.23	0.01%	1.36	3.82%	43.19	0.35%	44.55
L&T Infra Investment Partners (The Fund)	0.58%	437.36	(0.43%)	(49.70)	–	–	(0.39%)	(49.70)

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [62] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
Developmental Projects:								
L&T Metro Rail (Hyderabad) Limited	0.10%	75.97	(15.25%)	(1766.74)	–	–	(13.90%)	(1766.74)
Sahibganj Ganges Bridge-Company Private Limited	–	–	–	–	–	–	–	–
Power Development:								
L&T Arunachal Hydropower Limited	(0.00%)	(0.23)	(0.00%)	(0.05)	–	–	(0.00%)	(0.05)
L&T Himachal Hydropower Limited	(0.00%)	(3.02)	(0.01%)	(0.73)	–	–	(0.01%)	(0.73)
L&T Power Development Limited	3.02%	2289.66	(4.88%)	(564.56)	–	–	(4.44%)	(564.56)
L&T Uttaranchal Hydropower Limited	1.11%	843.57	(6.39%)	(739.61)	–	–	(5.82%)	(739.61)
Nabha Power Limited	4.81%	3650.03	1.41%	163.86	(1.57%)	(17.68)	1.15%	146.18
Realty:								
Chennai Vision Developers Private Limited	(0.00%)	(0.02)	0.00%	0.01	–	–	0.00%	0.01
L&T Asian Realty Project LLP	(0.06%)	(45.42)	(0.13%)	(14.65)	–	–	(0.11%)	(14.65)
L&T Parel Project LLP	0.19%	146.81	0.47%	54.79	0.01%	0.08	0.43%	54.87
L&T Realty Developers Limited (Formerly known as L&T Construction Equipment Limited)	1.29%	981.07	3.30%	381.79	–	–	3.00%	381.79
LTR SSM Private Limited	–	–	–	–	–	–	–	–
L&T Seawoods Limited	3.69%	2796.93	0.46%	52.72	0.00%	0.01	0.42%	52.73
L&T Vision Ventures Limited	(0.00%)	(0.17)	0.04%	4.50	–	–	0.04%	4.50
L&T Electricals and Automation Limited	(0.00%)	(1.73)	(0.02%)	(2.03)	–	–	(0.02%)	(2.03)
L&T Westend Project LLP	–	–	–	–	–	–	–	–
Valves, Construction Equipment and Others:								
L&T Construction Equipment Limited (Formerly known as L&T Construction Machinery Limited)	0.25%	193.03	(0.02%)	(2.54)	(0.37%)	(4.17)	(0.05%)	(6.71)
L&T Valves Limited	0.64%	482.40	0.39%	45.03	1.16%	13.10	0.46%	58.13
Others:								
Bhilai Power Supply Company Limited	0.00%	0.05	–	–	–	–	–	–
L&T Power Limited	0.01%	5.72	0.00%	0.18	–	–	0.00%	0.18
Kesun Iron and Steel Company Private Limited	–	–	–	–	–	–	–	–
L&T Aviation Services Private Limited	0.05%	35.12	0.00%	0.28	0.00%	0.03	0.00%	0.31
L&T Capital Company Limited	0.01%	5.20	0.00%	0.16	–	–	0.00%	0.16
L&T Infra Contractors Private Limited	–	–	0.00%	0.01	–	–	0.00%	0.01
Foreign Subsidiaries								
Infrastructure:								
Larsen & Toubro (Oman) LLC	0.54%	409.75	(0.22%)	(25.37)	(1.00%)	(11.32)	(0.29%)	(36.69)
Larsen & Toubro Qatar LLC	0.00%	0.09	(0.00%)	(0.11)	–	–	(0.00%)	(0.11)
Larsen & Toubro Saudi Arabia LLC	0.50%	382.99	0.78%	90.75	2.73%	30.80	0.96%	121.55
Larsen & Toubro T&D SA (Proprietary) Limited	0.00%	3.40	0.00%	0.12	0.04%	0.48	0.01%	0.60
Larsen & Toubro (East Asia) Sdn.Bhd.	0.01%	4.22	0.02%	1.79	–	–	0.01%	1.79

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [62] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
Hydrocarbon:								
Larsen & Toubro Heavy Engineering LLC	(0.15%)	(115.80)	(0.38%)	(44.29)	0.28%	3.18	(0.32%)	(41.11)
Larsen & Toubro Hydrocarbon International Limited LLC	–	–	–	–	–	–	–	–
L&T Modular Fabrication Yard LLC	0.27%	208.14	0.11%	13.27	(0.56%)	(6.34)	0.06%	6.93
L&T Overseas Projects Nigeria Limited	–	–	0.00%	0.07	–	–	0.00%	0.07
Larsen Toubro Arabia LLC	(0.38%)	(289.24)	0.58%	67.64	1.09%	12.28	0.63%	79.92
L&T Hydrocarbon Saudi Company	(0.76%)	(578.09)	(0.67%)	(77.98)	4.23%	47.77	(0.24%)	(30.21)
Larsen & Toubro Kuwait Construction General Contracting Company WLL	0.01%	7.82	0.03%	3.02	(0.01%)	(0.11)	0.02%	2.91
PT Larsen & Toubro Hydrocarbon Engineering Indonesia	–	–	–	–	–	–	–	–
Larsen & Toubro Electromech LLC	0.06%	47.28	0.63%	72.60	(0.46%)	(5.16)	0.53%	67.44
L&T Hydrocarbon International FZE	(0.00%)	(0.48)	(0.00%)	(0.30)	0.00%	0.01	(0.00%)	(0.29)
IT & Technology Services:								
L&T Information Technology Services (Shanghai) Co., Ltd.	(0.00%)	(3.70)	(0.02%)	(2.25)	(0.01%)	(0.06)	(0.02%)	(2.31)
L&T Infotech Financial Services Technologies Inc.	0.48%	360.79	0.74%	86.05	2.30%	25.99	0.88%	112.04
Larsen & Toubro Infotech Canada Limited	0.05%	36.05	0.08%	9.20	0.23%	2.56	0.09%	11.76
Larsen & Toubro Infotech LLC	0.01%	6.14	0.02%	2.33	(0.02%)	(0.18)	0.02%	2.15
Larsen and Toubro Infotech South Africa (Proprietary) Limited	0.01%	11.16	0.06%	6.90	0.10%	1.14	0.06%	8.04
Larsen & Toubro Infotech GmbH	0.50%	381.58	0.46%	53.68	(0.45%)	(5.03)	0.38%	48.65
L&T Information Technology Spain SL	0.00%	0.33	(0.01%)	(1.42)	0.01%	0.07	(0.01%)	(1.35)
Larsen & Toubro Infotech Norge AS	0.00%	3.54	0.03%	3.00	0.02%	0.23	0.03%	3.23
Larsen & Toubro LLC	0.00%	2.84	0.00%	0.06	(0.01%)	(0.10)	(0.00%)	(0.04)
L&T Infotech S. DE R.L. DE C.V.	0.00%	1.58	0.01%	1.20	0.01%	0.08	0.01%	1.28
Syncordis S.A.	0.04%	33.79	0.02%	2.11	0.12%	1.39	0.03%	3.50
Syncordis France SARL	(0.01%)	(6.09)	(0.01%)	(1.15)	(0.01%)	(0.16)	(0.01%)	(1.31)
Syncordis Limited	(0.03%)	(18.32)	(0.01%)	(0.64)	(0.12%)	(1.30)	(0.02%)	(1.94)
Syncordis PSF S.A.	0.00%	3.02	(0.00%)	(0.46)	(0.03%)	(0.36)	(0.01%)	(0.82)
Nielsen+Partner Unternehmensberater GmbH	0.02%	11.91	(0.00%)	(0.13)	0.03%	0.35	0.00%	0.22
Nielsen+Partner Unternehmensberater AG	0.00%	3.47	0.00%	0.27	(0.00%)	(0.04)	0.00%	0.23
Nielsen+Partner Pte Ltd	0.05%	34.46	0.10%	11.79	0.05%	0.55	0.10%	12.34
Nielsen&Partner Company Limited	(0.00%)	(1.74)	(0.01%)	(1.54)	0.00%	0.03	(0.01%)	(1.51)
Nielsen&Partner Pty Ltd	(0.00%)	(0.77)	(0.01%)	(0.78)	(0.00%)	(0.03)	(0.01%)	(0.81)
Ruletronics Limited	0.01%	6.97	(0.01%)	(0.82)	0.05%	0.53	(0.00%)	(0.29)
Ruletronics Systems Inc.	0.00%	0.75	(0.01%)	(1.16)	(0.00%)	(0.05)	(0.01%)	(1.21)
Lymbyc Solutions Inc.	(0.00%)	(0.39)	(0.00%)	(0.02)	0.00%	0.02	–	–
L&T Technology Services LLC	0.42%	319.96	0.54%	62.55	(0.71%)	(7.96)	0.43%	54.59
Graphene Solutions PTE Ltd.	0.00%	0.64	(0.00%)	(0.35)	0.00%	0.02	(0.00%)	(0.33)
Graphene Solutions SDN. BHD.	0.00%	0.14	(0.00%)	(0.02)	–	–	(0.00%)	(0.02)
Graphene Solutions Taiwan Limited	0.00%	0.30	(0.00%)	(0.38)	–	–	(0.00%)	(0.38)
Esencia Technologies Inc.	(0.01%)	(5.38)	0.00%	0.41	0.00%	0.01	–	0.42

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [62] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
L&T Technology Services (Shanghai) Co. Ltd	0.00%	1.13	(0.01%)	(0.88)	0.01%	0.07	(0.01%)	(0.81)
Orchestra Technology, Inc.	0.03%	21.31	(0.00%)	(0.01)	(0.02%)	(0.19)	(0.00%)	(0.20)
Larsen & Toubro Infotech UK Limited	0.00%	0.22	0.00%	0.20	0.00%	0.01	0.00%	0.21
LTI Middle East FZ-LLC	0.00%	1.39	(0.02%)	(2.34)	0.01%	0.07	(0.02%)	(2.27)
L&T Technology Services (Canada) Ltd	0.00%	0.08	0.00%	0.04	–	–	0.00%	0.04
Financial Services:								
L&T Capital Markets (Middle East) Ltd	–	–	(0.05%)	(5.97)	–	–	(0.05%)	(5.97)
Valves, Construction Equipment and Others:								
L&T Valves Arabia Manufacturing LLC	(0.00%)	(1.64)	(0.02%)	(2.30)	0.00%	0.01	(0.02%)	(2.29)
L&T Valves USA LLC	0.00%	1.31	(0.02%)	(1.97)	(0.01%)	(0.08)	(0.02%)	(2.05)
Electrical & Automation:								
Henikwon Corporation SDN. BHD.	–	–	(0.01%)	(1.56)	–	–	(0.01%)	(1.56)
Kana Controls General Trading and Contracting company W.L.L.	–	–	(0.03%)	(3.21)	–	–	(0.03%)	(3.21)
L&T Electrical & Automation FZE	–	–	(0.17%)	(19.26)	–	–	(0.15%)	(19.26)
L&T Electricals & Automation Saudi Arabia Company Limited LLC	–	–	(0.01%)	(1.19)	–	–	(0.01%)	(1.19)
PT. Tamco Indonesia	–	–	(0.05%)	(5.44)	–	–	(0.04%)	(5.44)
Servowatch Systems Limited	–	–	(0.03%)	(3.39)	–	–	(0.03%)	(3.39)
Tamco Electrical Industries Australia Pty Limited	–	–	(0.01%)	(1.04)	–	–	(0.01%)	(1.04)
Tamco Switchgear (Malaysia) SDN BHD	–	–	(0.10%)	(11.71)	–	–	(0.09%)	(11.71)
Thalest Limited	–	–	(0.00%)	(0.55)	(0.07%)	(0.82)	(0.01%)	(1.37)
Others:								
Larsen & Toubro International FZE	0.46%	347.49	1.46%	169.57	(28.42%)	(321.05)	(1.19%)	(151.48)
L&T Global Holdings Limited	0.76%	580.16	(0.05%)	(6.07)	(1.81%)	(20.39)	(0.21%)	(26.46)
Total Subsidiaries		60658.35		2881.58		707.58		3589.16
Non-controlling Interest in all subsidiaries	(15.88%)	(12051.53)	(11.56%)	(1338.35)	(28.76%)	(324.88)	(13.08%)	(1663.23)
Indian Associates								
L&T-Chiyoda Limited	0.09%	68.92	0.07%	7.72	(0.01%)	(0.14)	0.06%	7.58
Gujarat Leather Industries Limited	–	–	–	–	–	–	–	–
Magtorq Private Limited	0.01%	4.77	0.00%	0.14	–	–	0.00%	0.14
Magtorq Engineering Solutions Private Limited	0.00%	0.49	0.00%	0.05	–	–	0.00%	0.05
Foreign Associates								
Larsen & Toubro Qatar & HBK Contracting Co. WLL	(0.00%)	(3.79)	–	–	–	–	–	–
L&T Camp Facilities LLC	0.01%	4.30	(0.01%)	(1.73)	(0.01%)	(0.08)	(0.01%)	(1.81)
Total Associates		74.69		6.18		(0.22)		5.96

Notes forming part of the Consolidated Financial Statements (contd.)

NOTE [62] ***(contd.)***

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated Other comprehensive income	Amount (₹ crore)	As % of consolidated Total comprehensive income	Amount (₹ crore)
Indian Joint Ventures								
Power:								
L&T - MHI Power Boilers Private Limited (Formerly known as L&T - MHPS Boilers Private Limited)	1.16%	881.73	1.11%	129.07	(1.04%)	(11.75)	0.92%	117.32
L&T - MHI Power Turbine Generators Private Limited (Formerly known as L&T-MHPS Turbine Generators Private Limited)	0.24%	183.64	0.16%	18.28	(0.39%)	(4.45)	0.11%	13.83
L&T Howden Private Limited	0.09%	65.47	0.14%	14.48	0.00%	0.01	0.11%	14.49
L&T-Sargent & Lundy Limited	0.06%	42.51	0.09%	9.69	0.04%	0.42	0.08%	10.11
Heavy Engineering:								
L&T Special Steels and Heavy Forgings Private Limited [Note 48(b)]	(2.18%)	(1656.41)	(7.69%)	(890.62)	0.01%	0.09	(7.01%)	(890.53)
Defence Engineering:								
L&T MBDA Missile Systems Limited	0.01%	7.34	0.07%	7.90	–	–	0.06%	7.90
Hydrocarbon:								
L&T Sapura Offshore Private Limited	0.00%	0.30	0.00%	0.01	–	–	0.00%	0.01
L&T Sapura Shipping Private Limited	0.33%	248.79	(0.50%)	(58.02)	(0.87%)	(9.84)	(0.53%)	(67.86)
Developmental Projects:								
L&T Infrastructure Development Projects Limited (Consolidated)	1.07%	808.58	(0.57%)	(66.33)	(4.65%)	(52.49)	(0.93%)	(118.82)
Others:								
Raykal Aluminium Company Private Limited	0.00%	0.07	(0.00%)	(0.14)	–	–	(0.00%)	(0.14)
Foreign Joint Ventures								
Hydrocarbon:								
Indiran Engineering Projects & Systems Kish PJSC	(0.00%)	(0.03)	0.00%	0.26	(0.00%)	(0.04)	0.00%	0.22
L&T Hydrocarbon Caspian LLC	–	–	–	–	–	–	–	–
Total Joint Ventures		581.99		(835.42)		(78.05)		(913.47)
CFS adjustment and elimination	(44.57%)	(33808.51)	(4.04%)	(468.03)	29.53%	333.51	(1.07%)	(134.52)
Total		75868.53		11582.93		1129.49		12712.42

NOTE [63]

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2021.

NOTE [64]

a. For better understanding of the Group's financial performance, line items have been added to show Profit after tax from continuing operations separately from exceptional items. This is in line with guidance available in Schedule III to Companies Act, 2013.

b. The Company has consolidated financials of Mindtree Limited from the quarter beginning July 1, 2019. Accordingly, the figures for the previous year are not comparable.

c. Figures for the previous year have been regrouped/re-classified to conform to the figures of the current year.

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013]

₹ crore

Sr. no.	Sr. No.	1	2	3	4	5	6
	Particulars	**Bhilai Power Supply Company Limited**	**L&T Electricals and Automation Limited**	**Hi-Tech Rock Products and Aggregates Limited**	**L&T Seawoods Limited**	**Kesun Iron and Steel Company Private Limited**	**L&T Valves Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	–	–	–	–	–	–
	Date of Acquisition	**11-Jul-95***	**12-Dec-07***	**01-Jan-08***	**13-Mar-08***	**16-Jan-09***	**23-Nov-61***
1	Share capital (including share application money pending allotment)	0.05	7.44	0.05	1654.55	0.01	18.00
2	Other equity/Reserves and surplus (as applicable)	–	(9.17)	(0.06)	1142.38	(0.01)	464.40
3	Liabilities	1.06	18.06	132.11	449.28	–	718.51
4	Total equity and liabilities	1.11	16.33	132.10	3246.21	–	1200.91
5	Total assets	1.11	16.33	132.10	3246.21	–	1200.91
6	Investments	–	–	11.53	265.17	–	5.48
7	Turnover	–	–	125.17	109.62	–	1219.73
8	Profit before taxation	–	(1.89)	5.50	68.82	(0.00)	59.12
9	Provision for taxation	–	0.14	–	16.10	–	14.09
10	Profit after taxation	–	(2.03)	5.50	52.72	(0.00)	45.03
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	99.90	100.00	100.00	100.00	95.00	100.00

Sr. no.	Sr. No.	7	8	9	10	11	12
	Particulars	**Chennai Vision Developers Private Limited**	**L&T Vision Ventures Limited**	**L&T Power Limited**	**L&T Aviation Services Private Limited**	**Larsen & Toubro Infotech Limited**	**L&T Finance Holdings Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	–	–	–	–	–	–
	Date of Acquisition	**14-Aug-08***	**22-Dec-06***	**09-Mar-06***	**06-Nov-09***	**23-Dec-96***	**01-May-08***
1	Share capital (including share application money pending allotment)	0.01	0.05	0.05	45.60	17.50	2469.45
2	Other equity/Reserves and surplus (as applicable)	(0.03)	(0.22)	5.67	(10.48)	6922.30	8540.83
3	Liabilities	0.04	11.99	0.22	1.35	3047.90	1829.40
4	Total equity and liabilities	0.02	11.82	5.94	36.47	9987.70	12839.68
5	Total assets	0.02	11.82	5.94	36.47	9987.70	12839.68
6	Investments	0.00	–	5.92	–	4396.50	10069.68
7	Turnover	0.01	–	–	19.59	11562.60	171.26
8	Profit before taxation	0.01	6.02	0.24	1.56	2391.00	188.79
9	Provision for taxation	–	1.51	0.06	1.28	603.61	72.74
10	Profit after taxation	0.01	4.50	0.18	0.28	1787.39	116.05
11	Interim dividend - equity	–	–	–	–	(261.98)	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	(436.88)	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	100.00	68.00	99.99	100.00	74.27	63.62

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ *crore*

	Sr. No.	13	14	15	16	17	18
Sr. no.	Particulars	L&T Finance Limited	L&T Investment Management Limited	L&T Mutual Fund Trustee Limited	L&T Infra Debt Fund Limited	L&T Infra Investment Partners Advisory Private Limited	L&T Infra Investment Partners Trustee Private Limited
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	–	–	–	–	–	–
	Date of Acquisition	**31-Dec-12***	**25-Apr-96***	**30-Apr-96***	**19-Mar-13***	**30-May-11***	**12-Aug-11***
1	Share capital (including share application money pending allotment)	2684.17	251.82	0.15	490.18	5.00	0.10
2	Other equity/Reserves and surplus (as applicable)	12937.06	391.25	0.77	845.41	12.94	(0.03)
3	Liabilities	80587.52	67.76	0.09	8571.56	0.40	0.01
4	Total equity and liabilities	96208.75	710.83	1.01	9907.15	18.34	0.08
5	Total assets	96208.75	710.83	1.01	9907.15	18.34	0.08
6	Investments	8427.00	555.38	0.74	159.22	16.93	0.00
7	Turnover	12349.31	343.99	0.08	891.77	6.46	0.03
8	Profit before taxation	332.24	185.25	(0.39)	159.16	4.43	0.01
9	Provision for taxation	330.88	23.21	–	95.93	1.12	–
10	Profit after taxation	1.36	162.04	(0.39)	63.23	3.31	0.01
11	Interim dividend - equity	–	(97.96)	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	63.62	63.62	63.62	63.62	63.62	63.62

	Sr. No.	19	20	21	22	23	24
Sr. no.	Particulars	L&T Financial Consultants Limited	Mudit Cement Private Limited	L&T Capital Company Limited	L&T Power Development Limited	L&T Uttaranchal Hydropower Limited	L&T Arunachal Hydropower Limited
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	–	–	–	–	–	–
	Date of Acquisition	**16-Jun-11***	**27-Dec-13**	**06-Apr-00***	**12-Sep-07***	**13-Nov-06***	**24-Jun-10***
1	Share capital (including share application money pending allotment)	18.75	2.10	0.05	3112.70	161.05	40.39
2	Other equity/Reserves and surplus (as applicable)	158.70	(55.56)	5.15	(823.04)	682.52	(40.62)
3	Liabilities	280.48	73.65	0.07	0.83	26.42	0.27
4	Total equity and liabilities	457.93	20.19	5.27	2290.49	869.99	0.04
5	Total assets	457.93	20.19	5.27	2290.49	869.99	0.04
6	Investments	–	–	0.00	2286.04	12.21	–
7	Turnover	136.40	–	–	6.21	21.60	–
8	Profit before taxation	136.35	(11.77)	0.26	(564.40)	(739.61)	(0.05)
9	Provision for taxation	41.04	(0.47)	0.10	0.16	–	0.00
10	Profit after taxation	95.31	(11.30)	0.16	(564.56)	(739.61)	(0.05)
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	63.62	63.62	100.00	100.00	100.00	100.00

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	25	26	27	28	29	30
	Particulars	**L&T Himachal Hydropower Limited**	**Nabha Power Limited**	**L&T Metro Rail (Hyderabad) Limited**	**L&T Technology Services Limited**	**L&T Realty Developers Limited**	**L&T Infrastructure Engineering Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**
	Date of Acquisition	**22-Jun-10***	**09-Apr-07***	**24-Aug-10***	**14-Jun-12***	**29-Jul-97**	**09-Dec-98***
1	Share capital (including share application money pending allotment)	200.55	2325.00	2439.00	21.00	167.16	3.60
2	Other equity/Reserves and surplus (as applicable)	(203.57)	1325.03	(2363.03)	3319.10	813.91	41.88
3	Liabilities	3.07	7409.24	17870.79	1480.00	531.76	56.60
4	Total equity and liabilities	0.05	11059.27	17946.76	4820.10	1512.83	102.08
5	Total assets	0.05	11059.27	17946.76	4820.10	1512.83	102.08
6	Investments	–	335.02	–	1700.06	534.57	–
7	Turnover	–	3391.08	347.70	4964.00	507.70	65.57
8	Profit before taxation	(0.73)	163.86	(1766.74)	895.10	414.28	0.29
9	Provision for taxation	0.00	–	–	222.00	32.49	0.18
10	Profit after taxation	(0.73)	163.86	(1766.74)	673.10	381.79	0.11
11	Interim dividend - equity	–	–	–	(78.66)	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	(152.32)	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	100.00	100.00	100.00	74.24	100.00	100.00

Sr. no.	Sr. No.	31	32	33	34	35	36
	Particulars	**L&T Thales Technology Services Private Limited**	**L&T Hydrocarbon Engineering Limited**	**L&T Infra Contractors Private Limited**	**Esencia Technologies India Private Limited**	**Syncordis Software Services India Private Limited**	**LTR SSM Private Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**
	Date of Acquisition	**15-Feb-14**	**02-Apr-09***	**17-Mar-17***	**31-May-17**	**11-Dec-17**	**24-Sep-18***
1	Share capital (including share application money pending allotment)	2.06	1000.05	0.01	0.01	0.45	0.10
2	Other equity/Reserves and surplus (as applicable)	35.80	1850.67	(0.01)	0.59	3.45	(0.10)
3	Liabilities	18.98	11004.75	–	0.02	0.29	–
4	Total equity and liabilities	56.84	13855.47	–	0.62	4.19	–
5	Total assets	56.84	13855.47	–	0.62	4.19	–
6	Investments	14.59	3936.66	–	–	–	–
7	Turnover	84.93	14350.26	–	–	8.31	–
8	Profit before taxation	17.09	1246.56	0.01	(0.02)	1.68	–
9	Provision for taxation	4.61	420.15	–	–	0.45	–
10	Profit after taxation	12.48	826.41	0.01	(0.02)	1.23	–
11	Interim dividend - equity	–	(200.01)	–	–	–	–
12	Interim dividend - preference	–	(43.91)	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	(12.50)	–	–	–	–
15	% of share holding	54.94	100.00	100.00	74.24	74.27	99.00

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ *crore*

Sr. no.	Sr. No.	37	38	39	40	41	42
	Particulars	**L&T-Sargent & Lundy Limited**	**L&T - MHI Power Boilers Private Limited**	**L&T - MHI Power Turbine Generators Private Limited**	**Raykal Aluminium Company Private Limited**	**L&T Special Steels and Heavy Forgings Private Limited**	**L&T Howden Private Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**
	Date of Acquisition	**05-May-95***	**09-Oct-06***	**27-Dec-06***	**23-Feb-99***	**01-Jul-09***	**17-Jun-10***
1	Share capital (including share application money pending allotment)	5.57	234.10	710.60	0.05	566.60	30.00
2	Other equity/Reserves and surplus (as applicable)	79.45	1494.78	(350.52)	0.04	(2805.00)	100.68
3	Liabilities	32.26	2002.90	1625.13	0.85	2681.30	184.34
4	Total equity and liabilities	117.28	3731.78	1985.21	0.94	442.90	315.03
5	Total assets	117.28	3731.78	1985.21	0.94	442.90	315.03
6	Investments	63.75	96.50	305.13	–	–	–
7	Turnover	98.03	1763.44	724.85	–	235.25	254.80
8	Profit before taxation	23.06	342.23	35.85	(0.01)	(1203.54)	38.22
9	Provision for taxation	3.68	89.15	–	0.17	–	9.32
10	Profit after taxation	19.38	253.08	35.85	(0.18)	(1203.54)	28.90
11	Interim dividend - equity	(17.36)	–	–	–	–	(3.75)
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	50.00	51.00	51.00	75.50	74.00	50.10

Sr. no.	Sr. No.	43	44	45	46	47	48
	Particulars	**L&T Sapura Offshore Private Limited**	**L&T Sapura Shipping Private Limited**	**L&T MBDA Missile Systems Limited**	**L&T Infrastructure Development Projects Limited**	**Panipat Elevated Corridor Limited**	**Vadodara Bharuch Tollway Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**USD**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	**–**	**73.11**	**–**	**–**	**–**	**–**
	Date of Acquisition	**02-Sep-10***	**02-Sep-10***	**05-Apr-17***	**26-Feb-01***	**21-Jul-05***	**23-Dec-05***
1	Share capital (including share application money pending allotment)	0.01	158.85	1.00	629.52	30.05	43.50
2	Other equity/Reserves and surplus (as applicable)	0.49	255.81	13.39	2463.24	(332.69)	11.71
3	Liabilities	5.99	304.21	228.72	415.01	450.22	741.10
4	Total equity and liabilities	6.49	718.87	243.11	3507.77	147.58	796.31
5	Total assets	6.49	718.87	243.11	3507.77	147.58	796.31
6	Investments	–	–	–	2833.53	–	64.75
7	Turnover	–	0.23	92.71	99.82	45.35	338.45
8	Profit before taxation	0.01	(96.68)	16.17	(49.01)	(28.23)	128.41
9	Provision for taxation	0.00	–	0.67	4.09	–	22.62
10	Profit after taxation	0.01	(96.68)	15.50	(53.10)	(28.23)	105.79
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	60.00	60.00	51.00	51.00	51.00	51.00

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	49	50	51	52	53	54
	Particulars	**L&T Interstate Road Corridor Limited**	**L&T Transportation Infrastructure Limited**	**L&T Halol-Shamlaji Tollway Limited**	**Ahmedabad-Maliya Tollway Limited**	**L&T Samakhiali Gandhidham Tollway Limited**	**L&T Deccan Tollways Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	–	–	–	–	–	–
	Date of Acquisition	**02-Feb-06***	**24-Sep-97***	**09-Sep-08***	**09-Sep-08***	**05-Feb-10***	**20-Dec-11***
1	Share capital (including share application money pending allotment)	57.16	41.40	795.35	149.00	80.54	285.34
2	Other equity/Reserves and surplus (as applicable)	(10.51)	354.57	(482.26)	(72.86)	(433.68)	(544.95)
3	Liabilities	165.31	38.21	905.85	1252.90	1952.64	2223.85
4	Total equity and liabilities	211.96	434.18	1218.94	1329.04	1599.49	1964.24
5	Total assets	211.96	434.18	1218.94	1329.04	1599.49	1964.24
6	Investments	2.82	93.64	–	53.50	4.85	13.80
7	Turnover	29.15	45.01	94.83	180.26	176.21	157.79
8	Profit before taxation	3.40	32.89	(40.95)	(7.24)	(100.16)	(34.60)
9	Provision for taxation	1.54	6.63	–	–	–	–
10	Profit after taxation	1.86	26.26	(40.95)	(7.24)	(100.16)	(34.60)
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	51.00	63.86	24.98	51.00	51.01	52.89

Sr. no.	Sr. No.	55	56	57	58	59	60
	Particulars	**Kudgi Transmission Limited**	**L&T Sambalpur-Rourkela Tollway Limited**	**PNG Tollway Limited**	**L&T Rajkot-Vadinar Tollway Limited**	**L&T Chennai-Tada Tollway Limited**	**Graphene Semiconductor Services Private Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	–	–	–	–	–	–
	Date of Acquisition	**30-Aug-13**	**18-Oct-13***	**16-Feb-09***	**08-Sep-08***	**24-Mar-08***	**15-Oct-18**
1	Share capital (including share application money pending allotment)	192.60	290.03	169.10	110.00	42.00	1.43
2	Other equity/Reserves and surplus (as applicable)	281.56	(162.65)	(335.43)	(280.37)	(5.91)	9.41
3	Liabilities	1531.35	1038.50	167.32	960.75	355.21	0.35
4	Total equity and liabilities	2005.51	1165.88	0.99	790.38	391.30	11.19
5	Total assets	2005.51	1165.88	0.99	790.38	391.30	11.19
6	Investments	24.23	4.05	0.39	0.00	–	7.23
7	Turnover	189.00	144.89	–	94.60	–	–
8	Profit before taxation	61.59	(49.33)	(4.96)	(15.35)	(0.28)	1.02
9	Provision for taxation	–	–	0.08	–	0.01	0.29
10	Profit after taxation	61.59	(49.33)	(5.04)	(15.35)	(0.29)	0.73
11	Interim dividend - equity	–	–	–	–	–	(18.04)
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	51.00	51.00	37.74	51.00	51.00	74.24

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	61	62	63	64	65	66
	Particulars	**Seastar Labs Private Limited**	**L&T Construction Equipment Limited**	**Ruletronics Systems Private Limited**	**Mindtree Limited**	**Lymbyc Solutions Private Limited**	**Powerup Cloud Technologies Private Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**	**INR**	**INR**	**INR**	**INR**
	Exchange rate on the last day of financial year	**–**	**–**	**–**	**–**	**–**	**–**
	Date of Acquisition	**15-Oct-18**	**18-Dec-18***	**01-Feb-19**	**02-Jul-19**	**29-Aug-19**	**25-Oct-19**
1	Share capital (including share application money pending allotment)	0.05	199.14	0.51	164.72	1.15	0.02
2	Other equity/Reserves and surplus (as applicable)	0.06	(6.11)	2.99	4153.90	1.26	4.50
3	Liabilities	0.20	172.23	4.63	2041.98	3.16	17.26
4	Total equity and liabilities	0.31	365.26	8.13	6360.60	5.57	21.78
5	Total assets	0.31	365.26	8.13	6360.60	5.57	21.78
6	Investments	–	–	–	1930.70	0.56	–
7	Turnover	–	298.23	0.36	7967.80	1.81	26.07
8	Profit before taxation	0.40	(3.77)	(0.29)	1498.20	(1.47)	(0.90)
9	Provision for taxation	–	(1.23)	(0.11)	387.90	(0.08)	2.06
10	Profit after taxation	0.40	(2.54)	(0.18)	1110.30	(1.39)	(2.96)
11	Interim dividend - equity	–	–	–	(123.53)	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	(288.26)	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	74.24	100.00	74.27	61.03	74.27	74.27

Sr. no.	Sr. No.	67	68
	Particulars	**L&T Geostructure Private Limited**	**LT IDPL INDVIT Services Limited**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**
	Currency	**INR**	**INR**
	Exchange rate on the last day of financial year	**–**	**–**
	Date of Acquisition	**25-Nov-20***	**20-May-99***
1	Share capital (including share application money pending allotment)	25.00	13.95
2	Other equity/Reserves and surplus (as applicable)	203.15	28.62
3	Liabilities	952.36	77.53
4	Total equity and liabilities	1180.51	120.10
5	Total assets	1180.51	120.10
6	Investments	32.00	70.00
7	Turnover	761.86	15.58
8	Profit before taxation	62.08	4.21
9	Provision for taxation	22.92	1.05
10	Profit after taxation	39.16	3.16
11	Interim dividend - equity	–	–
12	Interim dividend - preference	–	–
13	Proposed dividend - equity	–	–
14	Proposed dividend - preference	–	–
15	% of share holding	100.00	51.00

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	69	70	71	72	73	74
	Particulars	Larsen & Toubro LLC	Larsen & Toubro Infotech GmbH	Larsen & Toubro Infotech Canada Limited	Larsen & Toubro Infotech LLC	L&T Infotech Financial Services Technologies Inc.	Larsen and Toubro Infotech South Africa (Proprietary) Limited
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**USD**	**EURO**	**CAD**	**USD**	**CAD**	**ZAR**
	Exchange rate on the last day of financial year	**73.11**	**85.75**	**58.03**	**73.11**	**58.03**	**4.94**
	Date of Acquisition	**02-Jan-01***	**14-Jun-99***	**25-Apr-00**	**21-Jul-09***	**01-Jan-11**	**25-Jul-12**
1	Share capital (including share application money pending allotment)	0.38	1.07	0.00	–	217.59	0.18
2	Other equity/Reserves and surplus (as applicable)	2.46	383.33	36.10	6.14	146.40	10.98
3	Liabilities	1.74	150.26	19.94	5.97	21.94	4.25
4	Total equity and liabilities	4.58	534.66	56.04	12.11	385.93	15.41
5	Total assets	4.58	534.66	56.04	12.11	385.93	15.41
6	Investments	–	471.05	–	–	–	–
7	Turnover	3.70	139.60	245.78	22.98	303.91	29.82
8	Profit before taxation	0.10	4.52	12.17	2.33	120.29	9.74
9	Provision for taxation	0.04	0.07	3.23	–	34.24	2.84
10	Profit after taxation	0.06	4.45	8.94	2.33	86.05	6.90
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	98.77	74.27	74.27	74.27	74.27	51.68

Sr. no.	Sr. No.	75	76	77	78	79	80
	Particulars	L&T Information Technology Services (Shanghai) Co., Ltd.	Larsen & Toubro International FZE	Thalest Limited	L&T Modular Fabrication Yard LLC	Larsen & Toubro (East Asia) Sdn. Bhd.	Larsen & Toubro Qatar LLC
	Financial year ending on	**31-Dec-20**	**31-Mar-21**	**31-Mar-21**	**31-Dec-20**	**31-Mar-21**	**31-Dec-20**
	Currency	**CNY**	**USD**	**GBP**	**OMR**	**MYR**	**QAR**
	Exchange rate on the last day of financial year	**11.20**	**73.11**	**100.75**	**189.79**	**17.63**	**19.95**
	Date of Acquisition	**28-Jun-13***	**25-Sep-01***	**04-Apr-12**	**05-Jul-06***	**13-Jun-96***	**31-Mar-04***
1	Share capital (including share application money pending allotment)	1.20	125.02	0.00	54.75	1.32	0.60
2	Other equity/Reserves and surplus (as applicable)	(1.51)	222.47	0.00	142.04	2.90	–
3	Liabilities	8.81	110.49	–	317.37	73.61	5.01
4	Total equity and liabilities	8.50	457.98	0.00	514.16	77.83	5.61
5	Total assets	8.50	457.98	0.00	514.16	77.83	5.61
6	Investments	–	48.36	–	–	–	–
7	Turnover	24.61	0.24	–	801.58	139.12	–
8	Profit before taxation	1.07	184.69	(0.55)	71.43	1.79	(0.04)
9	Provision for taxation	(0.21)	15.12	–	11.54	–	–
10	Profit after taxation	1.28	169.57	(0.55)	59.90	1.79	(0.04)
11	Interim dividend - equity	–	(1.86)	(6.48)	–	–	–
12	Interim dividend - preference	–	–	(8.10)	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	74.27	100.00	100.00	70.00	30.00	49.00

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	81	82	83	84	85	86
	Particulars	Larsen & Toubro Kuwait Construction General Contracting Company WLL	Larsen & Toubro Saudi Arabia LLC	Larsen Toubro Arabia LLC	L&T Hydrocarbon Saudi Company	Larsen & Toubro Heavy Engineering LLC	Larsen & Toubro T&D SA (Proprietary) Limited
	Financial year ending on	**31-Dec-20**	**31-Dec-20**	**31-Dec-20**	**31-Dec-20**	**31-Dec-20**	**31-Mar-21**
	Currency	**KWD**	**SAR**	**SAR**	**SAR**	**OMR**	**ZAR**
	Exchange rate on the last day of financial year	**238.60**	**19.48**	**19.48**	**19.48**	**189.79**	**4.94**
	Date of Acquisition	**29-Nov-06***	**22-Jun-99***	**01-Jul-12***	**08-Jul-07***	**07-Apr-08***	**06-Sep-10***
1	Share capital (including share application money pending allotment)	47.72	28.01	19.48	1.95	107.52	3.70
2	Other equity/Reserves and surplus (as applicable)	(40.85)	410.30	(315.10)	(542.46)	(218.23)	(0.30)
3	Liabilities	46.92	1495.73	701.70	895.19	182.12	0.35
4	Total equity and liabilities	53.79	1934.04	406.08	354.68	71.41	3.75
5	Total assets	53.79	1934.04	406.08	354.68	71.41	3.75
6	Investments	–	–	–	–	–	–
7	Turnover	45.22	1685.45	423.39	706.97	52.54	–
8	Profit before taxation	2.74	138.52	76.76	(114.15)	(20.88)	0.12
9	Provision for taxation	–	28.68	7.18	0.45	20.99	–
10	Profit after taxation	2.74	109.84	69.58	(114.60)	(41.87)	0.12
11	Interim dividend - equity	–	(241.98)	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	49.00	100.00	75.00	100.00	70.00	72.50

Sr. no.	Sr. No.	87	88	89	90	91	92
	Particulars	L&T Technology Services LLC	L&T Global Holdings Limited	L&T Information Technology Spain SL	Larsen & Toubro (Oman) LLC	Esencia Technologies Inc.	Syncordis S.A.
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**	**31-Dec-20**	**31-Mar-21**	**31-Dec-20**
	Currency	**USD**	**USD**	**EURO**	**OMR**	**USD**	**EURO**
	Exchange rate on the last day of financial year	**73.11**	**73.11**	**85.75**	**189.79**	**73.11**	**89.74**
	Date of Acquisition	**26-Jun-14***	**24-Feb-16***	**01-Feb-16***	**29-Jan-94***	**31-May-17**	**15-Dec-17**
1	Share capital (including share application money pending allotment)	190.16	58.49	0.43	27.66	36.09	0.50
2	Other equity/Reserves and surplus (as applicable)	130.31	521.67	0.50	362.30	(42.09)	20.21
3	Liabilities	85.78	0.03	5.19	2143.61	9.95	115.07
4	Total equity and liabilities	406.25	580.19	6.12	2533.57	3.96	135.78
5	Total assets	406.25	580.19	6.12	2533.57	3.96	135.78
6	Investments	230.73	579.56	–	–	–	4.50
7	Turnover	463.79	–	22.91	1358.54	36.98	182.52
8	Profit before taxation	76.08	(6.07)	(0.90)	(0.96)	0.44	6.38
9	Provision for taxation	13.39	–	–	(1.84)	0.03	2.50
10	Profit after taxation	62.68	(6.07)	(0.90)	0.88	0.41	3.88
11	Interim dividend - equity	–	–	–	–	(34.14)	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	74.24	100.00	74.27	65.00	74.24	74.27

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	93	94	95	96	97	98
	Particulars	**Syncordis France SARL**	**Syncordis Limited**	**Syncordis PSF S.A.**	**L&T Infotech S. DE R.L. DE C.V.**	**Larsen & Toubro Electromech LLC**	**Larsen & Toubro Infotech Norge AS**
	Financial year ending on	**31-Dec-20**	**31-Dec-20**	**31-Dec-20**	**31-Dec-20**	**31-Dec-20**	**31-Mar-21**
	Currency	**EURO**	**GBP**	**EURO**	**MXN**	**OMR**	**NOK**
	Exchange rate on the last day of financial year	**89.74**	**100.75**	**89.74**	**3.67**	**189.79**	**8.57**
	Date of Acquisition	**15-Dec-17**	**15-Dec-17**	**15-Dec-17**	**01-Mar-17***	**01-Jan-05**	**20-Nov-18***
1	Share capital (including share application money pending allotment)	0.13	0.01	3.59	0.00	5.69	0.03
2	Other equity/Reserves and surplus (as applicable)	(4.92)	(19.29)	0.34	0.84	43.75	4.53
3	Liabilities	13.39	–	14.57	6.32	166.41	46.89
4	Total equity and liabilities	8.60	(19.28)	18.50	7.16	215.85	51.45
5	Total assets	8.60	(19.28)	18.50	7.16	215.85	51.45
6	Investments	–	–	–	–	–	–
7	Turnover	25.13	28.61	27.02	22.48	335.78	94.87
8	Profit before taxation	0.82	(5.44)	0.53	1.24	108.38	4.85
9	Provision for taxation	0.03	(0.88)	0.02	0.47	3.59	1.07
10	Profit after taxation	0.79	(4.56)	0.51	0.77	104.79	3.78
11	Interim dividend - equity	–	–	–	–	(96.85)	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	74.27	74.27	74.27	74.27	70.00	74.27

Sr. no.	Sr. No.	99	100	101	102	103	104
	Particulars	**Graphene Solutions PTE Ltd.**	**Graphene Solutions SDN. BHD.**	**Graphene Solutions Taiwan Limited**	**L&T Hydrocarbon International FZE**	**L&T Valves Arabia Manufacturing LLC**	**L&T Valves USA LLC**
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Dec-20**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**SGD**	**MYR**	**TWD**	**AED**	**SAR**	**USD**
	Exchange rate on the last day of financial year	**54.35**	**17.63**	**2.60**	**19.91**	**19.49**	**73.11**
	Date of Acquisition	**15-Oct-18**	**15-Oct-18**	**15-Oct-18**	**09-Sep-18***	**30-May-19***	**28-May-19***
1	Share capital (including share application money pending allotment)	0.33	0.18	1.15	0.30	1.95	3.66
2	Other equity/Reserves and surplus (as applicable)	0.31	(0.04)	(0.85)	(0.78)	(3.59)	(2.35)
3	Liabilities	1.45	0.03	0.49	0.79	8.11	22.47
4	Total equity and liabilities	2.09	0.17	0.79	0.31	6.47	23.78
5	Total assets	2.09	0.17	0.79	0.31	6.47	23.78
6	Investments	–	–	–	–	–	–
7	Turnover	3.33	–	0.28	–	0.17	13.62
8	Profit before taxation	(0.35)	(0.02)	(0.38)	(0.30)	(2.87)	(2.50)
9	Provision for taxation	–	–	–	–	(0.57)	(0.53)
10	Profit after taxation	(0.35)	(0.02)	(0.38)	(0.30)	(2.30)	(1.97)
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	74.24	74.24	74.24	100.00	100.00	100.00

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	105	106	107	108	109	110
	Particulars	Nielsen+Partner Unternehmensberater GmbH	Nielsen+Partner Unternehmensberater AG	Nielsen+Partner Pte Ltd	Nielsen&Partner Company Limited	Nielsen&Partner Pty Ltd	Ruletronics Limited
	Financial year ending on	**31-Jan-21**	**31-Dec-20**	**31-Dec-20**	**31-Dec-20**	**31-Dec-20**	**28-Feb-21**
	Currency	**EURO**	**CHF**	**SGD**	**THB**	**AUD**	**GBP**
	Exchange rate on the last day of financial year	**88.39**	**82.93**	**55.26**	**2.44**	**56.30**	**102.42**
	Date of Acquisition	**01-Feb-19**	**01-Feb-19**	**01-Feb-19**	**01-Feb-19**	**01-Feb-19**	**01-Feb-19**
1	Share capital (including share application money pending allotment)	1.81	0.83	0.55	0.24	0.00	0.00
2	Other equity/Reserves and surplus (as applicable)	13.05	2.30	28.68	(2.00)	(1.55)	7.19
3	Liabilities	6.43	5.66	17.93	5.19	13.01	–
4	Total equity and liabilities	21.29	8.79	47.16	3.43	11.46	7.19
5	Total assets	21.29	8.79	47.16	3.43	11.46	7.19
6	Investments	–	–	–	–	–	–
7	Turnover	33.84	24.90	106.68	4.25	11.91	13.45
8	Profit before taxation	0.90	(0.38)	22.11	(1.53)	(0.94)	(1.39)
9	Provision for taxation	(0.33)	0.00	3.24	–	(0.64)	(0.26)
10	Profit after taxation	1.23	(0.38)	18.87	(1.53)	(0.30)	(1.13)
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	74.27	74.27	74.27	74.27	74.27	74.27

Sr. no.	Sr. No.	111	112	113	114	115	116
	Particulars	Ruletronics Systems Inc.	Lymbyc Solutions Inc.	L&T Technology Services (Shanghai) Co. Ltd	Larsen & Toubro Infotech UK Limited	LTI Middle East FZ-LLC	Orchestra Technology, Inc.
	Financial year ending on	**31-Dec-20**	**31-Mar-21**	**31-Dec-20**	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**USD**	**USD**	**CNY**	**GBP**	**AED**	**USD**
	Exchange rate on the last day of financial year	**73.07**	**73.11**	**11.20**	**100.75**	**19.91**	**73.11**
	Date of Acquisition	**01-Feb-19**	**29-Aug-19**	**06-Aug-19***	**17-Aug-20***	**25-Nov-20***	**03-Oct-20**
1	Share capital (including share application money pending allotment)	–	0.68	3.68	0.01	0.02	49.47
2	Other equity/Reserves and surplus (as applicable)	1.60	(1.10)	(2.31)	0.21	2.11	(28.16)
3	Liabilities	3.09	0.42	3.75	9.94	217.39	29.03
4	Total equity and liabilities	4.69	–	5.12	10.16	219.52	50.34
5	Total assets	4.69	–	5.12	10.16	219.52	50.34
6	Investments	–	–	–	–	–	–
7	Turnover	15.85	–	3.17	8.76	48.40	63.22
8	Profit before taxation	(1.21)	(0.02)	(2.24)	0.25	(1.60)	(1.05)
9	Provision for taxation	0.03	–	–	0.05	–	(1.04)
10	Profit after taxation	(1.24)	(0.02)	(2.24)	0.20	(1.60)	(0.01)
11	Interim dividend - equity	–	–	–	–	–	–
12	Interim dividend - preference	–	–	–	–	–	–
13	Proposed dividend - equity	–	–	–	–	–	–
14	Proposed dividend - preference	–	–	–	–	–	–
15	% of share holding	74.27	74.27	74.24	74.27	74.27	74.24

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] *(contd.)*

₹ crore

Sr. no.	Sr. No.	117	118	119
	Particulars	L&T Technology Services (Canada) Ltd	Mindtree Software (Shanghai) Co. Ltd	Bluefin Solutions Sdn Bhd
	Financial year ending on	**31-Mar-21**	**31-Mar-21**	**31-Mar-21**
	Currency	**CAD**	**CNY**	**MYR**
	Exchange rate on the last day of financial year	**58.03**	**11.16**	**17.63**
	Date of Acquisition	**20-Aug-19***	**02-Jul-19**	**02-Jul-19**
1	Share capital (including share application money pending allotment)	0.04	1.40	0.20
2	Other equity/Reserves and surplus (as applicable)	0.04	0.40	–
3	Liabilities	1.05	0.50	–
4	Total equity and liabilities	1.13	2.30	0.20
5	Total assets	1.13	2.30	0.20
6	Investments	–	–	–
7	Turnover	1.04	0.60	–
8	Profit before taxation	0.05	0.20	–
9	Provision for taxation	0.01	–	–
10	Profit after taxation	0.04	0.20	–
11	Interim dividend - equity	–	–	–
12	Interim dividend - preference	–	–	–
13	Proposed dividend - equity	–	–	–
14	Proposed dividend - preference	–	–	–
15	% of share holding	74.24	61.03	61.03

Notes:

A) Names of subsidiaries which are yet to commence operations:

a) PT Larsen & Toubro Hydrocarbon Engineering Indonesia

b) L&T Hydrocarbon Caspian LLC

c) L&T Hydrocarbon International FZE

d) Raykal Aluminium Company Private Limited

B) Names of subsidiaries which have been merged/sold/dissolved/struck-off.

(1) Merged:

a) L&T Gulf Private Limited (merged with L&T Hydrocarbon Engineering Limited)

b) L&T Housing Finance Limited (merged L&T Finance Limited)

c) L&T Infrastructure Finance Company Limited (merged L&T Finance Limited)

d) NIELSEN+PARTNER S.A. (merged with Syncordis S.A.)

Note: * Date of incorporation

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: "Subsidiaries" [as per Section 2(87) of the Companies Act, 2013] ***(contd.)***

(2) Sold:

a) L&T Capital Markets Limited

b) Henikwon Corporation SDN. BHD.

c) Kana Controls General Trading & Contracting Company W.L.L

d) L&T Electrical & Automation FZE

e) L&T Electricals & Automation Saudi Arabia Company Limited LLC

f) PT. Tamco Indonesia

g) Tamco Electrical Industries Australia Pty Limited

h) Tamco Switchgear (Malaysia) SDN BHD

i) Servowatch Systems Limited

j) L&T Capital Markets (Middle East) Ltd

(3) Liquidated/Dissolved/struck-off:

a) L&T Cassidian Limited

b) Sahibganj Ganges Bridge-Company Private Limited

c) Larsen & Toubro Hydrocarbon International Limited LLC

d) L&T Overseas Projects Nigeria Limited

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part B: "Associates/Joint ventures"

Sr. No.	Sr. No.	1	2	3	4	5	6	7	8
	Name of associates/joint ventures	**L&T-Chiyoda Limited**	**International Seaports (Haldia) Private Limited [a]**	**L&T Camp Facilities LLC**	**Larsen & Toubro Qatar & HBK Contracting Co. WLL**	**Magtorq Private Limited**	**Magtorq Engineering Solutions Private Limited**	**Indiran Engineering Projects and Systems Kish PJSC**	**Gujarat Leather Industries Limited**
1	Latest audited balance sheet date	31-Mar-21	31-Mar-20	31-Dec-20	31-Dec-20	31-Mar-21	31-Mar-21	Refer Note 2	
2	Date on which the associate or joint venture was associated or acquired	26-Oct-94	11-Feb-05	13-Sep-07	28-Jul-04	02-Aug-10	02-Aug-10	31-Oct-09	27-Jun-91
3	Shares of associate/joint ventures held by the company at the year end								
	Number	45,00,000	98,30,000	2,450	100	9,000	22,000	875	7,35,000
	Amount of investment in associates/joint venture (₹ crore)	4.50	9.83	4.87	0.18	4.42	0.22	0.39	–
	Total share capital (₹ crore)	9.00	44.06	9.95	0.40	0.21	0.24	0.78	–
	Reserves closing	128.84	28.97	(0.39)	(7.90)	10.92	1.01	(0.83)	–
	Total no. of shares	90,00,000	4,40,58,020	5,000	200	21,003	24,000	1,750	Refer Note 3
	Extent of holding % (Effective)	50.00%	14.25%	49.00%	50.00%	42.85%	39.28%	50.00%	50.00%
4	Description of how there is significant influence	Refer Note 1							
5	Reason why the associate/joint venture is not consolidated								Refer Note 3
6	Net worth attributable to shareholding as per latest audited balance sheet (₹ crore)	68.92	10.40	4.68	(3.75)	4.77	0.49	(0.03)	–
7	Profit/(Loss) for the year (₹ crore)								
	Considered in consolidation	15.44	16.20	0.04	–	0.32	0.13	0.52	–
	Not considered in consolidation	–	–	–	–	–	–	–	–

[a] The company is associate of a subsidiary company under Companies Act, 2013.

Notes:

1. Significant influence is demonstrated by holding 20% or more of the total voting power, or control of or participation in business decisions under an agreement of the investee.
2. The Incorporated joint venture is not required to be audited as per regulatory laws in Iran. Hence the management certified accounts have been considered for consolidation.
3. The associate company is under liquidation process and investment is fully provided in the accounts.

S. N. SUBRAHMANYAN
Chief Executive Officer & Managing Director
(DIN 02255382)

R. SHANKAR RAMAN
Whole-time Director & Chief Financial Officer
(DIN 00019798)

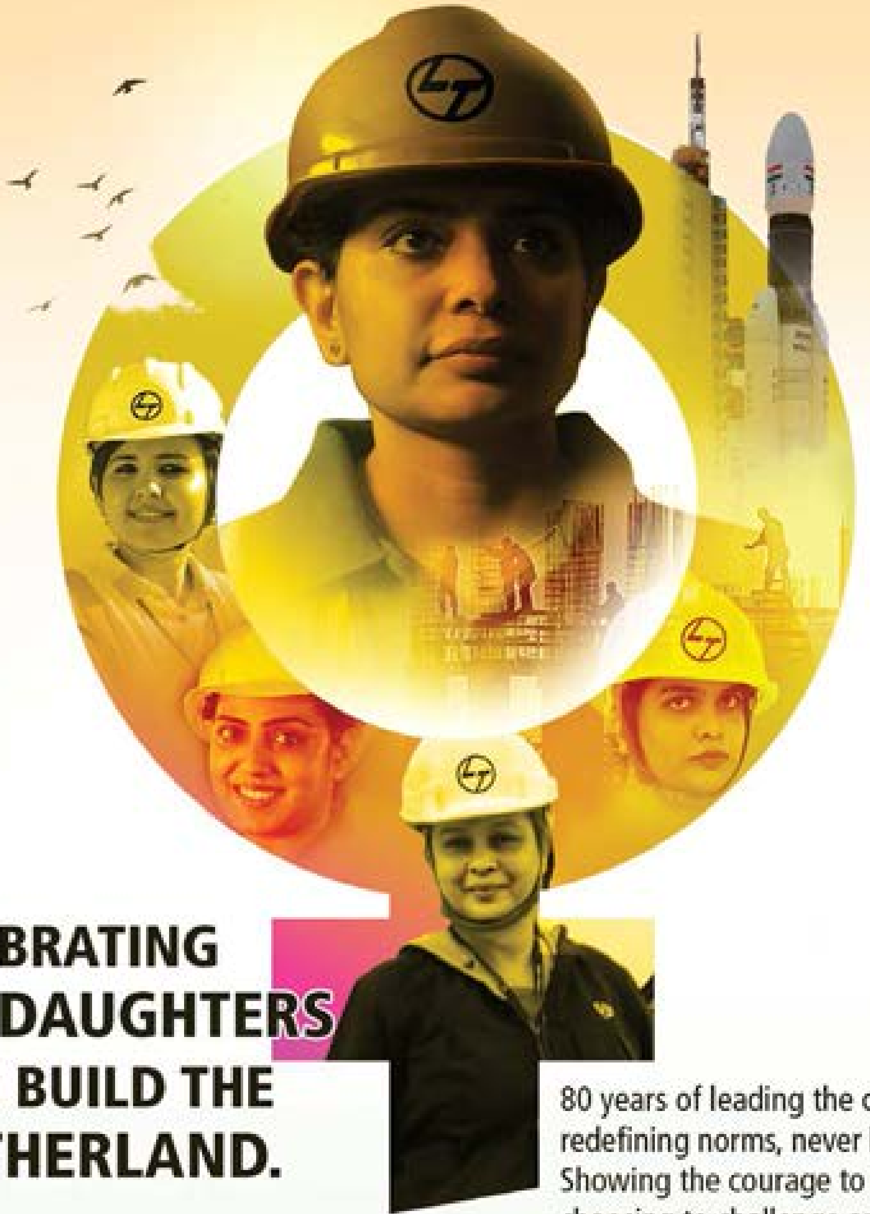
M. M. CHITALE
Independent Director
(DIN 00101004)

SIVARAM NAIR A
Company Secretary & Compliance Officer
Membership No. FCS3939

Mumbai, May 14, 2021

#TechnologyForSustainableGrowth

LARSEN & TOUBRO



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CBMC/PSS/032021

Find us on:

www.Larsentoubro.com

Regd. Office: Larsen & Toubro Limited, L&T House, N. M. Marg, Ballard Estate, Mumbai - 400 001. CIN: L99999MH1946PLC004768

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LARSEN & TOUBRO LIMITED

CIN : L99999MH1946PLC004768
Regd. Office : L&T House, Ballard Estate, Mumbai 400 001.
Tel. No.: (022) 6752 5656, Fax No.: (022) 6752 5893
Email: IGRC@Larsentoubro.com, Website: www.larsentoubro.com

Dear Shareholder,

Date: 14th May 2021

We are privileged to have you as our shareholder. It has been our constant endeavour to improve the services to our Investors and in this pursuit, we are once again sending you this Feedback Form, which is a self addressed prepaid Inland letter. We request you to kindly spare some time and retum the same to us duly completed. We look forward to your feedback/valuable suggestions.

Thanking you,

Yours faithfully,

For **LARSEN & TOUBRO LIMITED**

Sivaram Nair A
Company Secretary
M. No. F3939

SHAREHOLDER'S FEEDBACK FORM

Name and address of the shareholder	Phone No: (with STD code)
	E-maii ID:
	Folio No./DP ID & Client ID

Shareholders Satisfaction Survey Questionnaire

(please ✓ the appropriate box)

A. Do you perceive the Company as creating shareholder value in the:

(i) Short Term Yes ☐ No ☐
(ii) Long Term or Yes ☐ No ☐
(iii) Both Yes ☐ No ☐

B. Are you satisfied with the growth strategy of the Company?

Yes ☐ No ☐ Not aware ☐

		Excellent	Good	Poor*	Not experienced
C.	Please rate the contents and quality of Annual Report				
D.	Please rate the contents and quality of the website of the Company				
E.	Arrangements made at the last AGM				
F.	Quality and accuracy of response to your queries and complaints: - by Company				
	- by Registrar				
G.	Timeliness of response form - the Company				
	- the Registrar				
H.	Please rate the hospitality and efficiency of the persons attending to you when you interact with - Investors Relation Cell				
	- Office of Registrars				
I.	Overall quality of service provided by - the Company				
	- the Registrar				

* Kindly let us know your experience in space provided overleaf

J. Do you have any grievance which has not been redressed Yes ☐ No ☐

Signature

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BUSINESS REPLY LETTER

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B. R. PERMIT No.: MBI GPO - 0049
Mumbai G.P.O.
Mumbai - 400 001.

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Larsen & Toubro Limited
Secretarial Department
L&T House, Ballard Estate,
Mumbai - 400 001.

Second Fold

First Fold

* In case your response to any question overleaf is “Poor”, kindly share your experience and let us know the reason/ instances to enable us to investigate the matter.

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In case of any queries, kindly contact our Registrar:

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
Tel : (040) 6716 2222 • Toll free number: 1-800-3454-001 • Email: einward.ris@kfintech.com

AWARDS & RECOGNITION

Every year, L&T and its people receive a number of national and international awards that acknowledge its varied accomplishments. Presented by the media, industry associations, independent bodies and academia, they honour the Company's contribution in various spheres of business, technology, financial performance, growth and environmental protection.

For details of recent awards, please visit **www.Larsentoubro.com**